Courage Investment Group Limited
勇利投資集團有限公司

(Incorporated in Bermuda with limited liability)
(Hong Kong Stock Code: 1145)
(Singapore Stock Code: CIN)

2025
ANNUAL REPORT

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Ms. Liu Sainan *(Chairlady)*
Mr. Wu Ying Ha *(Chief Executive Officer)*
Ms. Lee Chun Yeung, Catherine

Independent Non-executive Directors

Mr. Zhu Gaoming
Mr. Qiu Yiyong
Mr. Deng Banghao

AUDIT COMMITTEE

Mr. Zhu Gaoming *(Chairman)*
Mr. Qiu Yiyong
Mr. Deng Banghao

REMUNERATION COMMITTEE

Mr. Qiu Yiyong *(Chairman)*
Mr. Zhu Gaoming
Mr. Deng Banghao

NOMINATION COMMITTEE

Ms. Liu Sainan *(Chairlady)*
Mr. Zhu Gaoming
Mr. Qiu Yiyong
Mr. Deng Banghao

COMPANY SECRETARY

Mr. Chan Suk Ching

DEPUTY COMPANY SECRETARY

Ms. Lee Pih Peng

TRADING OF SHARES

Hong Kong Stock Exchange
(Stock Code: 1145)
Singapore Exchange
(Stock Code: CIN)

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS

Rooms 1405-1412, 14th Floor
Sun Hung Kai Centre
30 Harbour Road
Wanchai
Hong Kong

PRINCIPAL BANKERS

Bank of Communications Co., Ltd.,
Hong Kong Branch
Bank of Communications (Hong Kong) Limited
Hang Seng Bank Limited

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditors

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

SINGAPORE SHARE TRANSFER AGENT

Unit Trust/Share Registration
Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

WEBSITE

www.courageinv.com

Chairlady's Statement

On behalf of the Board of Directors, I hereby present to the shareholders of the Company the results of the Group for the year ended 31 December 2025 (the "**FY2025**").

PERFORMANCE

In 2025, the global economic uncertainty increased due to the tariff war initiated by the United States, leading to significant volatility in the shipping and logistics markets. The BSI fell to a near five-year low of US$5,575. Although the index rebounded steadily from late June, even exceeding the same period last year in the second half, the annual average was still US$1,378 lower than the previous year's average, impacting full-year revenue and profit. Under the guidance of the new board of directors, the Group implemented measures focused on cost reduction and efficiency improvement, enhancing the refined management of its shipping business, increasing rental income, and controlling costs, achieving positive results. The Company also focused on diversifying its business, expanding its coal trading and land-based logistics operations. During the year, it completed the establishment of a branch company in Wuhai, the PRC and commenced Mongolian mining truck business, broadening its revenue base and mitigating the risks of relying on a single business.

In the fiscal year 2025, the Group recorded revenue of US$18,604,000 (2024: US$9,183,000), representing a year-on-year increase of 102.6%. Of this, marine logistic transportation service revenue was US$11,665,000, representing a year-on-year increase of 27%; the newly-expanded coal trading business recorded revenue of US$6,939,000. Given the volatile shipping market and the decline in the BSI, the Group's revenue growth in marine logistic transportation is truly remarkable. This was primarily due to the Group's decision to change the chartering method for its newly-acquired Poly Odyssey bulk carrier to be based on the BSI. Secondly, the Group comprehensively increased the charter rates for its three bulk carriers, reducing the charter discounts from the original 90% and 93% to approximately 96%.

The Group recorded a loss attributable to owners of the Company of US$357,000 for the year (2024: profit of US$1,706,000). Basic loss per share was US$0.03 cent (2024: basic earnings per share of US$0.16 cent). The Group's turn from profit to loss was primarily due to: (i) as previously stated, the tariff war caused the BSI to fall by US$1,378 throughout the year; and (ii) an impairment charge of US$1,275,000 on vessels.

Excluding MV Poly Odyssey, which was newly acquired at the end of 2024, the operating expenses (excluding depreciation) of the Company's two bulk carriers (MV Heroic and MV Polyworld) decreased by US$76,000 and US$117,000 respectively this year, representing a decrease of 3.9% and 6.1%, indicating that cost reduction and efficiency improvement measures have been effective. In addition, the newly-expanded trading business contributed US$1,117,000 in profit before tax, mitigating the impact of declining shipping profits.

OUTLOOK

The Group maintains a cautiously optimistic outlook on the medium- to long-term prospects of its shipping business. The gradual easing of tariff wars and the recovery of global trade, particularly the growth of emerging markets, are driving demand for commodities. In particular, the growth in exports of steel, used cars and construction vehicles, passenger and freight cars, and wind power equipment from the PRC, the world's factory, is providing momentum for the dry bulk shipping market. However, the industry also faces new challenges, including geopolitical instability, fuel price volatility, and uneven global economic recovery.

The Board will adopt a strategy of strengthening its core business while simultaneously diversifying its operations, further intensifying efforts to reduce costs and increase efficiency, and seizing opportunities to expand the fleet and maritime shipping business through acquisitions, leases, mergers, and acquisitions. At the same time, it will actively expand its logistics and commodity trading businesses, seeking potential investment and acquisition opportunities to promote the sustainable growth of the Group's business and to maximise benefits for shareholders.

Chairlady's Statement

ACKNOWLEDGMENTS

During FY2025, I would like to express my sincere gratitude on behalf of the Board to all shareholders, investors, business partners and customers for their continued support of the Group, and to the directors for their contributions and all employees for their hard work.

Liu Sainan
Chairlady
Hong Kong, 27 March 2026

Our Business

(1) MARINE TRANSPORTATION

OVERVIEW

The dry bulk industry carries dry commodities and other non-containerised cargo.

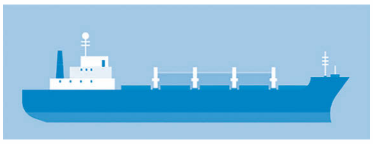
We specialise in the versatile, Supramax vessels that carry a wide range of minor bulks, which offers significant benefits of diversification in terms of geography, customers and cargoes.

OUR FLEET

Our bulk carriers are highly versatile self-loading and self-discharging vessels.

Our vessels transport mainly bulk commodities including raw materials, construction materials and other related cargos.

Set out hereinbelow are the detailed information of our fleet as at 31 December 2025.

Bulk Carrier Ship Types		Vessels in operation	Loading Capacity (dwt)	Age	Main commodities carried
	Supramax	MV Heroic	58,000	13	Ores
		MV PolyWorld	58,000	14	Concentrates
		MV Poly Odyssey	58,000	14	Alumina
					Sand & Gypsum
					Cement & Clinker
					Steel
					Scrap
					Rare Earth
					Trucks
		Total:	174,000		

(2) LAND TRANSPORTATION

OVERVIEW

The land transportation industry concentrates on carrying mining ores and other related cargo.

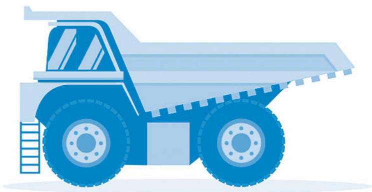
We specialise in the versatile, mid-size, mining trucks that carry a wide range of ores and concentrates in southern part of Mongolia, providing logistics and transportation services to mines.

OUR MINING TRUCKS

Our mining trucks are modernized highly versatile self-loadings and self-discharging trucks.

Our mining trucks transport mainly mining ores, concentrates and related cargoes.

Set out hereinbelow are the detailed information of our mining trucks as at 31 December 2025.

Mining Trucks Types		Mining Trucks in operation	Number of Mining Trucks Owned	Loading Capacity (dwt)	Main commodities carried
	Mining dump trucks	Tonly Heavy Industries TL875D	5	70	Ores Concentrates
		LGMG MT96L	48	90	
		Total:	53	4,670	

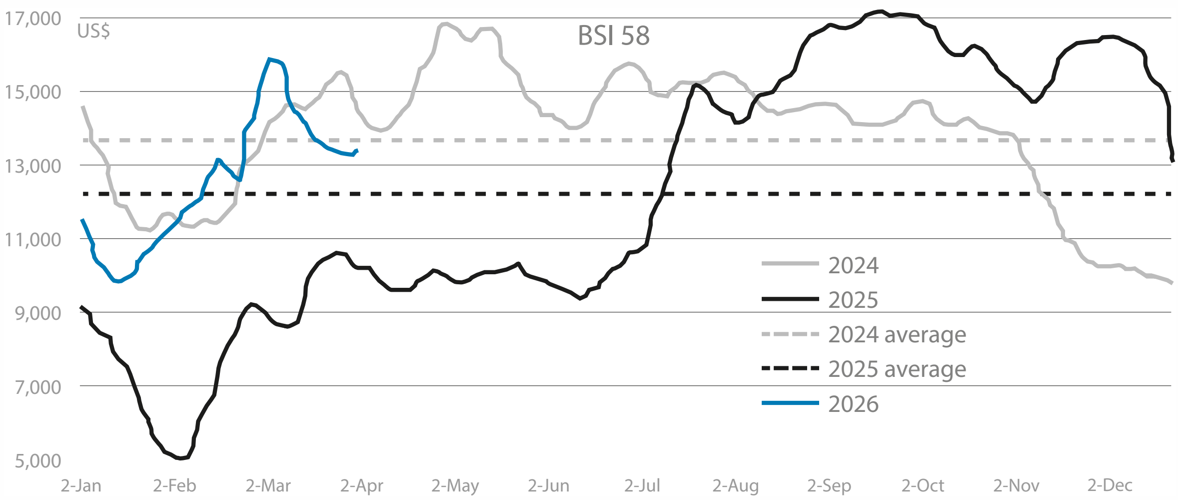
Management Discussion and Analysis

BUSINESS REVIEW

The Group has been principally engaged in logistic transportation and trading businesses during the year ended 31 December 2025 ("**FY2025**"). In FY2025, the Group recorded an increase in revenue by 102.6% year-on-year to US$18,604,000 (2024: US$9,183,000), mainly due to the increase in revenue of the logistic transportation business by US$2,482,000, an increase of 27% year-on-year, and the newly-launched trading business's contribution of US$6,939,000. Despite the increase in revenue, there was a loss attributable to owners of the Company of US$357,000 (2024: profit of US$1,706,000) for FY2025, which was mainly due to a non-cash impairment loss on the vessels of the Group in FY2025. Basic loss per share was US$0.03 cent for FY2025 (2024: basic earnings per share of US$0.16 cent). The Group remained debt free as at year ended 31 December 2025.

Logistic transportation

During FY2025, the dry bulk freight markets experienced a significant plunge to a historical trough in 1Q2025. BSI recorded a five-year low of US$5,575 on 3 February 2025. After Lunar New Year, BSI had gradually gained its upward momentum since then and into 2H2025, on the back of long-haul bauxite trade from Guinea to the PRC and a surge in export of semi-processed goods from the PRC to emerging market in Atlantic, despite the US-Sino trade conflict and disruptions in the Red Sea. From the supply-side, the growth of dry bulk fleet is 3% net. The newbuild pipeline in 2025 was constrained by limited available shipyard capacity and high newbuild prices, together with the launching of special port fees penalizing the PRC made vessels by the United States of America, driving a surge in freight rate in 2H2025. The whole year average recorded at a gross of US$12,223 in 2025, which is still 10.1% year-on-year lower than that of US$13,601 in 2024.



Source: Clarksons Research

Though market fundamentals had been tough ahead of the Group, the Group's time-chartered marine logistic transportation business significantly outperformed the drop in average BSI in FY2025, which was primarily driven by management renegotiation of more favourable freight rates with individual charterer of the Group's fleet.

Management Discussion and Analysis

With reference to prevailing market conditions (taking into considerations of second-hand prices of comparable vessels in terms of countries of built, deadweight tonnages, ages and market freights), in FY2025, the Group recognised a non-cash impairment loss of US$1,275,000 on its vessels (2024: a reversal of impairment loss on a vessel of US$91,000).

During FY2025, the Group expanded its logistic transportation to land from marine, by acquiring mining trucks in Mongolia at a consideration of US$5,000,000, as announced by the Company on 6 October 2025. The completion of this acquisition on 31 December 2025 marks a remarkable diversification of the Group's logistic business. During FY2025, no revenue was recognised by the newly-acquired mining trucks.

Trading

As stated in the 2025 interim report of the Company, due to the complex and uncertain impacts of trade war tensions and geopolitical conflicts, the global bulk shipping market was volatile and uncertain. To address the adverse impact of uncertainty on the Group, the Group actively explored and implemented business diversification. Capitalising on the new controlling shareholder's extensive experience and business networks in coal and commodities, the Group has expanded into coal trading since 2Q2025. The Group recorded a revenue of US$6,939,000 (2024: Nil) and a profit before tax of US$1,117,000 (2024: Nil) in 2025. In this year, the Group recorded coal trading of approximately 60,000 tons (2024: Nil).

FINANCIAL REVIEW

Liquidity, financial resources and capital structure

During FY2025, the Group financed its operation by cash generated from operations as well as shareholders' funds. At 31 December 2025, the Group had current assets of US$16,934,000 (2024: US$19,660,000) and liquid assets comprising bank deposits and cash and cash equivalents totaling US$11,222,000 (2024: US$18,938,000). The Group's current ratio, calculated based on current assets over current liabilities of US$2,295,000 (2024: US$1,003,000), declined to about 7.4 (2024: 19.6) at the year end. The significant decrease in current ratio was mainly attributable to acquisition of mining trucks in Mongolia of US$5,000,000, a long-term strategic fund investment of US$900,000 and dry-docking costs, which in turn led to the decrease in bank balances whereas there is corporate income tax incurred for the Group's coal trading business in Chinese Mainland of US$281,000, which in turn led to an increase of current liabilities for the Group.

At 31 December 2025, the equity attributable to owners of the Company amounted to US$58,587,000 (2024: US$58,804,000), slightly decreased by US$217,000 when compared with the last year end and was mainly a result of the loss incurred by the Group of US$357,000 (2024: profit of US$1,706,000).

For FY2025, the Group's finance costs of US$17,000 (2024: US$20,000) represented interests on lease liabilities. Decrease in finance costs by 15% was mainly a result of the full repayment of borrowings in prior year.

At 31 December 2025, the Group's gearing ratio was zero (2024: Zero).

The Group's interest income from banks decreased by 67% to US$253,000 (2024: US$776,000) over last year, mainly resulted from a decline of fixed deposit balance in banks and the general fall in bank interest rates for FY2025.

With the amount of liquid assets on hand, the management is of the view that the Group has sufficient financial resources to meet its ongoing operational requirements.

Foreign currency management

The monetary assets and liabilities as well as business transactions of the Group are mainly denominated in United States dollars, Hong Kong dollars, Chinese Renminbi and Mongolian Tugriks. During FY2025, the Group had not experienced any significant exposure to exchange rate fluctuations, as such, the Group had not entered into any financial arrangements for hedging purposes. Appropriate measures will be undertaken by the Group should exchange rate fluctuations become significant.

Pledge of assets

At 31 December 2025, no assets were pledged by the Group (2024: Nil).

Contingent liabilities

At 31 December 2025, the Group had no significant contingent liabilities (2024: Nil).

Capital commitments

At 31 December 2025, the Group had no significant capital commitments (2024: Nil).

EMPLOYEES AND REMUNERATION POLICY

At 31 December 2025, the Group had 18 (2024: 18) employees including directors of the Company. For FY2025, staff costs (including directors' emoluments) amounted to US$1,729,000 (2024: US$930,000). The remuneration packages for directors and staff are normally reviewed annually and are structured by reference to prevailing market terms and individual competence, performance and experience. The Group operates a Mandatory Provident Fund Scheme (the "**MPF Scheme**") for employees in Hong Kong. In addition, the Group provides other employee benefits including medical insurance, subsidised training programme as well as discretionary bonus.

The Group's contributions to the MPF Scheme for its employees are fully and immediately vested in the employees once the contributions are made. Accordingly, there are no forfeited contributions under the MPF Scheme that may be used by the Group to reduce the existing level of contributions.

RISK FACTORS

The Group has identified and is facing a number of significant risks during FY2025. Some of these risks are ongoing factors which the industry has to cope with in the medium- to long-term. Other risk factors are specific to the Group.

Economic risk

The global economic slowdown with the ongoing geopolitical crisis, the demand for chartering services, the supply of vessels and commodity price fluctuations were some of the major factors that contributed to the volatility of BSI during FY2025. The BSI, which has a close correlation to market freight, slumped to its five-year trough of US$5,575 per day in February 2025 but reached its peak of approximately US$16,800 per day in September 2025. The fluctuation in BSI is beyond the Group's control and would have a material impact on the financial performance of the Group's marine logistic transportation business.

The Group's trading segment faces risks from volatile demand. Price swings, regulatory actions (for example, carbon taxes) and rising financing costs threaten margins. Coal's structural decline increases stranded asset risk, making the financial performance of the Group's coal trading business highly sensitive to policy shifts and renewable adoption.

Market risk

The Group's marine logistic transportation business operates in a rather volatile market. The business of its dry bulk cargo carriers is heavily influenced by fluctuations in the demand for chartering services and the supply of vessels, both regionally and globally, tightened sanctions regulations and trade restrictions by various countries, including geopolitical crisis and Sino-US trade tension. Accordingly, the Group faces intense competition within the shipping industry resulting in volatility of freight.

The Group's trading business also faces market risk primarily from volatile prices due to uneven global demand. Such risk arises from diverging regional decarbonisation speeds, while illiquidity during energy transitions and sudden regulatory shifts (for example, carbon pricing) challenge the Group's margin stability.

Financial risk

The Group is exposed to financial risks relating to foreign currency, interest rate, credit and liquidity in its ordinary course of business. Details of such risks and management policies are set out in note 31 to the consolidated financial statements.

Environment risk

The Group is constantly exposed to inherent risks such as oil spills, pollution, collisions, mechanical breakdown of its vessels, adverse weather conditions, fire or other calamity. Any of these factors may cause disruptions to the Group's marine logistic transportation business and result in loss or damage to its vessels. The Group may also be liable for damages or compensation payable. Although the Group has purchased relevant insurance so as to mitigate such risk, the existing insurance may not be able to cover all claims fully. As a result, its costs may increase significantly. This may adversely affect the financial performance of the Group's marine logistic transportation business.

Trading of coal would also bear environmental risk from stricter emissions regulations, carbon taxes and climate disclosure mandates. Stranded asset risks grow as banks and insurers decarbonise portfolios. Accordingly, the Group might have to incur higher costs to cope with stricter compliance standards.

Supply chain risk

The Group sources goods and products from a wide range of suppliers. The cooperation is based on fair terms of trade between the Group and its suppliers. However, the Group cannot warrant that the relationship with each supplier will remain unchanged, in the event the Group is unable to reach agreement upon reasonable terms with any suppliers and cannot find suitable substitute suppliers, the Group's logistic transportation business and trading business may be both affected.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

As far as the Board and the management are aware, the Group has complied in material respects with the relevant laws and regulations that have significant impact on the businesses and operations of the Group. During FY2025, there was no breach of or non-compliance with the applicable laws and regulations by the Group.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group understands the importance of maintaining good relationships with its employees, customers and suppliers to meet its immediate and long-term business goals. During FY2025, there were no significant disputes between the Group and its employees, customers and suppliers.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to the long-term sustainability of the environment and communities in which it operates. The Group is closely following the rules and regulations of the International Maritime Organization ("**IMO**"). The IMO sets out a number of regulations and guidelines for the shipping industry that include safety, environment, human, technical, legal and security elements. The Group has established internal control systems and procedures based on these IMO rules, especially the International Safety Management Code. The Group's internal control systems are subject to annual review and audit by the IMO compliance agents. The Group is working vigorously to improve its performance in order to follow and match the ever-changing requirements of the industry and the IMO in particular.

Biographical Details of Directors

The biographical details of Directors, as of the date of this report, are set out below:

EXECUTIVE DIRECTORS

Ms. Liu Sainan ("Ms. Liu"), *Chairlady and Executive Director*

Ms. Liu, aged 42, joined the Group in March 2025 and is the Chairlady of the Board, executive Director and Chairlady of Nomination Committee. She is also a director of several subsidiaries of the Group. Ms. Liu is a Chinese entrepreneur with over 11 years of experience in the construction, real estate development, coal mining and investment industries. She served as the executive president from May 2018 to November 2022 of Wuhai Jintian Real Estate Co., Ltd., which is principally engaged in real estate development. Ms. Liu has served as the chairlady of Hainan Sairui Zhenghe Consulting Management Co., Ltd. and Hainan Saihe Landao Trading Co., Ltd., which are principally engaged in investment holding for coal mining business, since November 2022 and April 2023 respectively. Ms. Liu obtained a bachelor's degree in International Trade from Dongbei University of Finance and Economics in 2005. As at the date of this circular and within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), Ms. Liu is deemed to be interested in 568,768,963 shares of the Company, representing approximately 51.81% of the issued share capital of the Company, which are held through China Mark Limited.

Mr. Wu Ying Ha ("Mr. Wu"), *Chief Executive Officer and Executive Director*

Aged 62, joined the Group in October 2024 and is the Chief Executive Officer and executive Director. He is also a director of various subsidiaries of the Company. Mr. Wu holds a Master of Business Administration degree from Southeastern University in Washington D.C., United States. Before joining the Group, Mr. Wu had held senior positions in several member companies of CITIC Group for over 21 years, including the positions of chief corporate officer and senior corporate director in liaison and project management of Dah Chong Hong Holdings Limited ("**DCH**"), a company previously listed on the Main Board of the Hong Kong Stock Exchange; a director of Dah Chong Hong Macau Total Supply Chain Management Company Limited; the chairman and general manager of DCH China Consumer Goods; a vice president of CITIC Resources Holdings Limited (Hong Kong Stock Code: 1205); and an assistant general manager and the general manager of the personnel & administration department of CITIC United Asia Investments Limited. Mr. Wu had also served as an assistant general manager of the international tour department of China Travel Service (Hong Kong) Limited. Mr. Wu has over 21 years of corporate management experience in tourism, consumer goods trading, supply chain management and resources businesses. Mr. Wu was an executive director and the chief executive officer of China Ecotourism Group Limited (Hong Kong Stock Code: 1371) until January 2022.

Ms. Lee Chun Yeung, Catherine ("Ms. Lee"), *Executive Director*

Aged 57, joined the Group in August 2023 as executive Director. She is a director of various subsidiaries of the Company. Ms. Lee holds a Bachelor of Arts degree from Guangzhou Institute of Foreign Languages (now known as Guangdong University of Foreign Studies) and a Master of Business Administration degree from the University of South Australia. Before joining the Group, Ms. Lee had served as an executive director and/or senior executive in several Hong Kong listed companies. She has extensive experience in business management, supply chain management and international trading of metal minerals and commodities.

Biographical Details of Directors

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Zhu Gaoming ("Mr. Zhu"), *Independent Non-executive Director*

Aged 61, joined the Group as independent non-executive Director in March 2025 and is the Chairman of Audit Committee and a member of Nomination Committee and Remuneration Committee. He is also the Senior Assistant President and Treasury Management Principal Expert of Fosun International Limited (Hong Kong Stock Code: 656). He was the non-executive director of China CITIC Bank Corporation Limited (601998.SH, Hong Kong Stock Code: 998) from August 2017 to September 2018. Mr. Zhu was the vice president and the president of Overseas Business of CIFI Holdings (Group) Co. Ltd. (Hong Kong Stock Code: 884) from 2022 to 2025. He has worked in various management positions including financial and internal control matters, etc. at CITIC Group Corporation (the "**CITIC Group**") and Agricultural Bank of China Limited. He has vast experience in banking and finance. Mr. Zhu obtained a bachelor's degree in Economics and a master degree in Economics at Fudan University in 1987 and 1990, respectively, and further obtained a master's degree in business administration from The University of Sheffield in the United Kingdom in 1998.

Mr. Qiu Yiyong ("Mr. Qiu"), *Independent Non-executive Director*

Aged 69, joined the Group as independent non-executive Director in March 2025 and is the Chairman of Remuneration Committee and a member of Audit Committee and Nomination Committee. He is also the non-executive director and vice chairman of the board of directors of Hong Kong Robotics Group Holding Limited (Hong Kong Stock Code: 370). Mr. Qiu was the director of CITIC Resources Holdings Limited (Hong Kong Stock Code: 1205) ("**CRH**") between 2002 and 2016 and was appointed as the chief executive officer of CRH between March 2014 and October 2015 and a vice chairman of CRH between July 2014 and October 2015. He was also the chairman and an executive director of South Manganese Investment Limited (formerly known as CITIC Dameng Holdings Limited) (Hong Kong Stock Code: 1091) between October 2010 and October 2015. He was also a director of several subsidiaries of CITIC Group. Mr. Qiu has over 41 years' experience in investment management and the natural resources industry. Mr. Qiu holds a bachelor of Economics Degree from Xiamen University and is a qualified senior statistician in China.

Mr. Deng Banghao ("Mr. Deng"), *Independent Non-executive Director*

Aged 60, joined the Group as independent non-executive Director in March 2025 and is a member of Audit Committee, Nomination Committee and Remuneration Committee. Mr. Deng is an operation expert in the safety supervision department of COSCO Shipping Bulk Co., Ltd. Mr. Deng held various management positions in China Shipping Development Co. Ltd. from 2001 to 2012. He served as the manager of the safety management department of Guangdong Haidian Shipping Co., Ltd. from 2013 to 2019. He was the vice general manager of Tianjin CS&CR Shipping Co., Ltd. from 2019 to 2023. Mr. Deng obtained a bachelor's degree in Engineering from Jimei University in 2007 and has the qualifications of senior engineer and senior captain.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51(B)(1) of the Hong Kong Listing Rules, the changes in information of Directors of the Company, as notified to the Company, subsequent to the date of the 2025 Interim Report or the date of announcement on appointment of Director are set out below:

Directors	Details of Change
Mr. Qiu Yiyong	Mr. Qiu was appointed as the non-executive director and vice chairman of the board of directors of Hong Kong Robotics Group Holding Limited (Hong Kong Stock Code: 370) with effect from 23 September 2025.

Report of the Directors

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

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company acts as an investment holding. The principal activities of its principal subsidiaries are set out in note 34 to the consolidated financial statements.

Further discussion and analysis of the Group's activities as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including a discussion of the principal risks and uncertainties the Group facing, the particulars of important events affecting the Group that have occurred since the end of the financial year, an indication of likely future developments in the Group's businesses, the key relationships with employees, customers and suppliers, and the compliance with laws and regulations, can be found in the "Chairlady's Statement" and "Management Discussion and Analysis" sections set out on page 3 and pages 7 to 11 of this annual report, respectively, and the "Corporate Governance Report" set out on pages 19 to 36 of this annual report. These discussions form part of this directors' report. In addition, discussions on the Group's environmental policies and performance are contained in the "Environmental, Social and Governance Report" on pages 37 to 60 of this annual report.

RESULTS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 67.

FINAL DIVIDEND

The Board has resolved not to declare the payment of a final dividend for the year ended 31 December 2025 (2024: nil).

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements of the Company, is set out on page 114. This summary does not form part of the audited consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the Group's property, plant and equipment during the year are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of the Company's share capital are set out in note 24 to the consolidated financial statements.

DISTRIBUTABLE RESERVE OF THE COMPANY

The Company has distributable reserve of US$15,175,000 (2024: US$17,772,000) as at 31 December 2025 available for distribution to its shareholders.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, sales to the Group's five (2024: three) largest customers accounted for approximately 78.3% (2024: 96.8%) of the total revenue for the year and sales to the largest customer accounted for approximately 21.8% (2024: 51.5%). Purchases from the Group's five largest suppliers accounted for approximately 72.6% (2024: 55%) of the total purchases for the year and purchases from the largest supplier accounted for approximately 28.7% (2024: 36.4%).

None of the directors of the Company or any of their close associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the number of issued shares of the Company) had any beneficial interest in the Group's five largest customers or suppliers during the year.

DIRECTORS

The directors of the Company during the year and up to the date of this annual report were:

Executive Directors:

Ms. Liu Sainan *(Chairlady) (appointed on 10 March 2025)*
Mr. Wu Ying Ha *(redesignated as Chief Executive Officer on 10 March 2025)*
Ms. Lee Chun Yeung, Catherine *(ceased to be Chief Executive Officer on 10 March 2025)*
Ms. Wang Yu *(resigned on 10 March 2025)*

Independent non-executive Directors:

Mr. Zhu Gaoming *(appointed on 10 March 2025)*
Mr. Qiu Yiyong *(appointed on 10 March 2025)*
Mr. Deng Banghao *(appointed on 10 March 2025)*
Mr. Zhou Qijin *(resigned on 31 March 2025)*
Mr. Pau Shiu Ming *(resigned on 31 March 2025)*
Mr. Tsao Hoi Ho *(resigned on 31 March 2025)*

In accordance with Bye-law 85(6) of the Bye-laws, any Director appointed by the Board shall retire at the next annual general meeting of the Company and shall then be eligible for re-election at that meeting. And in accordance with Bye-law 86 of the Bye-laws, each Director shall retire at least once every three year.

DIRECTORS' SERVICE CONTRACTS

None of the directors being proposed for re-election at the 2026 AGM has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

PERMITTED INDEMNITY PROVISIONS

Pursuant to the Bye-laws, every director or other officer of the Company for the time being acting in relation to any affairs of the Company shall be entitled to be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which he/she shall or may incur or sustain in or about the execution of the duties of his/her office or otherwise in relation thereto, and no director or other officer shall be liable for any loss, misfortune or damage which may happen in the execution of his/her office or in relation thereto provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the directors or other officers. The Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and other officers of the Company during the year.

DIRECTORS' REMUNERATION

Details of directors' remuneration are set out in note 11 to the consolidated financial statements.

DIRECTORS' MATERIAL INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, save as disclosed in the section headed "Interests and Short Positions of Shareholders Discloseable under the SFO", none of the directors and chief executive of the Company had any interests in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code contained in the Hong Kong Listing Rules.

SHARE OPTION SCHEME

To enable the Company to continue to grant share options as an incentive or reward eligible persons, a share option scheme was adopted by the Company on 28 June 2017 (the "**Share Option Scheme**"). The Share Option Scheme was in force for a period of 10 years from 28 June 2017. The remaining life of the Share Option Scheme is approximately one year and two months. As at date of this annual report, the number of options available for grant under the Share Option Scheme was 109,770,356, representing approximately 10% of the issued shares in issue (excluding treasury shares) of the Company for the financial year.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on the day on which the offer of the grant of option is made but shall end in any event not later than 10 years from the date of grant subject to the provisions for early termination thereof. Unless the Directors otherwise determined and stated in the offer to the participant, there is no minimum period for which an option granted under the Share Option Scheme must be held before it can be exercised. Up to the date of this report, no share option has been granted under the Share Option Scheme, and accordingly no shares may be issued in connection with the options granted under the Share Option Scheme during the financial year. Further details of the Share Option Scheme are set out in note 25 to the consolidated financial statements.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Share Option Scheme" above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the directors of the Company or their spouse or minor children had any rights to subscribe for the securities of the Company, or had exercised any such rights during the year.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 31 December 2025, the following interests of more than 5% of the total number of issued shares of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

Long positions in the shares of the Company:

Name of shareholder	Capacity and nature of interest	Number of shares held	Approximate percentage of the Company's issued shares
Liu Sainan ("**Ms. Liu**")	Interest of controlled corporation	568,768,963 *(Note)*	51.81%
China Mark Limited	Beneficial owner	568,768,963 *(Note)*	51.81%

Note:

China Mark Limited is wholly-owned by Ms. Liu. Ms. Liu is deemed to be interested in 568,768,963 shares of the Company held by China Mark Limited under the SFO.

Save as disclosed above, the Company had not been notified of any other relevant interests or short positions in the shares and underlying shares of the Company as at 31 December 2025 as required pursuant to section 336 of the SFO.

RELATED PARTY TRANSACTIONS

The related party disclosures in note 29 to the consolidated financial statements fall under the scope of "Connected Transactions" or "Continuing Connected Transactions" under Chapter 14A of the Hong Kong Listing Rules but are exempted from reporting, annual review, announcement or independent shareholders' approval requirements.

REMUNERATION POLICY

The Group remunerates its employees based on their competence, performance, experience and prevailing market terms. Other employee benefits included provident fund scheme, medical insurance, subsidised training programme as well as discretionary bonus.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year and up to the date of this annual report, none of the directors, or any of their respective close associates (as defined in the Hong Kong Listing Rules) had any material interest in a business that competes or may compete with the businesses of the Group.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws or the Companies Act 1981 of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

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

During the year ended 31 December 2025, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

EQUITY-LINKED AGREEMENTS

Save for the share option scheme of the Company disclosed above, no equity-linked agreements were entered into by the Group, or existed during the year.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of any business of the Company was entered into or existed during the year.

AUDIT COMMITTEE

The audited consolidated financial statements of the Company for the year ended 31 December 2025 have been reviewed by the Audit Committee and are duly approved by the Board under the recommendation of the Audit Committee.

AUDITOR

Deloitte Touche Tohmatsu resigned as the auditor of the Company with effect from 28 November 2025. Ernst & Young has been appointed as the new auditor of the Company with effect from 12 December 2025 to fill the casual vacancy following the resignation of Deloitte Touche Tohmatsu and to hold office until conclusion of the next annual general meeting of the Company. Please refer to the announcements of the Company dated 28 November 2025, 12 December 2025 and 12 February 2026 for further details. There have been no other changes of auditors in the past three years.

The consolidated financial statements of the Company for the year ended 31 December 2025 have been audited by Ernst & Young. A resolution will be proposed at the 2026 AGM to re-appoint Ernst & Young as auditor of the Company.

On behalf of the Board

Wu Ying Ha
Executive Director
Hong Kong, 27 March 2026

Corporate Governance Report

The Company has recognised the importance of transparency and accountability, and believes that shareholders can benefit from good corporate governance. The Company aims to achieve good standard of corporate governance.

CULTURES AND VALUES

The Board believes a healthy corporate culture is vital in attaining the Group's vision, values and strategy. It trusts that conducting business in an ethical and reliable way will maximise its long-term interests and those of its stakeholders. The structure of corporate governance adopted by the Company emphasises a quality board, sound internal controls and accountability to shareholders and these are based upon an ethical corporate culture. It is the Board's mission to establish and foster a healthy corporate culture with the following principles and to ensure that the Company's vision, values and business strategies are aligned to it.

(i) **Ethics and Integrity**

The Group strives to maintain a high standard of business ethics and corporate governance across all business levels and operating activities. Directors, management and staff are all required to act lawfully, ethically and responsibly. Such required standards are set out in the Group's Code of Conduct, Anti-corruption Policy and Whistleblowing Policy (further discussions on the two policies are in the sections below). Trainings are conducted from time to time to reinforce the values across the Group and to uphold the standards with respect to ethics and integrity.

(ii) **Commitment to Excellence**

The Group believes commitment to excellence is the first step to continuous improvement and the driving force behind a business organisation. The Group implements a performance appraisal system and aims to reward and recognise performing staff members by providing them competitive remuneration packages, as well as the opportunities of career development and progression within the Group. Such values are articulated in policies, procedures and processes in day-to-day operations. Department heads are responsible to set expectations for staff members with respect to their roles and responsibilities. In addition, staff members are also encouraged to enroll in external training courses and seminars in order to update their technical skills and keep abreast of the market and regulatory developments.

CORPORATE GOVERNANCE

The Company had complied with all the applicable provisions of the Corporate Governance Code (the "**CG Code**") set out in Appendix C1 to the Hong Kong Listing Rules for the year ended 31 December 2025.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix C3 to the Hong Kong Listing Rules as its own code of conduct regarding securities transactions by directors of the Company. Having made specific enquiry with the directors, all of them confirmed that they had complied with the required standards set out in the Model Code during the year ended 31 December 2025.

Corporate Governance Report

BOARD OF DIRECTORS

The Board formulates the overall strategy of the Group, monitors its financial performance and maintains effective oversight over the management. The Board members are fully committed to their roles and have acted in good faith to maximise the shareholders' value in the long run, and have aligned the Group's goals and directions with the prevailing economic and market conditions. Daily operations and administration are delegated to the management.

The Board met regularly throughout the year to discuss the overall business strategy as well as the operational and financial performance of the Group. The directors are kept informed on timely basis of major changes that may affect the Group's businesses, including relevant rules and regulations. The directors can, upon reasonable request, seek independent professional advice in appropriate circumstances, at the Company's expenses. The Board shall resolve to provide separate appropriate independent professional advice to the directors to assist the relevant directors to discharge their duties.

As at the date of this annual report, the Board comprises six directors, three of whom are executive directors, namely Ms. Liu Sainan, Mr. Wu Ying Ha, Ms. Lee Chun Yeung, Catherine and three independent non-executive directors, namely Mr. Zhu Gaoming, Mr. Qiu Yiyong and Mr. Deng Banghao. The directors are considered to have a balance of skills and experience appropriate for the requirements of the businesses of the Company.

The Company will provide a comprehensive, formal and tailored induction to each newly appointed director on his/her first appointment in order to enable him/her to have an appropriate understanding of the businesses and operations of the Group and that he/she is fully aware of his/her responsibilities and obligations under the Hong Kong Listing Rules and the relevant regulatory requirements. Each of Ms. Liu Sainan, Mr. Zhu Gaoming, Mr. Qiu Yiyong and Mr. Deng Banghao, newly appointed as Director on 10 March 2025, obtained the legal advice referred to in Rule 3.09D of the Hong Kong Listing Rules and he/she has confirmed that he/she understood his/her obligations as a director of the Company.

CHAIRMAN AND CHIEF EXECUTIVE

Code provision C.2.1 of the CG Code requires the roles of chairman and chief executive should be separate and should not be performed by the same individual. Ms. Liu Sainan is the Chairlady of the Board while Mr. Wu Ying Ha acts as the Chief Executive Officer of the Company and is responsible for overseeing the day-to-day operations of the Group and implement the strategies and policies approved by the Board.

The overall direction and strategy of the businesses of the Group are decided by the agreement of the Board; and the three executive Directors collectively provide overall leadership to the Board. There are also three independent non-executive Directors on the Board offering independent and differing perspectives. The Board is therefore of the view that there are adequate balance of power and safeguards in place to enable the Company to make and implement decisions promptly and effectively.

TERM OF APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the independent non-executive Directors is appointed for a term of three years unless terminated by either party in writing prior to the expiry of the term. All the independent non-executive Directors are also subject to retirement by rotation and re-election at least once every three years at the annual general meetings of the Company in accordance with the Bye-laws.

The Company has received from each of the independent non-executive directors an annual confirmation of his independence pursuant to Rule 3.13 of the Hong Kong Listing Rules. The Company considers all the independent non-executive directors are independent in accordance with the independence guidelines set out in the Hong Kong Listing Rules.

The Company maintains the view that a Director's independence is a question of fact and this is formally recognised in the Board Diversity Policy. The Board is committed to assessing this on an ongoing basis with regard to all relevant factors concerned, including the ability to continually provide constructive challenge for management and other Directors; to express one's own views independent of management or other fellow Directors; and the gravitas inside and outside the boardroom. These attributes and desired behaviour have been demonstrated by our independent non-executive Directors as circumstances require.

DIRECTORS' TIME AND DIRECTORSHIP COMMITMENTS

Our Directors have demonstrated a strong commitment to the Board affairs and they are well aware that they are expected to have a sufficient time commitment to the Board. Directors have given confirmations and made disclosures about their other commitments.

- **Sufficient time and attention**

  Directors have confirmed that they have given sufficient time and attention to the affairs of the Company for the year.

- **Other offices and commitments**

  Directors disclose to the Company a year the number, identity and nature of offices held in Hong Kong or overseas listed public companies and organisations and other significant commitments, together with an indication of the time involved.

- **Other directorships**

  None of our Directors, individually, held directorships in more than six public companies listed on the Hong Kong Stock Exchange (including the Company) as at 31 December 2025.

All our executive Directors do not hold directorship in other public companies; however, executive directors are encouraged to participate in professional, public and community organisations. Details of the Directors' biographies are set out under "Biographical Details of Directors" section on pages 12 to 13 of this annual report.

BOARD EVALUATION

The Board Review was conducted through the Company Secretary in the form of a Board survey which is aimed at soliciting valuable feedback and comments from Directors. The process involved each Director completing a confidential online questionnaire covering a broad range of topics including Board composition and dynamics, Board support, focus of meetings, oversight of strategy, risk and people, and external environment and stakeholders. The evaluation results indicated that the Directors agreed that the Board operate effectively and perform in line with the prevailing rules and regulations for corporate governance, and they found the composition and operational effectiveness of the relevant board committees appropriate.

RESPONSIBILITIES OF DIRECTORS

Directors, both collectively and individually, are required to fulfill fiduciary duties and duties of skill, care and diligence to a standard commensurate with the standard established by the laws of Hong Kong. Every Director is required to know his/her responsibilities as a Director of the Company and of the conduct, business activities and development of the Company.

Independent non-executive Directors shall make positive contributions to the development of the Company's strategy and policies through independent, constructive and informed comments.

The Company provides Directors with a directors' and officers' liability insurance coverage to protect them from loss as a result of any legal proceedings against themselves.

DIRECTORS' INTERESTS

To the best of the knowledge of the Company, there is no financial, business, family or other material or relevant relationship among members of the Board or between the Chairlady and the Chief Executive Officer.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the rules of no less stringent than the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Hong Kong Listing Rules (the "**Securities Dealings Code**") as its code of conduct for dealings in securities of the Company by the Directors.

All Directors confirmed, following specific enquiry by the Company, that they have complied with the required standards set out in the Securities Dealings Code throughout the year.

HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Company has in place a policy on handling and dissemination of inside information ("**Policy**"), which has taken into account the requirements of Part XIVA (Disclosure of Inside Information) of the Securities and Futures Ordinance and the Hong Kong Listing Rules in relation to the continuing disclosure obligation of inside information. The Policy sets out the procedures and internal controls for handling and dissemination of inside information in a timely manner in such a way so as not to place any person in a privileged dealing position and to allow time for the market to price the listed securities of the Company with the latest available information.

This Policy also provides guidelines to staff of the Company to ensure proper safeguards exist to prevent the Company from breaching the statutory disclosure requirements. It also includes appropriate internal control and reporting systems to identify and assess potential inside information. Dissemination of inside information of the Company shall be conducted by publication of the relevant information on the websites of the Company and the Hong Kong Stock Exchange, according to the requirements of the Hong Kong Listing Rules.

SUPPLY OF AND ACCESS TO INFORMATION

All Directors are provided in a timely manner with appropriate information that enables them to make an informed decision and to discharge their duties and responsibilities as Directors of the Company. To ensure that the Board is well supported by accurate, complete and timely information, Directors have unrestricted access to Board papers, minutes and related materials.

Management is aware that it has an obligation to supply the Board and board committees with adequate information in a timely manner to enable them to make informed decisions. The information supplied must be complete and reliable.

CONTINUOUS PROFESSIONAL DEVELOPMENT

All directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills, and are continually updated on the developments of the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. The Company has provided timely technical updates, including briefings on the amendments on the Hong Kong Listing Rules and the news release published by the Hong Kong Stock Exchange to the directors. Continuing briefing and professional development for directors will be arranged where necessary.

The directors have participated in continuous professional development by attending seminars, in-house briefings and/or reading materials on the related areas to develop and refresh their knowledge and skills. During the year ended 31 December 2025, all the directors had complied with Code Provision C.1.4 of the CG Code and had provided the Company with their respective training records pursuant to the CG Code.

	Responsibilities of the Board of Directors and the Directors	Hong Kong Listing Rules and Hong Kong Laws Compliance	Corporate Governance and ESG	Risk Management and Internal Control	Industry and business development update	Total Training Hours
Executive Directors						
Ms. Liu Sainan (Chairlady) (appointed on 10 March 2025)	✓	✓	✓	✓	✓	15
Mr. Wu Ying Ha (redesignated as Chief Executive Officer on 10 March 2025)	✓	✓	✓	✓	✓	15
Ms. Lee Chun Yeung, Catherine (ceased to be Chief Executive Officer on 10 March 2025)	✓	✓	✓	✓	✓	15
Ms. Wang Yu (resigned on 10 March 2025)	✓	✓	✓	✓	✓	15
Independent non-executive Directors						
Mr. Zhou Qijin (resigned on 31 March 2025)	✓	✓	✓	✓	✓	3
Mr. Pau Shiu Ming (resigned on 31 March 2025)	✓	✓	✓	✓	✓	3
Mr. Tsao Hoi Ho (resigned on 31 March 2025)	✓	✓	✓	✓	✓	3
Mr. Zhu Gaoming (appointed on 10 March 2025)	✓	✓	✓	✓	✓	15
Mr. Qiu Yiyong (appointed on 10 March 2025)	✓	✓	✓	✓	✓	15
Mr. Deng Banghao (appointed on 10 March 2025)	✓	✓	✓	✓	✓	15

The Board has established the mechanism to ensure independent views and input of independent non-executive directors are made available to the Board. The summary of the mechanism is set out below:

(a) **Composition**

The Board ensures the appointment of at least three independent non-executive directors and at least one-third of its members being independent non-executive directors, with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise. The current Board has a balanced composition of three executive Directors and three independent non-executive Directors so that there is a strong independent element on the Board, which allows the effective exercise of independent judgement.

(b) **Independence Assessment**

The Board assesses the independence of independent non-executive directors annually with regards to, among others, (i) their character, integrity, expertise and experience; (ii) declaration of conflict of interest in their roles as independent non-executive directors; (iii) duration of appointment as independent non-executive directors; (iv) time commitments to the Company's affairs; (v) past and present financial or other interests in the business of the Company; and (vi) connection with other director(s), chief executive or substantial shareholder(s) of the Company.

(c) **Board Decision Making**

Directors (including independent non-executive directors) are entitled to seek further information independently from the management on the matters to be discussed at Board meetings and, where necessary, independent advice from external professional advisers at the Company's expense. A director (including independent non-executive director) who has a material interest in a contract, transaction or arrangement shall not vote or be counted in the quorum on any Board resolution approving the same. The Chairman shall promote a culture of openness, encourages directors with different views to voice their concerns and allows sufficient time for discussion of matters.

The Board will review the above mechanism annually to ensure it is implemented effectively.

2025 DIRECTORS' ATTENDANCE RECORDS AT BOARD MEETINGS, CHAIRMAN'S MEETING WITH INDEPENDENT NON-EXECUTIVE DIRECTORS AND 2025 AGM

Attendance records of the Directors at Board meetings, Chairman's meeting with independent non-executive directors held in 2025 and 2025 AGM are as follows:

	Number of attendance		
	Board Meetings	**Chairman's meeting with independent non-executive directors**	**2025 AGM**
Executive Directors			
Ms. Liu Sainan (Chairlady) (appointed on 10 March 2025)	3/4	1/1	1/1
Mr. Wu Ying Ha (redesignated as Chief Executive Officer on 10 March 2025)	4/4	N/A	1/1
Ms. Lee Chun Yeung, Catherine (ceased to be Chief Executive Officer on 10 March 2025)	4/4	N/A	1/1
Ms. Wang Yu (resigned on 10 March 2025)	1/4	N/A	N/A
Independent non-executive Directors			
Mr. Zhou Qijin (resigned on 31 March 2025)	1/4	N/A	N/A
Mr. Pau Shiu Ming (resigned on 31 March 2025)	1/4	N/A	N/A
Mr. Tsao Hoi Ho (resigned on 31 March 2025)	1/4	N/A	N/A
Mr. Zhu Gaoming (appointed on 10 March 2025)	3/4	1/1	1/1
Mr. Qiu Yiyong (appointed on 10 March 2025)	3/4	1/1	1/1
Mr. Deng Banghao (appointed on 10 March 2025)	3/4	1/1	1/1

The Board and each Director have separate and independent access to the Company's senior management. In respect of regular Board meetings and board committee meetings and so far as practicable in all other cases, an agenda and accompanying meeting papers are sent in full to the Directors or respective committee members in a timely manner.

NOMINATION COMMITTEE

The Nomination Committee has specific written terms of reference that is in compliance with the CG Code. As at the date of this annual report, the Nomination Committee comprises four members, including one executive Director and three Independent Non-executive Directors, namely Ms. Liu Sainan, Mr. Zhu Gaoming, Mr. Qiu Yiyong and Mr. Deng Banghao. Ms. Liu Sainan is the Chairlady of the Nomination Committee.

The Nomination Committee is mainly responsible for reviewing the structure, size, and composition of the Board, assessing the independence of independent non-executive directors, identifying potential directors and making recommendations to the Board on the appointment or re-appointment of directors of the Company. Potential new directors are selected on the basis of their qualifications, skills and experience that he/she could add value to the management through his/her contributions in the relevant strategic business areas. It is also authorised to obtain independent professional advice, at the Company's expense, if it considers necessary. The full terms of reference are available on the Company's website and the Hong Kong Stock Exchange's website.

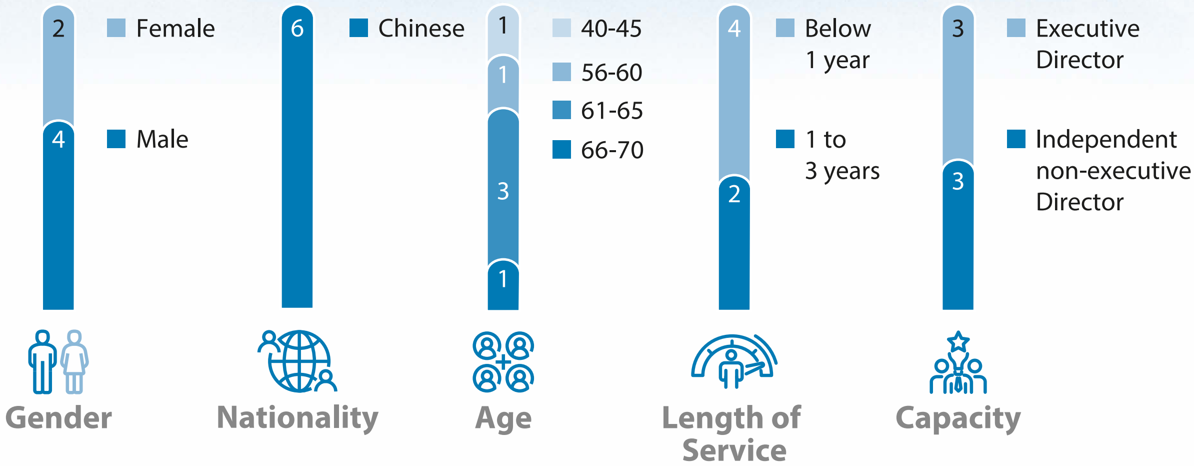
The Nomination Committee met three times during the year ended 31 December 2025 to review the board diversity policy (the "**Board Diversity Policy**") and the nomination policy (the "**Nomination Policy**") of the Company, the independence of the independent non-executive directors, and the structure, size and composition of the Board; and to make recommendation to the Board on the re-election of directors and the appointment of director. The attendance of each member is set out below:

Members	**Number of attendance**
Mr. Zhou Qijin (Chairman) (resigned on 31 March 2025)	1/3
Mr. Pau Shiu Ming (resigned on 31 March 2025)	1/3
Mr. Tsao Hoi Ho (resigned on 31 March 2025)	1/3
Ms. Liu Sainan (Chairlady) (appointed on 10 March 2025 and redesignated as Chairlady on 31 March 2025)	2/3
Mr. Zhu Gaoming (appointed on 10 March 2025)	2/3
Mr. Qiu Yiyong (appointed on 10 March 2025)	2/3
Mr. Deng Banghao (appointed on 10 March 2025)	2/3

Board Diversity Policy

The Company recognises the benefits of having a diverse Board to enhance the quality of its performance and adopted the Board Diversity Policy. The Board Diversity Policy sets out that in determining the optimum composition of the Board, differences in skills, regional and industry experience, background, race, gender and other qualities of directors shall be considered. All Board appointments are made on merits, in the context of skills and experience the Board as a whole requires, with due regard for the benefits of diversity of the Board. The Nomination Committee and the Board shall review and assess the Board composition and its effectiveness on an annual basis. When there is vacancy on Board, the Nomination Committee will recommend suitable candidates for appointment to the Board on merits, based on the terms of reference of the Nomination Committee, with due regard to the Company's own circumstances.

During the year ended 31 December 2025, the Company maintained an effective Board comprising members of different genders, professional background and industry experience. The Board Diversity Policy has been consistently implemented. As at the date of this annual report, the Board consists of two female Directors and four male Directors. The Board considered gender diversity in respect of the Board is satisfactory. Set out hereinbelow is the board composition and diversity analysis of the Company as at 31 December 2025.



The Group has taken, and will continue to take, steps to promote diversity at all levels of workforce (including senior management). Opportunities for employment, training and career development are equally opened to all eligible employees without discrimination so as to develop a pipeline of potential successors to the Board and the workforce. As at 31 December 2025, the male to female ratio in the workforce (including senior management) is approximately 5:4. The Board considered gender diversity in respect of workforce is achieved.

Directors' Skills and Experience

The skills matrix below sets out the skills and expertise of the Board that are relevant or related to the Company's strategy, governance and business and to enabling the Board to effectively and efficiently discharge its duties and responsibilities in attaining the Company's strategic objectives and achieving sustainable and balanced development for the Group.

	Executive leadership & strategy/ directorship or senior executive experience with other listed company(ies)	Transportation Market experience	Accounting professionals/ financial management expertise	Legal professionals/ regulatory & compliance/risk management
Executive Directors				
Ms. Liu Sainan (Chairlady) (appointed on 10 March 2025)		•		
Mr. Wu Ying Ha (redesignated as Chief Executive Officer on 10 March 2025)	•		•	
Ms. Lee Chun Yeung, Catherine (ceased to be Chief Executive Officer on 10 March 2025)		•	•	
Ms. Wang Yu (resigned on 10 March 2025)	•			
Independent non-executive Directors				
Mr. Zhou Qijin (resigned on 31 March 2025)				•
Mr. Pau Shiu Ming (resigned on 31 March 2025)			•	
Mr. Tsao Hoi Ho (resigned on 31 March 2025)			•	
Mr. Zhu Gaoming (appointed on 10 March 2025)	•		•	•
Mr. Qiu Yiyong (appointed on 10 March 2025)	•		•	•
Mr. Deng Banghao (appointed on 10 March 2025)		•		

The names of the Directors in office during 2025 and up to the date of this report are set out in the Directors' Report contained in this Annual Report. The brief biographies of the current Directors, including their length of tenure and membership at various Board Committees of the Company, are set out in the Board and Committees section and the Board of Directors of this annual report.

Nomination Policy

The Board has adopted the Nomination Policy setting out the principles which guide the Nomination Committee to identify and evaluate a candidate for nomination to (i) the Board for appointment; and (ii) the shareholders for election as a director of the Company. According to the Nomination Policy, in assessing the suitability of a proposed candidate, the Board shall take into account, among others, the following factors: (i) qualifications, professional experience, skills and knowledge relevant to the businesses of the Group; (ii) commitment in respect of available time and relevant interest; (iii) diversity perspectives set out in the Board Diversity Policy; (iv) in case of independent non-executive directors, regulatory requirement for appointment of independent non-executive directors and the independence criteria set out in the Hong Kong Listing Rules; and (v) any other factors that the Board considers appropriate.

For filling a casual vacancy or as an addition to the existing Board, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation. On making recommendation, the Nomination Committee may submit to the Board for consideration a proposal comprising, inter alia, the personal profile of the proposed candidate, which contains at least the candidate's information required to be disclosed under Rule 13.51 of the Hong Kong Listing Rules. The Board shall be vested with power to make the final decision on all matters relating to the recommendation of candidates (i) for appointment and (ii) for standing for election at a general meeting as a director of the Company.

The Nomination Committee will review the Board Diversity Policy annually and the Nomination Policy from time to time to ensure that the policies will be implemented effectively.

REMUNERATION COMMITTEE

The Remuneration Committee has specific written terms of reference that is in compliance with the CG Code. As at the date of this annual report, the Remuneration Committee comprises three Independent Non-executive Directors, namely Mr. Qiu Yiyong, Mr. Zhu Gaoming and Mr. Deng Banghao. Mr. Qiu Yiyong is the Chairman of the Remuneration Committee.

The Remuneration Committee is mainly responsible for formulating the remuneration policy, reviewing and recommending to the Board the annual remuneration policy and the remuneration of the directors and senior management. The overriding objective of the remuneration policy is to ensure that the Group is able to attract, retain and motivate a high-caliber team which is essential to the success of the Group. The full terms of reference are available on the Company's website and the Hong Kong Stock Exchange's website.

The Remuneration Committee met one time during the year ended 31 December 2025 to assess the performance of the directors, and review and make recommendations to the Board on the remuneration packages for directors and senior management. The attendance of each member is set out below:

Members	Number of attendance
Mr. Pau Shiu Ming (Chairman) (resigned on 31 March 2025)	1/1
Mr. Zhou Qijin (resigned on 31 March 2025)	1/1
Mr. Tsao Hoi Ho (resigned on 31 March 2025)	1/1
Mr. Qiu Yiyong (Chairman) (appointed on 10 March 2025 and redesignated as Chairman on 31 March 2025)	0/1
Mr. Zhu Gaoming (appointed on 10 March 2025)	0/1
Mr. Deng Banghao (appointed on 10 March 2025)	0/1

Details of the director remuneration are set out in note 11 to the consolidated financial statements. Pursuant to Code Provision E.1.5 of the CG Code, the details of the annual remuneration of the senior management by bands during the year are set out below:

Remuneration band	Number of individual
HK$1,000,000 to HK$2,000,000	2

AUDIT COMMITTEE

The Audit Committee has specific written terms of reference that is in compliance with the CG Code. As at the date of this annual report, the Audit Committee comprises three independent non-executive Directors, namely Mr. Zhu Gaoming, Mr. Qiu Yiyong and Mr. Deng Banghao, who among themselves possess a wealth of management experience in the accounting profession/or in commercial fields. Mr. Zhu Gaoming is the Chairman of the Audit Committee.

The Audit Committee is mainly responsible for reviewing financial statements of the Company, reviewing the risk management and internal control systems of the Group and meeting with the auditor of the Company for audit matters. Any findings and recommendations of the Audit Committee will be submitted to the Board for consideration.

The Audit Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee. It is also authorised to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with the relevant experience and expertise if it considers necessary. The full terms of reference are available on the Company's website and the Hong Kong Stock Exchange's website.

The Audit Committee met three times during the year ended 31 December 2025 and the attendance of each member is set out below:

Members	Number of attendance
Mr. Tsao Hoi Ho (Chairman) (resigned on 31 March 2025)	1/3
Mr. Zhou Qijin (resigned on 31 March 2025)	1/3
Mr. Pau Shiu Ming (resigned on 31 March 2025)	1/3
Mr. Zhu Gaoming (Chairman) (appointed on 10 March 2025 and redesignated as Chairman on 31 March 2025)	2/3
Mr. Qiu Yiyong (appointed on 10 March 2025)	2/3
Mr. Deng Banghao (appointed on 10 March 2025)	2/3

The following is a summary of work performed by the Audit Committee during the year:

1. reviewed and discussed the audited consolidated financial statements of the Company for the year ended 31 December 2024 and recommended the same to the Board for approval;

2. reviewed and discussed the unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2025 and recommended the same to the Board for approval;

3. reviewed and discussed with the management and the auditor of the Company the accounting policies and practices which might have significant impact on the consolidated financial statements of the Company and the scope of the audit;

4. reviewed report from the auditor of the Company regarding their audit on the Company's consolidated financial statements for the year ended 31 December 2024;

5. reviewed the effectiveness of the risk management and internal control systems of the Group;

6. reviewed and approved the remuneration and the terms of engagement of the Company's auditor; and reviewed and made recommendations to the Board on the re-appointment of the Company's auditor;

7. reviewed the Non-audit Services Policy, Anti-corruption Policy (as referred to below) and Whistleblowing Policy (as referred to below); and

8. reviewed and discussed the change of auditor and the related matters.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for determining the policy for corporate governance of the Company and performing the corporate governance duties as set out below:

1. to develop and review the Group's policies and practices on corporate governance and make recommendations;

2. to review and monitor the training and continuous professional development of directors and senior management;

3. to review and monitor the Group's policies and practices on compliance with all legal and regulatory requirements;

4. to develop, review and monitor the code of conduct and compliance manual applicable to employees and directors of the Group; and

5. to review the Group's compliance with the CG Code and its disclosure requirements in the corporate governance report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has ultimate responsibilities for evaluating and determining the Company's levels of risk tolerance, overseeing the management in the design, implementation and monitoring of the risk management and internal control systems on an ongoing basis and reviewing their effectiveness.

The Group's risk management and internal control systems aim to manage rather than eliminate the risk of failure to achieve business objectives, and provide reasonable but not absolute assurance against material misstatements or losses caused by judgment in decision making process, human error, fraud or other irregularities.

The Board is also committed to review the adequacy and effectiveness of the Group's risk management and internal control systems annually. The review covered material controls, including financial, operational and compliance controls at entity and operational levels. The Group does not have an internal audit function due to the size of the Group and consideration for cost effectiveness. Instead, such review is carried out with the assistance of Roma Risk Advisory Limited ("**Roma**"), an independent outsourced internal auditor. The review aims to ensure the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions. It also assists the Group to maintain the quality of the review in assessing its risk management and internal control systems.

For the year ended 31 December 2025, the Group had reviewed the internal audit charter which defined the scope and objectives of the internal audit function and its reporting protocol. The Group had also conducted an annual risk assessment to identify, evaluate and manage the significant strategic risks, financial risks, operational risks, compliance risks and environmental, social and governance ("**ESG**") risks of its major business segments. Based on the risk assessment results following a risk based methodology audit approach, an annual review by Roma was performed with a view to assisting the Board and the Audit Committee to evaluate the effectiveness of the Group's risk management and internal control systems. For conducting the annual review, Roma had reviewed the relevant policies and procedures of the Group, conducted collaborative interviews and document inspections, and performed walkthrough tests and samples testing procedures on the Group's risk management and internal control systems. After the review, Roma had presented to the Board and the Audit Committee the Enterprise Risk Management Report (the "**ERM Report**") and the Internal Control Report (the "**IC Report**") which contained certain findings and relevant recommendations and suggestions for improvement. The Board and the Audit Committee have reviewed and discussed the findings and recommendations with the management. In order to manage risks (including ESG risks) effectively and control risks within acceptable levels, the management will continue to monitor the identified risks (including ESG risks) and the respective control measures, and arrange adequate resources for the effective control measures undertaken. The ERM Report and the IC Report have been endorsed by the Audit Committee and the management is required to establish remedial plans and take actions to rectify those internal control deficiencies identified (if any) according to their respective risk level and priorities. Subsequent review, where applicable, will be performed by Roma to monitor the implementation of those agreed recommendations and to report the results of the follow-up review to the Audit Committee.

In connection with the controls on compliance aspect, the Company has established a policy on handling and dissemination of inside information that sets out the procedures in handling inside information in an accurate and secure manner so as to avoid possible mishandling of inside information within the Group.

The Board has also considered the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting function as well as those relating to the Group's ESG performance and reporting. Based on the risk management and internal control systems established and maintained by the Group, the work performed by Roma and the external auditor, and the reviews performed by the management, the Audit Committee and the Board, the Audit Committee and the Board are not aware of any significant internal control and risk management weaknesses or inconsistencies with the Group's risk management and internal control policies, and are of the opinion that the Group has maintained adequate and effective risk management and internal control systems addressing strategic, financial, operational, compliance and ESG risks for the year ended 31 December 2025. The Company has complied with the relevant code provisions of the CG Code relating to risk management and internal control. Furthermore, the Board is of the opinion that the Group has adequate financial and human resources for its accounting and financial reporting function.

Anti-corruption Policy

The Board has adopted an anti-fraud and counter-corruption policy (the "**Anti-corruption Policy**") which forms an important part of the Group's effective risk management and internal control systems. The Group is committed to achieving high standards of business ethics and corporate governance across all business levels and operating activities and has zero tolerance towards fraud and corruption. The Group strives to protect its reputation, assets and information from any attempt of fraud, corruption, deceit or improper conduct by employees or third parties. In line with this, the Anti-corruption Policy has outlined the Company's expectations and requirements relating to the prevention, detection, reporting and investigation of any suspected fraud, corruption and other similar irregularities. The Anti-corruption Policy applies to all Group employees and all business partners, including customers, suppliers and debtors. The Audit Committee has the overall responsibility for the implementation, monitoring and periodic review of the Anti-corruption Policy.

Whistleblowing Policy

The Board has adopted a whistleblowing policy (the "**Whistleblowing Policy**") which forms an important part of the Group's effective risk management and internal control systems. In line with the Group's commitment to promote ethical standards and to uncover any fraud, malpractice and misconduct within the organisation, the purpose of the Whistleblowing Policy is to (i) encourage and assist any employee(s) of the Group or third parties (e.g. customers, suppliers etc.) to raise the concern and disclose related information confidentially; (ii) provide reporting channels and guidance on whistleblowing to employees or third parties to raise the concern rather than neglecting it; and (iii) reveal suspected fraud, malpractice or misconduct before these activities cause disruption or loss to the Group. The Audit Committee has the overall responsibility for implementing, monitoring and reviewing the effectiveness of the Whistleblowing Policy and the actions resulting from the investigation.

External parties who wish to obtain more information on the Anti-corruption Policy and Whistleblowing Policy could contact us by email to acchairman@courageinv.com or by mail to Rooms 1405-1412, 14th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Company for the year ended 31 December 2025, which give a true and fair view of the consolidated financial position of the Group at that date and of the Group's consolidated results and consolidated cash flows for the year then ended and are properly prepared on the going concern basis in accordance with the statutory requirements and applicable accounting standards.

AUDITOR AND AUDITOR'S REMUNERATION

The statement of the external auditor of the Company about their responsibilities on the Company's consolidated financial statements for the year ended 31 December 2025 is set out in the "Independent Auditor's Report" on pages 62 to 66 of this annual report.

For the year ended 31 December 2025, the remuneration payable to the Company's auditor, Ernst & Young, for the provision of audit services amounted to HK$1,280,000 and that for the provision of non-audit related services amounted to HK$20,000.

CONSTITUTIONAL DOCUMENTS

During the year, there was no change to the Company's Memorandum of Association and Bye-laws. A copy of the latest consolidated version of the Memorandum of Association and Bye-laws is posted on the websites of the Company and the Hong Kong Stock Exchange.

COMPANY SECRETARY

Mr. Chan Suk Ching is the Company Secretary. He has taken no less than 15 hours of the relevant professional training during the year ended 31 December 2025.

COMMUNICATIONS WITH SHAREHOLDERS

We adhere to the principle of good faith and strictly comply with and implement the Hong Kong Listing Rules to disclose discloseable information on a true, accurate, complete and timely basis and all other information that might have significant impact on the decisions of shareholders and other stakeholders in an active and timely manner. In addition, the Company takes efforts in ensuring all shareholders have equal access to information. As such, the Company has performed its statutory obligation in respect of information disclosure.

To enhance transparency, the Company endeavours to maintain on-going dialogues with shareholders through a wide array of channels such as annual general meetings and other general meetings. Shareholders are encouraged to participate in these meetings.

Separate resolution is proposed for each substantially separate issue at a general meeting by the chairman of that meeting, including the election of director as well as re-election of director. The chairman of the Board, the chairman or member of each of the board committees and external auditor attend and answer questions at the annual general meeting. The members of the independent board committee is available to answer questions at any general meeting to approve connected transaction(s) or any other transaction(s) that is subject to independent shareholders' approval.

The Company ensures compliance with the requirements about voting by poll contained in the Hong Kong Listing Rules and the Bye-laws. The share registrar of the Company is normally appointed as scrutineer of the votes cast by way of a poll. In relation to votes taken by way of a poll, results are subsequently published on the websites of the Company and the Hong Kong Stock Exchange.

The Board has adopted a shareholders communication policy which is posted on the website of the Company. The Board has conducted annual review on the policy and considered it sufficient and effective.

The Company is committed to providing clear and reliable information on the performance of the Group to shareholders through interim and annual reports. The website of the Company offers timely and updated information of the Group, including announcements, notices, bye-laws, corporate governance information, financial highlights, investor calender and other corporate communications.

2025 AGM

All Directors together with our auditor and our senior managements attended the 2025 AGM. The Company has provided detailed information on the Company's 2025 AGM in a circular to shareholders which included, inter-alia, a notice of the 2025 AGM and information on the retiring Directors who were eligible for re-election at the 2025 AGM. At the 2025 AGM, the Company continued its practice of proposing separate resolutions on each substantially separate issue and verified by an independent scrutineer. Matters resolved at the 2025 AGM are set out as follows:

Matters resolved at the 2025 AGM

1. To receive, consider and adopt the audited consolidated financial statements of the Company and the report of the directors and of the auditor for the year ended 31 December 2024.

2. (i) To re-elect Ms. Liu Sainan as executive director of the Company.

2. (ii) To re-elect Mr. Wu Ying Ha as executive director of the Company.

2. (iii) To re-elect Mr. Zhu Gaoming as independent non-executive director of the Company.

2. (iv) To re-elect Mr. Qiu Yiyong as independent non-executive director of the Company.

2. (v) To re-elect Mr. Deng Banghao as independent non-executive director of the Company.

2. (vi) To authorise the Board of Directors to fix the remuneration of the directors of the Company.

3. To re-appoint Deloitte Touche Tohmatsu as auditor of the Company and to authorise the Board of Directors to fix its remuneration.

4. (A) To grant a general mandate to the directors of the Company to allot, issue and deal with the Company's authorised and unissued shares, in terms as set out in ordinary resolution 4(A) in the notice of the 2025 AGM.

4. (B) To grant a general mandate to the directors of the Company to repurchase the Company's own shares, in terms as set out in ordinary resolution 4(B) in the notice of the 2025 AGM.

4. (C) To approve the extension of the general mandate granted to the directors of the Company to allot, issue and deal with the Company's authorised and unissued shares, in terms as set out in ordinary resolution 4(C) in the notice of the 2025 AGM.

A vast variety of shareholders (including both individuals and corporate shareholders) attended the 2025 AGM hoisted in Hong Kong and Singapore, in which more than 20 shareholders physically attended the meeting.

All the resolutions proposed at the 2025 AGM were voted by poll, and all were approved by the shareholders of the Company by way of ordinary resolutions. The Company has engaged its share registrar, Tricor Investor Services Limited, the Company's Hong Kong branch share registrar and transfer office, and Reliance 3P Advisory Pte. Ltd., an independent external accounting firm to act as the scrutineer for the poll voting. The results of the poll voting were posted on the websites of the Hong Kong Stock Exchange and the Company on the respective dates of meetings.

2026 AGM

The Company's 2026 AGM is scheduled to be held on before end of June 2026, the notice of which will be sent to shareholders at least 21 clear business days before the meeting. The circular to shareholders for the 2026 AGM is scheduled to be despatched to the shareholders before 30 April 2026. Any changes to these dates will be published on the website of the Company and the Hong Kong Stock Exchange.

SHAREHOLDER RIGHTS

The annual general meeting ("**AGM**") of the Company provides a forum for communication between the shareholders and the Board. The notice of the AGM is despatched to all shareholders at least twenty-one clear days prior to such AGM. The chairmen of all Board committees are invited to attend the AGM. The chairman of the Board and the chairmen of all the Board committees, or in their absence, other members of the respective committees, are available to answer questions at the AGM. The auditor of the Company is also invited to attend the AGM to answer questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and the auditor's independence.

Procedures for shareholders to convene a special general meeting

Shareholders can submit a requisition to convene a special general meeting pursuant to the Companies Act 1981 of Bermuda (the "**Companies Act**"), shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition.

The written requisition must:

- state the purposes of the special general meeting;
- be signed by all the requisitionists (may consist of one or several documents in like form each signed by one or more requisitionists); and
- be deposited at the Company's office in Hong Kong for the attention of the Company Secretary.

If the Directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a special general meeting, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a special general meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

Procedures for shareholders to put forward proposals at general meetings

Pursuant to the Companies Act, any number of shareholders representing not less than one-twentieth of the total voting rights of all the shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates; or not less than one hundred shareholders, can request the Company in writing to:

(a) give to shareholders of the Company entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and

(b) circulate to shareholders of the Company entitled to have notice of any general meeting send to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The requisition must be deposited to the Company not less than six weeks before the meeting in case of a requisition requiring notice of a resolution or not less than one week before the meeting in case of any other requisition.

Procedures for shareholders to propose a person for election as a director of the Company

According to Bye-law 87 of the Bye-laws, no person other than a director retiring at the general meeting of the Company shall, unless recommended by the directors for election, be eligible for election as a director at any general meeting of the Company unless a notice signed by a shareholder of the Company (other than the person to be proposed) duly qualified to attend and vote at the general meeting of the Company for which such notice is given of his/her intention to propose such person for election and also a notice signed by the person to be proposed of his/her willingness to be elected shall have been lodged at the Company's principal place of business in Hong Kong, at the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited or at the Company's Singapore share transfer agent, Boardroom Corporate & Advisory Services Pte. Ltd. provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven days, and that (if the notice(s) are submitted after the despatch of the notice of the general meeting convened for such election) the period for lodgement of such notice(s) shall commence on the day after the despatch of the notice of the general meeting convened for such election and end no later than seven days prior to the date of such general meeting.

Procedures for directing shareholders' enquiries to the Board

Shareholders may at any time send their enquiries and concerns in writing to the Company Secretary at the Company's principal place of business in Hong Kong at Rooms 1405-1412, 14th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong.

Shareholders Communication Policy

The Group has adopted a shareholders communication policy (the "**Shareholders Communication Policy**") which sets out the objective of ensuring that the Company's shareholders, both individual and institutional and, in appropriate circumstances, the investment community at large, are provided with ready, equal and timely access to balanced and understandable information about the Company (including its financial performance, strategic goals and plans, material developments, governance and risk profile), in order to enable the shareholders to exercise their rights in an informed manner, and to allow the shareholders and the investment community to engage actively with the Company. The Group has established a range of communication channels between itself and the shareholders, investors and other stakeholders. These include (i) contacting the Hong Kong branch share registrar, Tricor Investor Services Limited, or the Singapore share transfer agent, Boardroom Corporate & Advisory Services Pte. Ltd. regarding questions on shareholdings; (ii) publishing corporate communications such as announcements, circulars and the annual and interim reports; (iii) maintaining a corporate website at www.courageinv.com; and (iv) holding shareholders' meetings. The Board has the overall responsibility to maintain an ongoing dialogue with the shareholders and the investment community, and will regularly review the Shareholders Communication Policy to ensure its effectiveness.

For the year ended 31 December 2025, the Board has reviewed the implementation and effectiveness of the Shareholders Communication Policy including steps taken at the general meetings, the handling of queries received (if any) and the multiple channels of communication and engagement in place, and considered that the Shareholders Communication Policy has been properly implemented during the year under review and is effective.

DIVIDEND POLICY

According to the dividend policy adopted by the Company, in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account among others, the following factors: (i) the actual and expected financial performance of the Group; (ii) the retained earnings and distributable reserves of the Group; (iii) the expected working capital requirements and future expansion plans of the Group; (iv) the liquidity position of the Group and (v) any other factors that the Board deems appropriate. The declaration and payment of dividends by the Company shall be determined at the sole and absolute discretion of the Board and is also subject to compliance with all applicable laws and regulations including the laws of Bermuda and the Bye-laws.

Based on the principles of financial prudence, including responding to uncertain economic environments (such as interest rate fluctuations and geopolitics), preserving funds to support the expansion or mergers and acquisitions of core businesses, and strengthening the capital structure to maintain sound operations, the Board has decided not to pay a final dividend for the year ended 31 December 2025, and such decision is consistent with the Company's dividend policy.

INVESTOR RELATIONS

Our senior management is dedicated to maintaining an open dialogue with the investment community to ensure thorough understanding of our Company and our business as well as strategies.

The Company meets with investment analysts from time to time particularly following the announcement of financial results. Management also participates in investor conferences, one-on-one meetings, forums and conference calls which enable the Company and investors to better understand each other's concerns and expectations.

The Company maintains effective two-way communications with shareholders and potential investors whose feedback is valuable to the Company in enhancing corporate governance, management and competitiveness. Comments and suggestions are welcome and can be sent to the principal place of business of the Company for the attention of the Investor Relations Department or e-mailed to courage@courageinv.com.

As a channel to further promote effective communication, the Group maintains a website at www.courageinv.com where the Company's annual and interim reports, notices, announcements and circulars are posted.

A copy of the Bye-laws of the Company has been published on the websites of the Company and the Hong Kong Stock Exchange. There had been no changes in the Company's constitutional documents during the year ended 31 December 2025.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued shares is held by the public at the date of this annual report.

On behalf of the Board

Wu Ying Ha
Executive Director
Hong Kong, 27 March 2026

Environmental, Social and Governance Report

OVERVIEW

The Board is pleased to present the Environmental, Social and Governance Report (the "**ESG Report**") of the Group, which reviews the Group's Environmental, Social and Governance ("**ESG**") initiatives, plans and performance, as well as its sustainable development in respect of environmental protection, labour practices, business operations, supply chain management and other issues. As a responsible corporate citizen, the Group views ESG commitments as part of its social responsibilities and is committed to incorporating ESG considerations into its decision-making process.

INTRODUCTION

The Group is principally engaged in the business of logistic transportation and trading. The logistic transportation business comprises vessel chartering activities.

The ESG Report summarises the ESG initiatives, plans and performance of the Group in relation to environmental protection, labour practices, business operations, supply chain management and other issues. The Group focuses on the expectations and concerns of its stakeholders and demonstrates strong commitment to sustainable development.

The ESG Governance Structure

The Group utilises a top-down management approach to manage ESG and climate-related issues. The Board has the ultimate oversight of the ESG and climate-related risks and opportunities. The members of the Board possess the appropriate skills, experience, knowledge and perspectives necessary to oversee the Group's ESG and climate-related matters. Board meeting is held regularly by the Board to establish the overall ESG and climate-related approach. The Board manages and assesses the potential impacts and risks of the ESG and climate-related issues that relate to the Group's operations, reviews the Group's performance against the ESG and climate-related targets and the materiality of the ESG and climate-related issues, ensures the effectiveness of the Group's risk management and internal control systems, and approves disclosures in the ESG Report.

The Group's designated personnel from the business and functional departments facilitates the Board's oversight of the ESG and climate-related issues. Their duties include overseeing and reviewing the Group's ESG and climate-related policies, performance and management approach, identifying ESG and climate-related risks and opportunities, as well as reporting and recommending improvements on ESG and climate-related strategies, priorities, goals and targets to the Board. They are obligated to report to the Board regularly for the evaluation and subsequent implementation or revision of the Group's ESG and climate-related strategies and risk management and internal control systems. Meanwhile, they are also responsible for preparing and presenting the ESG reports to the Board for approval.

Reporting Period

The ESG Report specifies the ESG activities, challenges and measures taken by the Group during the year ended 31 December 2025 ("**FY2025**") as well as the comparative data for the year ended 31 December 2024 ("**FY2024**") where appropriate.

Environmental, Social and Governance Report

REPORTING SCOPE

The senior management of the Group has discussed and identified the reporting scope of the ESG Report based on the materiality principle and after having considered the Group's core business and main revenue source. The ESG Report covers mainly the business segment on marine logistic transportation services and the office operation. The Group has expanded into coal trading since 2Q2025. As there is no full-year data available, the data would be excluded from FY2025. The Group will enhance data collection and include this business in the disclosure when possible. The ESG Report serves to provide details of the Group's ESG policies and initiatives with respect to its businesses.

The ESG key performance indicator ("**KPI**") data was gathered from the companies and subsidiaries that are under the Group's direct operational control. The KPIs are shown in the ESG Report and are supplemented by explanatory notes to establish benchmarks. The Group will extend the scope of disclosures when and where applicable.

REPORTING FRAMEWORK

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Code (the "**ESG Reporting Code**") set out in Appendix C2 to the Hong Kong Listing Rules. Information relating to the Group's corporate governance practices is set out in the "Corporate Governance Report" on pages 19 to 36 of this annual report.

During the preparation of the ESG Report, the Group has applied the following reporting principles, which are set out in the ESG Reporting Code.

Materiality: A materiality assessment was conducted to identify material issues during FY2025, with the confirmed material issues being the focus of the ESG Report. The materiality of the various issues was reviewed and confirmed by the Board and senior management before disclosure. Further details of the assessment process are set out below in the sections headed "Stakeholder Engagement" and "Materiality Assessment".

Quantitative: The standards and methodologies used in the calculation of relevant data in the ESG Report, as well as the applicable assumptions are disclosed. The KPIs are supplemented by explanatory notes to establish benchmarks where appropriate.

Balance: The ESG Report provides an unbiased picture of the Group's ESG-related matters by avoiding selection, omissions, or presentation formats that may inappropriately influence a reader's decision or judgment.

Consistency: The approach adopted in preparing the ESG Report is substantially consistent with the one adopted in FY2024. Explanations are provided for data with changes to the scope of disclosure or calculation methodologies.

The ESG Report has been internally reviewed by the Group's senior management and approved by the Board.

CONTACT US

The Group welcomes all questions, feedback and suggestions from stakeholders. You can provide valuable advice in respect of the ESG Report or our performance in sustainable development by writing to Rooms 1405-1412, 14th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong or by email to courage@courageinv.com.

STAKEHOLDER ENGAGEMENT

The Group values its stakeholders and believes their feedback regarding ESG aspects enables the Group to improve. The Group maintains close communication with its key stakeholders, including but not limited to, government and regulatory authorities, shareholders and investors, employees, customers, suppliers, as well as the media and the public.

Striving to integrate stakeholders' expectations into consideration, the Group has developed and utilised diversified engagement methods and communication channels as shown below:

Stakeholders	Communication Channels	Expectations
Government and regulatory authorities	• Routine reports • Written or electronic correspondences • Supervision on relevant laws and regulations	• Compliance with relevant laws and regulations • Stability in business operations
Shareholders and investors	• General meetings and other shareholders' meetings • Annual and interim reports • Announcements and circulars • Investor meetings • Company website	• Sustainable profitability • Shareholders' return • Corporate governance • Business compliance
Employees	• Training, seminars and briefing • Performance reviews • Intranet • Regular employee meetings • Electronic correspondences	• Remuneration, compensation and benefits • Pleasant working environment • Employee development and training
Customers	• Company service hotline and email • Face-to-face meetings	• High-quality products and services • Prompt response and customer satisfaction
Suppliers	• Suppliers' satisfactory assessment • On-site visits • Regular calls and meetings	• Fair and open procurement • Win-win cooperation • Compliance with relevant laws and regulations • Risk management
Media and the public	• ESG reports • Company website • Regular reports and announcements	• Transparency of financial and ESG issues disclosure • Compliance with relevant laws and regulations

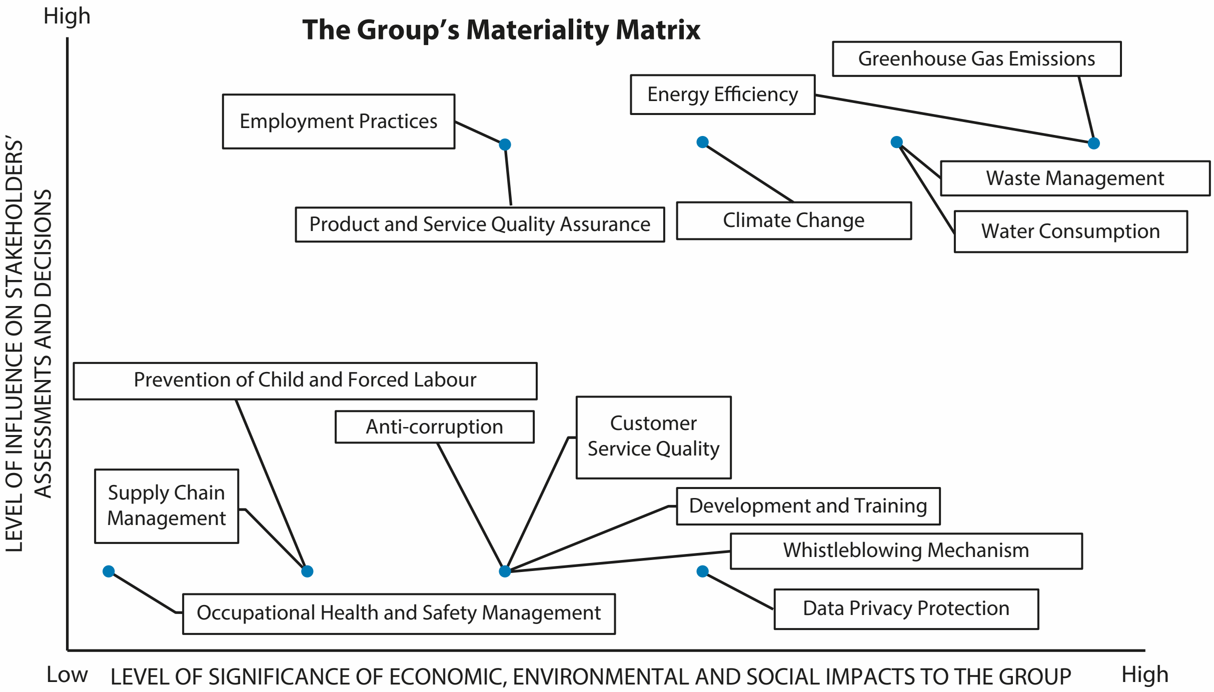
The Group aims to maintain effective communication with its stakeholders to ensure that their opinions and concerns are addressed. In the long run, stakeholders' contributions will aid the Group in identifying potentially overlooked ESG aspects and enhancing overall ESG performance.

MATERIALITY ASSESSMENT

Materiality assessment is the process of identifying, refining and assessing ESG issues that could affect the Group's businesses and its stakeholders. The results of the materiality assessment are used to formulate strategy, set targets and determine the focus of the ESG Report. Besides, materiality assessment enables the Group to analyse business risks and opportunities, which support the sustainable development of its businesses.

The Group values the feedback of stakeholders and their opinions on which ESG aspects they consider material. With the assistance of the Group's management, a list of material ESG issues has been identified based on the Group's businesses, the ESG Reporting Code and an analysis of industry peers. During FY2025, the Group conducted a materiality assessment survey to prioritise the identified material ESG issues. Employees of different business units and departments were invited to evaluate the significance of the identified ESG issues to the Group's businesses and its stakeholders. The Group compiled the materiality matrix based on the results of the survey, which was then reviewed by the Group's management and approved by the Board.

The materiality matrix below summarises the Group's material ESG issues included in the ESG Report:



The Group confirmed that it has established appropriate and effective management policies and internal control systems to address the material ESG issues and to ensure that the disclosed contents are in compliance with the requirements of the ESG Reporting Code.

A. ENVIRONMENTAL

The Group is committed to mitigating its environmental impacts and incorporating sustainability into its business strategy. To enhance decarbonisation endeavours and address stakeholders' concerns as reflected in the identified material ESG issues, the Group has set environmental targets in regard to Greenhouse Gas ("**GHG**") emissions, waste reduction, and energy efficiency. The Group regularly reviews the progress towards these targets and the effectiveness of its environmental protection measures, further details are set out below in the sections under Aspects A1 and A2.

A1. Emissions

The Group recognises the importance of operating its business in a sustainable manner. As such, the Group continuously improves existing policies and incorporates new policies with the intention of mitigating potential direct and indirect negative environmental impacts arising from the Group's business operations.

During FY2025, the Group was not aware of any material non-compliance with laws and regulations that would have a significant impact on the Group relating to air emissions, discharges into water and land and generation of hazardous and non-hazardous waste. The relevant laws and regulations include but are not limited to the Air Pollution Control Ordinance, Waste Disposal Ordinance and Water Pollution Control Ordinance of the Laws of Hong Kong.

Air Emissions

In respect of the Group's marine logistic transportation operations, the vessels owned by the Group were leased out on a time charter basis virtually throughout the whole of FY2025. The fuels used by the vessels were therefore not under the direct control of the Group but the charterers. Nonetheless, the Group closely monitored the environmental practices of the charterers and understood that the use of fuels by the charterers were in all material respects complied with the relevant environmental rules and regulations. The Group considers that the air emissions directly produced by the Group during FY2025 were immaterial.

Waste Management

Hazardous Waste Management

Owing to the Group's business nature, the Group's operations did not involve hazardous materials. Hence, no material hazardous waste was produced by the Group during FY2025.

Non-hazardous Waste Management

Most of the non-hazardous waste produced by the Group was office paper. All non-hazardous waste was properly handled and disposed of by authorised third parties. Although its operations do not generate a significant amount of non-hazardous waste, the Group endeavours to further reduce the waste produced by implementing various "green office" initiatives. The Group is dedicated to implementing the following green measures to reduce waste production from sources:

- Print electronic correspondences only when necessary;
- Reuse single-sided office paper;
- Encourage double-sided printing or photocopying;
- Procure paper bearing the Forest Stewardship Council Recycled Label; and
- Recycle outdated office supplies and electronic equipment after their life cycles.

In FY2025, the Group reviewed its previous targets and formulated the following non-hazardous waste reduction targets to facilitate further improvement:

- From FY2025 onwards, provide notices to inform employees on the reduce, reuse and recycle principle every year;
- From FY2025 onwards, provide waste separation recycling bins for collection of recyclables including wastepaper, plastics, metals and glass in each of the Company's offices; and
- Reduce non-hazardous waste intensity (tonne/employee) by FY2030, using FY2024 as the baseline year.

During FY2025, the Group's total non-hazardous waste intensity was approximately 0.02[1] tonne per employee, which was the same compared to 0.02 tonne per employee in FY2024. This was mainly due to the effective green measures implemented. To achieve the aforementioned targets, the Group will continue to provide waste separation bins for collecting recyclables and actively promote waste-saving measures to reduce paper consumption.

Summary of the Group's non-hazardous waste discharge performance:

Category	Unit	FY2025	FY2024
Office paper	tonne	0.34	0.37
Total non-hazardous waste	tonne	0.34	0.37
Total non-hazardous waste intensity	tonne/employee	0.02	0.02

Note:

1. As at 31 December 2025, the Group had 18 (2024: 18) employees including directors of the Company. This data is also used for calculating other intensity data in this ESG Report.

Discharges into Water and Land

Owing to the Group's business nature, its business activities do not consume a significant volume of water during its daily operations and thus it does not generate a material portion of sewage. As wastewater from the Group will be discharged into the sewage pipe network connected to a regional water purification plant, the volume of water consumed by the Group is considered the volume of sewage discharged. Further details of water consumption are set out below in the section headed "Water Consumption" under Aspect A2.

Meanwhile, all the vessels have installed the ballast water treatment system under the regulation by International Marine Organization ("**IMO**"), so as to ensure the quality of the ballast water and minimise the disturbance to the ocean water.

A2. Use of Resources

In order to reduce resource consumption, the Group is committed to enhancing resource efficiency across business operations. The Group keeps track of the ESG-related KPIs through its internal monitoring programme on procurement and use of resources to identify room for improvement and has established relevant policies and procedures in resource management.

Energy Efficiency

During FY2025, the energy consumed by the Group was mainly electricity used for daily office operations, which was classified an indirect energy consumption. As all of the Group's vessels were leased out virtually throughout the whole of FY2025, the Group had no direct energy consumption during the year. The Group aims to reach the goal of GHG emissions reduction with measures. Despite the fact that the Group does not consume a significant amount of energy in its business operations, the Group reviewed its previous targets and formulated the following energy efficiency targets in FY2025:

- Organise annual activities (e.g. seminars) to raise employee's awareness on energy saving measures;
- Support energy-saving campaigns such as the lights-out campaign of the Earth Hour;
- Change all office lighting to LED bulbs by FY2026;
- Install occupancy/motion sensors to automatically control lighting in the offices by FY2026; and
- Reduce the total electricity consumption intensity (MWh/employee) by the year ended 31 December 2030 ("**FY2030**"), using FY2024 "441.28 kWh/employee" as the baseline year.

To achieve the targets, the Group adopts the following energy-saving measures:

- Post eye-catching stickers on energy conservation as a reminder to employees;
- Switch off unnecessary lighting and electrical appliances when not in use;
- Purchase energy-efficient equipment to replace retired equipment;
- Set all computer screens and printers to standby mode after a certain period of time; and
- Participate in energy-saving campaigns, including the Earth Hour lights-out campaign.

The Group will also investigate anomalies in electricity consumption to identify the root causes and carry out the corresponding preventive measures. The Group will also allocate resources to raise awareness of employees and organise energy-saving activities.

During FY2025, the Group's total energy consumption intensity was 510.89 kWh per employee, which was increased by 15.77% compared to 441.28 kWh per employee in FY2024. This was mainly due to the change in office location. The Group will continue to enhance its energy conservation measures in order to reduce energy consumption.

Summary of the Group's energy consumption performance:

Type of energy	Unit	FY2025	FY2024
Indirect energy consumption			
• Electricity	kWh	9,196.00	7,943.00
Total energy consumption	kWh	9,196.00	7,943.00
Total energy consumption intensity	kWh/employee	510.89	441.28

Company's vessels are following the rules of Energy Efficiency Ships Index (EEXI) regulations, including applying the subclause of Engine Power Limitation (EPL). We upgraded our vessel by applying silicone anti-fouling paint during the drydocking, it can save about 10% of the emission. In addition, all vessels had installed the Ballast Water Treatment System under the regulation by IMO.

Water Consumption

Owing to the Group's business nature, the usage of water is confined to water consumed by the employees in the office. To this end, the Group considers its water consumption does not pose a significant impact on the environment and does not set a target for this aspect.

Nonetheless, the Group recognises the preciousness of water and is dedicated to highlighting the importance of water conservation to its employees. Apart from posting eye-catching stickers to promote water conservation, the Group also regularly inspects water taps to prevent leakage and encourages employees to adopt water-saving practices such as reducing unnecessary water consumption in washrooms and pantry. During FY2025, the Group did not encounter any problems in sourcing water that was fit for its purpose, was not aware of any abnormal water usage and water consumption data was not available since water usage was covered in the office building management fees.

Use of Packaging Material

Owing to the Group's business nature, the Group's operations did not involve manufacturing. Hence, the use of packaging material is not considered a material ESG aspect of the Group.

A3. The Environment and Natural Resources

Although the core business of the Group has no significant adverse impacts on the environment and natural resources, the Group realises its responsibility to minimise any negative environmental impacts from its business operations and strives to demonstrate ongoing commitment to good corporate social responsibility. The Group regularly assesses the environmental risks of its businesses, adopts relevant preventive policies and measures to reduce the identified risks and ensures compliance with the relevant laws and regulations.

Indoor Air Quality

To ensure that the Group's work environment is pleasant, the indoor air quality in its workplace is regularly monitored. During FY2025, the indoor air quality of the Group's office was satisfactory. To improve indoor air quality, air purifying equipment is used in the office when considered appropriate and the air conditioning system is cleaned periodically to filter out pollutants, contaminants and dust particles.

The Group believes that running an environmentally sustainable business model could greatly lower operational risk and in turn generate a more stable return to the Group and its shareholders. Hence, the Group closely monitors its environmental performance and will formulate corrective measures once it identifies any significant negative impacts to the environment and natural resources from its operations.

B. SOCIAL

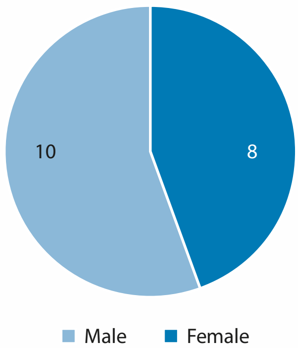
B1. Employment Practices

Human resources are the foundation of the Group and they help the Group to thrive. Since the Group recognises its sustainable growth relies on employees, it has formulated and implemented good recruitment and retention practices.

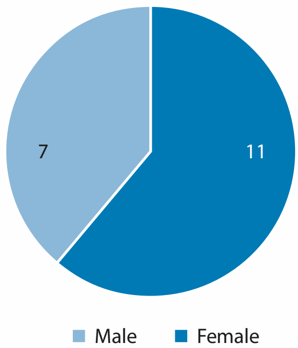
As at 31 December 2025, the Group had 18 (FY2024: 18) full-time employees in total. Seafarers and other crew ashore and aboard are employed and managed by the ship management companies and are therefore not included in the Group's workforce. The distribution of employees by gender, age group, geographical region, and employee category is as follows:

(i) Total Workforce by Gender

As at 31 December 2025

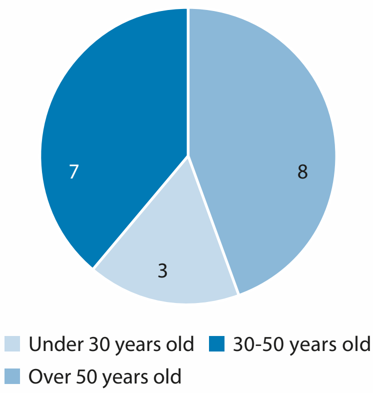


As at 31 December 2024

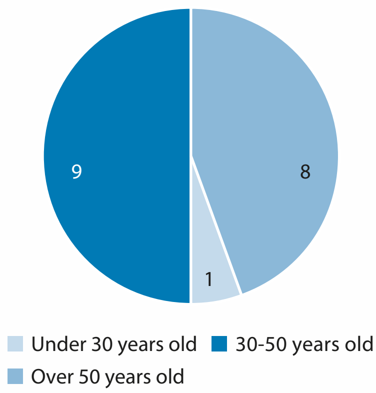


(ii) Total Workforce by Age Group

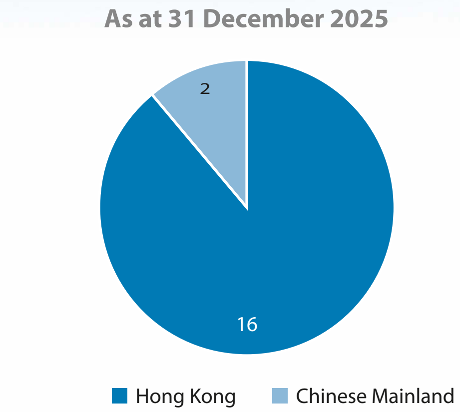
As at 31 December 2025

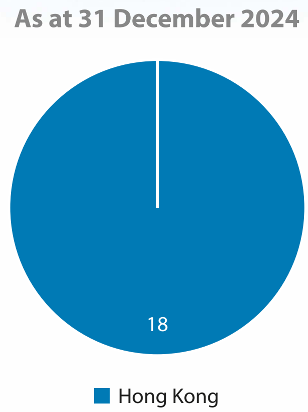


As at 31 December 2024

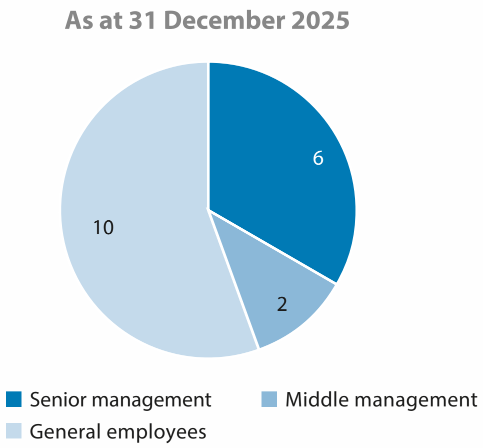


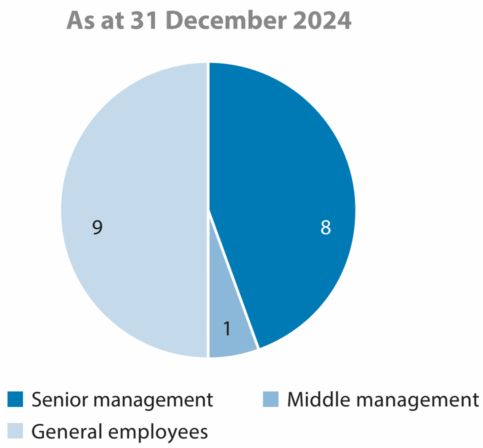
(iii) Total Workforce by Geographical Region





(iv) Total Workforce by Employee Category





During FY2025, the total number of employees leaving employment was 9 (FY2024: 5) and the total employee turnover rate[2] was 50.00% (FY2024: 27.78%).

The overall employee turnover rate[3] by gender, age group and geographical region is as follows:

Category	FY2025	FY2024
By Gender		
Male	40.00%	57.14%
Female	62.50%	9.09%
By Age Group		
Under 30 years old	0.00%	0.00%
30 – 50 years old	57.14%	11.11%
Above 50 years old	62.50%	50.00%
By Geographical Region		
Hong Kong	56.25%	22.22%
Chinese Mainland	0.00%	-[4]

Notes:

2. The total employee turnover rate is calculated by dividing the number of employees leaving employment during the reporting period by the number of employees at the end of the reporting period.

3. The turnover rate by category is calculated by dividing the number of employees in the specified category leaving employment during the reporting period by the number of employees in the specified category at the end of the reporting period.

4. Since there are no employees in this category at the end of the reporting period, the turnover rate is undetermined.

During FY2025, the Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. The relevant laws and regulations include but are not limited to the Employment Ordinance, Sex Discrimination Ordinance, and Employees' Compensation Ordinance of the laws of Hong Kong.

Relevant employment policies are formally documented in the Employee Handbook, Code of Conduct and Ethics, and Management for Crew Employment/Manning. The policies cover topics such as recruitment and remuneration, compensation, working hours and rest periods, diversity and equal opportunity, etc. The Group periodically reviews its current employment practices and policies to ensure continuous improvement of its employment standards and competitiveness against companies in similar industries.

Recruitment, Promotion and Remuneration

Talent acquisition is vital to the sustainable development of the Group's businesses. Employees are recruited via a robust, transparent, and non-discriminatory recruitment process based on their merits and their potential to fulfil the Group's current and future needs.

Remuneration and promotion are based on job-related skills, qualifications and performance. The Group conducts annual performance and salary reviews to determine salary adjustments and/or promotion opportunities.

The Group also ensures that all hired seafarers operating on its vessels possess the necessary credentials required by the International Safety Management ("**ISM**") Code.

Working Hours and Rest Periods

To facilitate employees' work-life balance, the Group has formulated policies for determining working hours and rest periods for employees, following local employment laws and regulations. The Group adopts a five-day workweek, and its employees are entitled to basic leaves such as sick leave, annual leave, maternity leave, paternity leave, marriage leave, and bereavement leave.

Compensation and Dismissal

All employees are covered under the Employees' Compensation Ordinance of the laws of Hong Kong upon joining the Group. The statute protects employees who are injured in the course of their employment due to an accident. Unreasonable dismissal under any circumstances is strictly prohibited, while dismissal would be based on reasonable and lawful grounds supported by internal policies of the Group.

Equal Opportunity, Diversity and Anti-discrimination

The Group's sustainable growth is dependent on the diversity of its talents, and it is thus committed to creating and maintaining an inclusive and collaborative workplace culture. Furthermore, the Group is dedicated to providing equal opportunities in all aspects of employment and protecting its employees from discrimination, physical or verbal harassment, and other forms of unfair treatment. The Group also has zero tolerance for sexual harassment or abuse in the workplace in any form. The Group makes human resources decisions regardless of gender, age, religion, disability, ethnicity, political stance, marital status, and other non-job-related factors. The Group ensures that complaints, afflictions, and concerns, including whistleblowing, are dealt with promptly and confidentially.

Other Benefits and Welfare

The Group understands that good benefits and welfare encourage staff retention and foster a sense of belonging, as such, the Group seeks to provide additional remuneration and benefits to employees where possible. Remuneration packages for employees usually include discretionary bonuses, annual leave, maternity leave, paternity leave, marriage leave and bereavement leave. Except for the aforementioned entitlement to various leaves, employees are also entitled to benefits such as medical insurance and other clinical benefits.

B2. Health and Safety

Occupational Health and Safety Management

During FY2025, the Group was not aware of any material non-compliance with laws and regulations that would have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards. Relevant laws and regulations include but are not limited to the Occupational Safety and Health Ordinance of the laws of Hong Kong. There were no reported cases of work-related fatalities (FY2024: Nil and during the year ended 31 December 2023: Nil) or no lost days due to work injury during FY2025 (FY2024: Nil).

Providing employees with a safe and healthy work environment is of utmost importance to the Group. Therefore, the Group has formulated comprehensive policies to safeguard the interests and well-being of all employees. Even though office-based operations face limited health and safety issues, the Group is committed to safeguarding the well-being of all employees. In the office, fire extinguishers are appropriately placed, fire exits are free from obstructions, and first aid boxes can be found around the premises. Relevant safety policies are reviewed annually, or soon after an incident arises, to ensure their relevancy.

For the marine logistic transportation operation, the Group has established a sound safety management system with a comprehensive Safety Management Manual and Shipboard Emergency Plan to assist its crews ashore and abroad in dealing with unexpected incidents and standardise the subsequent approach to minimise damages, losses, or hazardous outputs. The Group understands that the potential impact of an incident on the marine logistic transportation operation would be greater than that on an office-based operation. Therefore, the Group convenes a safety management system review meeting at least once every year to review the effectiveness of the safety management system and determine whether the latest ISM code has been followed. Relevant training sessions will be provided to employees where necessary.

B3. Development and Training

Training and continuous development are essential for the Group’s employees to keep up with the industry’s ever-changing trends. As such, the Group takes a proactive approach to providing employees with learning opportunities to advance their careers. The Group also encourages employees to apply for internal and external training courses to strengthen their skills and acquire new knowledge. Relevant policies and measures are implemented to standardise the management of employees’ training.

Regular training and drills are carried out to familiarise employees and vessel crews with the Group’s existing policies and new guidelines. Training includes proper shipboard operation and correct emergency procedures for marine pollution prevention. The Group believes that proper training could lower the risk of avoidable incidents and ensure compliance with the provisions set out by the IMO. The content of internal training sessions is regularly updated to reflect industry standards and the Group’s business needs in order to maximise benefits to the Group and its employees.

During FY2025, 100.00%[5] (FY2024: 77.78%) of the Group's employees received training, with an average of approximately 25.56 training hours6 (FY2024: 20.00 hours) per employee. The percentage of trained employees, breakdown of trained employees, and average training hours per employee, by gender and employee category, is as follows:

	Percentage of trained employees[7] (%)		Breakdown of trained employees[8] (%)		Average training hours per employee[9] (hours)	
	FY2025	FY2024	FY2025	FY2024	FY2025	FY2024
By Gender						
Male	100.00	85.71	55.56	42.86	30.00	25.71
Female	100.00	72.73	44.44	57.14	20.00	16.36
By Employee Category						
Senior management	100.00	100.00	33.33	57.14	25.00	25.00
Management	100.00	100.00	11.11	7.14	35.00	40.00
General employees	100.00	55.56	55.56	35.72	24.00	13.33

Notes:

5. This percentage is calculated by dividing the total number of trained employees during the reporting period by the total number of employees at the end of the reporting period.

6. The average training hours per employee is calculated by dividing the total number of training hours during the reporting period by the total number of employees at the end of the reporting period.

7. The percentage of trained employees by category is calculated by dividing the number of trained employees in the specified category during the reporting period by the number of employees in the specified category at the end of the reporting period.

8. The breakdown of trained employees by category is calculated by dividing the number of trained employees in the specified category during the reporting period by the total number of trained employees at the end of the reporting period.

9. The average training hours by category is calculated by dividing the number of training hours for employees in the specified category during the reporting period by the number of employees in the specified category at the end of the reporting period.

B4. Labour Standards

Prevention of Child and Forced Labour

Child and forced labour are strictly prohibited as defined by laws and regulations. The Group does not employ children before they reach the legal age to work as defined by the relevant laws and regulations. The Group guarantees that no employee will be forced or persuaded to work in the Group against their will, experience any form of threatening or abusive behaviour, or be subjected to any type of coercion or punishment in the workplace.

Personal data is collected during the recruitment process as detailed in the Group's New Employee Recruitment Procedures to assist in the selection of suitable candidates and the verification of the candidates' eligibility. The human resources department is responsible for ensuring that the identity documents are carefully checked and that the selected candidate is legally employable. If any employees suspect a violation is involved, they should report it to their supervisors or the human resources department. Once the Group discovers case that fails to conform to the relevant labour laws, regulations, or standards, the relevant employment contract will be immediately terminated.

During FY2025, the Group was not aware of any material non-compliance with laws and regulations that would have a significant impact on the Group relating to child and forced labour, including but not limited to the Employment Ordinance of the laws of Hong Kong.

B5. Supply Chain Management

The Group selects suppliers based on their technical proposals, prevailing market prices, delivery times, and reputations. To prevent jeopardising its own service provision, the Group strives to avoid over-reliance on a single supplier. An annual performance evaluation is performed to assess the suppliers' quality of products and services. Contracts with suppliers or subcontractors may be deactivated or terminated if their performance fails to meet the Group's expectation. Any discrimination against certain vendors without reasonable grounds and any types of business bribery are strictly prohibited. In addition, the Group's Ship Supply Procedures are in place to ensure quality and safety when purchasing ship supplies.

To manage the environmental and social risks in relation to its marine logistic transportation operations, the Group follows the rules and regulations set down by the IMO and the ship classification societies. In addition, the Group undertakes onsite inspections regularly to monitor the suppliers' or subcontractors' business procedures to reduce its social and environmental risks along the supply chain. Any non-compliance with the relevant environmental and social rules and regulations discovered during the onsite inspection of a supplier or subcontractor will be promptly reported to the Group's management. A corrective action plan will be carried out by management to remediate the identified risk in a timely manner.

The Group encourages its business partners and suppliers to consider the risks posed to their operations from climate change and to mitigate the related environmental impacts on them during supplier management meetings and events. Suppliers with the ISO 14001: Environmental Management System (EMS) certificate will be prioritised in the Group's supplier engagement process.

Fair and Open Tendering

The Group has developed a tendering procedure to engage suppliers in a fair and competitive manner, under which the senior management is responsible for all the decision-making during the tendering process. The Group strictly prohibits differentiation or discrimination against certain suppliers and it monitors and prevents all kinds of business bribery in a serious manner. Employees or personnel having any direct or indirect interests associated with the suppliers would not be involved in any business negotiation process with the suppliers.

Apart from requiring its suppliers and subcontractors to comply with local regulations, the Group is also aware of the importance of enhancing their environmental and safety performance. The management team regularly inspects the product quality and the environmental, health and safety conditions of its suppliers. During the selection process, suppliers, subcontractors, and vendors who consider and manage their environmental and social issues in their operations are prioritised to enhance the performance of the Group's supply chain. The Group maintains close communication with suppliers to understand their supply and services, resolves the related supply and service issues, and makes corresponding improvement measures. The Group also shares sustainable operating practices and disseminates environmental concepts, including the latest knowledge on quality, safety, as well as good employment and environmental practices.

During FY2025, the Group collaborated with 6 (FY2024: 9) major suppliers and 2 (FY2024: 2) of them are covered by the supplier engagement practices mentioned above. The distribution of major suppliers by geographical region is as follows:

	Number of Major Suppliers	
By Geographical Region	**FY2025**	**FY2024**
Hong Kong	1	2
Chinese Mainland	4	3
Singapore	–	1
Others	2	3

B6. Product Responsibility

The Group's mission is to provide the best products and services to its customers. Therefore, the Group has systems and controls in place to monitor the status and progress of all its business activities carried out by different levels of employees to ensure high-quality products and services are delivered.

During FY2025, the Group was not aware of any non-compliance with laws and regulations that would have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. Relevant laws and regulations include but are not limited to the Personal Data (Privacy) Ordinance, the Trade Descriptions Ordinance and the Food Safety Ordinance of the laws of Hong Kong and the Food and Drugs (Composition and Labelling) (Amendment) (No. 2) Regulation 2014.

Product and Service Quality Assurance

The Group understands the necessity of enhancing the health and safety performance of its marine logistic transportation business. In addition to strict compliance with the ISM code, the Group has established a number of policies to stipulate the responsibilities of each officer on board the vessels. In particular, the Group has a well-established shipboard emergency alert mechanism, under which a Safety Committee and an Emergency Response Team have been set up to investigate and handle any shipboard hazardous occurrences or emergency incidents. To address incidents of damage, breakdown, malfunction and defect in the vessels' hull, equipment and machinery, the Group has established the Ship Management Procedure and the Deficiency Management Procedure to determine the appropriate corrective and preventive actions required.

Owning to the Group's business nature, there was no product sold or shipped subjected to recall for safety and health reasons during FY2025.

Data Privacy Protection

The Group values its customers' information and strives to protect their data privacy by strictly enforcing the standards of the information security management systems. In addition, the Group has provisions regarding data privacy in its Code of Conduct and Ethics. Employees are trained to respect the confidentiality of customers' information. Any leakage of confidential information to third parties is strictly prohibited. The Group has also installed firewalls, as well as anti-virus and anti-spam measures for its information technology ("**IT**") systems to safeguard customers' confidential information. The Group will update the measures on a regular basis to ensure their effectiveness.

Customer Service Quality

The Group welcomes feedback from customers, as their opinions are the key to enhancing the Group's services. The Group has set up procedures for handling feedback or complaints. All feedback or complaints will be recorded in detail and appropriate follow-up actions will be taken. Should a feedback or complaint bear significant weight in the improvement of the Group's services, the feedback or complaint will be considered a case study to prevent future recurrence. During FY2025, the Group did not receive any material product- or service-related complaints.

Advertising and Labelling

Owing to the Group's business nature, advertising and labelling matters are not considered a material ESG aspect of the Group.

Protection of Intellectual Property ("IP") Rights

Owning to the Group's business nature, IP rights are not considered a material ESG aspect of the Group. Nevertheless, the Group has established relevant guidelines to govern IT management within the Group. In addition, the Group's IT specialist is responsible for obtaining proper licences for the software, hardware and information used in the Group's daily business operations. Duplication or downloading of information, software and images from the internet must be approved by the relevant department head. Furthermore, the Group closely monitors the infringement actions in the market and prevents the emergence of any infringement behaviour among the employees. The Group regularly monitors its employees to ensure that IP rights are not being infringed upon.

B7. Anti-Corruption and Whistleblowing

Anti-corruption

Solid corporate governance and risk management are essential to the Group's long-term development and sustainable growth. The Group endeavours to continuously improve its corporate rules and regulations while ensuring strict compliance with local laws and regulations. The Group values and upholds integrity, honesty, and fairness in how the Group conducts business. The Group emphatically asserts its zero-tolerance stance regarding behaviours that not only violate local laws and regulations but also severely damage the Group's reputation.

During FY2025, the Group was not aware of any material non-compliance with the laws and regulations that would have a significant impact on the Group relating to bribery, extortion, fraud, and money laundering. Relevant laws and regulations include but are not limited to the Prevention of Bribery Ordinance of the laws of Hong Kong. There were also no legal cases regarding corruption practices brought against the Group or its employees.

The Group affirms its zero-tolerance policy regarding corruption, fraud and all other behaviours that severely violate professionalism and work ethics. The Code of Conduct and Ethics and the Conflict of Interest and Transactions with Interested Persons Policy have been formulated by the Group to prevent misconduct and promote ethical business behaviour. Moreover, the Board and all employees are required to declare their interests, gifts, or hospitality received in connection with their role within the Group.

To ensure that all employees can perform their duties with high ethical standards and professionalism, the Group has arranged internal and external anti-corruption and corporate governance training for employees to learn about the latest developments and future trends in global anti-money laundering. During FY2025, the Group's directors and employees received a total of approximately 12.00 hours (FY2024: 9.00 hours) and approximately 24.00 hours (FY2024: 12.00 hours) of anti-corruption training, respectively.

Whistleblowing Mechanism

The Group has established the Whistleblowing Policy, which sets out the reporting and investigative procedures to facilitate the identification of any fraudulent activities. The Group intends to protect the whistle-blower from common concerns such as confidentiality, reprisal, and potential retaliation. A corporate email address has been set up for access by the Chairman of the Audit Committee and all independent non-executive directors for whistleblowing purposes. For any report received, the Audit Committee will consult with the Chairlady of the Board and independent non-executive directors to formulate mitigation and preventive measures, so as to prevent future breaches of a similar nature from taking place. The Audit Committee will coordinate with the relevant department(s) to implement such preventive measures and regularly review the efficacy of the said measures. The Group assures the whistle-blower reporting in good faith against unfair dismissal or victimisation, even if the reports are subsequently proved to be unsubstantiated.

B8. Community Investment

Community Participation

The Group realises the importance of giving back to society and is committed to supporting the community by various means of social participation and contribution as part of its strategic development. As a responsible corporation, the Group has established relevant guidelines on community investment to encourage its employees to engage in community services and voluntary activities. Since the Group's core business of marine logistic transportation will result in unavoidable carbon emissions and other environmental footprint when its vessels are chartered for use, the Group has identified environmental concerns as its focus area of contribution for community investment, particularly in the area of marine conservation.

During FY2025, the Group participated in an activity to help prepare vegetables organised by Food Angel in Food Angel Jockey Club Food Production Centre. The prepared vegetables are distributed to the people in need through meal boxes. In addition to volunteering in the activity, the Group also donated HK$1,000 to Food Angel during the activity. The Group endeavours to continuously expand community contributions in the future.

D. CLIMATE-RELATED DISCLOSURE

Governance

The Group recognises the importance of identifying significant climate-related issues and managing related risks and opportunities. Hence, the Group is committed to managing the potential climate-related risks and opportunities that may impact on the Group's business activities. The climate-related risks and opportunities are managed together with the broader ESG issues.

The Group considers climate-related risks and opportunities in its strategy development, business planning, and day-to-day operations, including decisions on major transactions. The Group identifies these risks and opportunities through its regular materiality assessments and risk review processes. As with other material risks, the Group applies consistent risk management and internal control mechanisms to evaluate and manage relevant risks and opportunities, with oversight provided by the management and regular reporting to the Board. Climate-related performance metrics have not been incorporated into the Group's remuneration policies at this stage. The Group will continue to monitor developments in this area to integrate such metric in the future. Further details are set out above in the section headed "The ESG Governance Structure".

Strategy

The Group understands that the impact of climate change is long-lasting. The Group identifies and assesses the climate-related risks and opportunities over time horizon for better planning and resource allocation. To align with Hong Kong's Climate Action Plan 2050, the Group defines the short-term as within the next reporting period, for considering the immediate physical and transition risks and opportunities changes. Medium-term is up to 2030 and long-term is 2050.

The Group has an established risk management policy to govern the identification and mitigation of different risks, including climate-related risks. During FY2025, the Group conducted a climate change assessment to identify and mitigate the potential risks that may arise from its business operations. These risks mainly stem from the following dimensions:

Physical Risks

The increase in frequency and severity of extreme weather events such as typhoons, storms and heavy rains can disrupt the Group's operations by causing floods, damaging the power grid and communication infrastructures, and hindering and injuring its employees and seafarers hired through crew agencies when they are at work or commuting. The extreme weather might affect the daily operation of the Group in short-, medium- and long-term. These could result in temporary, permanent, or partial halt of the Group's business operations, which exposes the Group to risks of reduction in revenue.

Besides, the extreme weather conditions may cause damage to the Group's vessels, resulting in substantial maintenance, repair, or replacement costs. Other risks posed by extreme weather conditions such as the risk of detention, sinking, collision, and other marine disasters could also significantly hinder the operations of the Group's marine logistic transportation business. Any damage to the vessels may cause environmental pollution, including but not limited to fuel leakage and disposal of vessel debris. In certain circumstances, severe weather conditions could cause loss or damage to cargo and property, which would affect the Group's financial performance and require significant resources for remedies if any accidents occurred, ultimately raising operational costs.

To better manage the aforementioned physical risks, the Group has evaluated the possible extreme weather events that could influence the Group's business operations and has included the relevant risks in the Group's risk management system. Moreover, the Group has formulated a crisis response plan to reduce the negative impacts brought by extreme weather events. When extreme weather events occur or are expected to occur, senior management will respond as planned and communicate with employees about the work arrangement in a timely manner to ensure employee safety and operation continuity. The Group will also from time to time review its response plan, which sets out appropriate solutions for employees to follow, so the employees will know how to respond if any of the essential work arrangements become unavailable due to extreme weather events., which might increase expenses for disaster preparedness measures and eventually increase the operational costs.

Transition Risks

Policy and Legal Risks

The Group anticipates that there will be more stringent climate legislation and regulations to support the global vision of carbon neutrality. From a listed company's perspective, the Group acknowledges the increasing requirements for climate-related information disclosures. In addition, climate change may lead to higher emissions standards and regulations on vessels. Failure to meet the compliance requirements for climate change may harm the Group's corporate reputation and expose it to higher risks of claims and lawsuits. The Group expects the related capital investment and compliance costs to increase accordingly in the medium- to long-term.

In response to policy and legal risks, as well as reputation risks, the Group regularly monitors existing and emerging trends, policies and regulations relevant to climate change, and ensures the senior management is aware of any changes in policies or legislation in order to avoid unnecessary costs or non-compliance fines, and to reduce reputation risks resulting from delayed responses. The Group has also included the above-mentioned transition risks in its risk management system, which will be reviewed regularly.

Market Risk

Under the advocation of "Net Zero", which refers to the ambition to achieve net zero GHG emissions, and the global vision of decarbonisation, there are an increasing number of investors who advocate for combating climate change. It is expected that its effect would occur over different time horizons depend on the trend and the stance of the investor. If the Group fails to implement effective measures to manage climate risks, investors may disinvest. To cope with the potential risk of disinvestment, the Group intends to maintain a high level of transparency in ESG reporting and its related activities, which helps to establish trust and confidence between the Group and investors. The Group also sets targets for and endeavours to make commitments to ESG-related issues. The Group also reviews the progress in its ESG-related matters to ensure the Group's development is aligned with the global trend.

Climate-related Opportunities

The Group identifies the transition to low-carbon operations as a significant short-term opportunity that might lower the operational cost. By implementing systematic energy conservation practices and monitoring resource consumption, the Group aims to reach efficiency thus reducing operational costs. Furthermore, the Group's efforts to enhance production capacity while minimising resource inputs improve our long-term operational resilience and market competitiveness, aligning our business model with global decarbonisation trends.

Based on the climate change assessment, the Group's business model and value chain do not currently face significant and concentrated climate-related risks and opportunities. Nevertheless, the Group regularly monitors related risks that may affect its operations and strives to grasp any related opportunities. Also, the Group is aware of the growing climate-related risks to our business such as business model, strategy, resource allocation and the carrying amounts of assets and liabilities. Therefore, the Group has set the short-term GHG emissions target. Further details are set out in the below section under "Metrics and Targets". To further our climate commitment, the Group will continue to explore the feasibility of establishing a long-term climate-related or carbon neutralisation target as part of the Group's transition plan.

The Group will continue to conduct risk assessment to identify the anticipated financial effect, quantify the effects and estimate relevant changes to financial position. The Group will continuously develop its skills and capabilities over time and acquire additional resources if necessary. In addition, to reinforce its resilience against the impact of climate change on its operations, the Group is at an early stage of assessing its climate resilience, with significant uncertainty in quantifying potential impacts and their timing. The Group's capacity to adapt its strategy over time is supported by the operational and planning flexibilities within its current business model. The Group will explore the use of climate-related scenario analysis that is commensurate with its circumstances when there is reasonable and supportable information that is available, including scenarios aligned with the latest international climate agreements, in order to enhance its understanding and reporting of climate-related risks and opportunities through regular risk assessments in the future.

Risk Management

The Group believes that climate-related risks and opportunities are of importance in the business operation in long-term success. To identify, assess, prioritise and monitor climate-related risks, the Group incorporated the risks consideration into the existing enterprise risk management ("**ERM**") system. Considering the likelihood and magnitude of the climate-related risks, the Group is able to incorporate the risks into potential traditional risks including legal implications, corporate reputation, environmental safety and business operation. The Group evaluates the likelihood is based on the historical data and information available to the Group during the reporting period while the magnitude is based analysing impacts on financial loss, legal implications, corporate reputation, environmental safety and business operations. The result is then integrated and categorised as different significant levels. Risks exceed the limit will be prioritised and monitored. The result is presented to the Board annually for possible further actions, as the same as the process on ERM.

Metrics and Targets

GHG Emissions

The principal GHG emissions produced by the Group were from purchased electricity (Scope 2), paper waste disposal (Scope 3), business air travel (Scope 3), employee commuting (Scope 3) and downstream leased vessels (Scope 3). In view of the expanded Scope 3 that the scope of FY2025 further includes employee commuting, the Group reviewed and updated the GHG emissions target in FY2024 to reducing GHG emissions intensity (tCO_2e/employee) by 20% by FY2030, using FY2024 as the baseline year (FY2024: 172.87 tCO_2e/employee). The GHG emissions intensity (tCO_2e/employee) increased by 70.55%, compared to the FY2024 due to the fact that the including of employee commuting in Scope 3 disclosure and the increased usage of the leased vessels.

Regarding the target set, the covered GHG are mainly carbon dioxide, methane and nitrous oxide. In the measurement approach, operation control is applied to focus on the emission that the Group has authority to implement control. All Scope 1, Scope 2 and Scope 3 GHG emissions are included in the target. The target setting is mainly based on the internal business operation and is applied to the business outlined in the section headed "Reporting Scope". To achieve the target and reinforce the Group's commitment, the Group is dedicated to validating the target with a third party. The Group might also consider the use of carbon credits to offset the GHG emissions. To achieve the set target, the Group has adopted the following measures to reduce its GHG emissions.

Scope 1- Direct GHG Emissions

During FY2025, the vessels owned by the Group were virtually leased out throughout the year.

The Group purchased and leased vehicles for its operation in FY2025. However, the emission is insignificant. We will enhance the data collection and include the emission in the disclosure when possible.

Scope 2 – Indirect GHG Emissions

Electricity consumption accounted for the indirect GHG emissions produced by the Group. The Group has implemented measures to reduce energy consumption, which are set out in the section headed "Energy Efficiency" under Aspect A2 above. The Group adopts location-based to measure the Scope 2 GHG emissions.

Scope 3 – Other Indirect GHG Emissions

Paper waste disposal (Category 5: Waste generated in operations), business travel by employees (Category 6: Business travel), employee commuting (Category 7: Employee commuting) and the fuel consumption of the leased vessels (Category 13: Downstream leased assets) are sources of other indirect GHG emissions. The measures implemented to reduce paper waste disposal are set out above in the section headed "Waste Management". Meanwhile, the Group prioritises and promotes telecommunication channels to avoid unnecessary business air travel. For the leased vessels, the Group encourages the charterers to adopt environmentally-friendly practices and monitor the energy efficiency of the vessels.

During FY2025, the Group's total GHG emissions intensity was approximately 294.84 tCO_2e per employee. Striving to provide a comprehensive emission overview, the Group expanded the Scope 3 calculation scope to include emissions from employee commuting in FY2025 GHG emissions intensity data is monitored and calculated annually to make sure the target is on track. The Group will closely monitor the progress of the target and Board oversight might be practice if necessary.

Summary of the Group's GHG emission performance:

Indicator[10]	**Unit**[11]	**FY2025**	**FY2024**
Scope 2 – Indirect GHG emissions • Purchased electricity	tCO_2e	5.52	5.24
Scope 3 – Other indirect GHG emissions • Paper waste disposed at landfills • Business air travel • Employee commuting • Downstream leased vessels	tCO_2e	5,301.64[12]	3,106.49
Total GHG emissions	tCO_2e	5,307.16[12]	3,111.73
Total GHG emissions intensity	tCO_2e/employee	294.84[12]	172.87

Notes:

10. GHG emissions data is presented in terms of carbon dioxide equivalent and is based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Hong Kong Stock Exchange, the "Global Warming Potential Values" from the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC), the Sustainability Report 2023 and the Sustainability Report 2024 published by HK Electric.

11. tCO_2e is defined as tonne of carbon dioxide equivalent.

12. The emissions from employee commuting were included in FY2025, resulting in an increase of Scope 3 emissions compared to the data of FY2024.

The Group is dedicated to disclosing the specific amount and percentage of assets or business activities vulnerable to climate-related transition risks, physical risks when there is available information. Meanwhile, the Group has deployed with over US$180,000 on the organosilicon paint on the Group's vessel, namely MV Heroic. The Group will continue to enhance its data capabilities and will disclose more information when available.

During the reporting period, the Group has not implemented an internal carbon price as a strategic tool. To minimise relevant climate-related risks, the Group maintains a proactive approach by monitoring the relevant carbon price in the market and tracking the latest regulations associated with carbon tax. The Group remains prepared for future regulatory shifts and financial impacts.

Shareholding Analysis and Information for Shareholders

OUR SHARE INFORMATION AND OUR SHAREHOLDING STRUCTURE

As at 31 December 2025, a summary of our share information is set out below:

Authorised Share Capital	US$180,000,000
Issued Share Capital	US$109,703,568
Board Lot	20,000 shares
Number of Issued Shares	1,097,703,568
Closing Price	HK$0.162/SGD0.028

As at 31 December 2025, a summary of our shareholding structure is set out below:

Size of Registered Shareholdings	**Number of Shareholders**	**Number of Shares**	**Approximate % of Issued Capital (Note)**
0 – 1,000	150	71,769	0.01
1,001 – 5,000	573	1,450,800	0.13
5,001 – 10,000	298	2,095,260	0.19
10,001 – 100,000	368	10,192,390	0.93
100,001 – 9,999,999,999	34	1,083,893,349	98.74
Total	1,423	1,097,703,568	100.00

Note: The figures are rounded to two decimal place and may show apparent addition errors.

As at 31 December 2025, the Company has over 1,000 registered shareholders. The actual number of investors in the Company's shares is much greater when taking into account the people and organisations that have indirect interest in the Company's shares through intermediaries such as nominees, investment funds and the Central Clearing and Settlement System (CCASS) of Hong Kong.

The Company's largest shareholder is China Mark Limited which holds 51.81% of the Company's shares. The remaining 48.19% of the Company's shares are held by a wide range of institutional or corporate investors mainly based in Asia, as well as a considerable number of retail investors, most of whom are residents in Hong Kong.

Independent Auditor's Report

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TO THE SHAREHOLDERS OF COURAGE INVESTMENT GROUP LIMITED
勇利投資集團有限公司
(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Courage Investment Group Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 67 to 113, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

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

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of vessels	
We identified the impairment assessment of vessels as a key audit matter due to the significance of the balance and management's judgement required in the assessment. The carrying amount of vessels was US$37,584,000 as at 31 December 2025. As disclosed in note 4 to the consolidated financial statements, the management determines the recoverable amount of the vessels based on the higher of value in use and fair value less costs of disposal and compares such recoverable amount to the carrying amount to determine if any impairment loss or reversal of impairment loss should be recognised. At 31 December 2025, the recoverable amount of the vessels was determined based on the valuation carried out by an independent qualified professional valuer using market approach based on the direct comparison method by making reference to the recent sale transactions of similar vessels with similar age and condition. An impairment loss of US$1,275,000 was recognised in profit or loss during the year as set out in note 15 to the consolidated financial statements.	Our procedures in relation to the impairment assessment of vessels included: • Evaluating management's assessment on identifying indication of impairment on the Group's vessels; • Assessing the competence, independence and objectivity of the valuer; • Obtaining the valuation reports of the vessels from the valuer to evaluate, with the assistance of our internal valuation specialists, the relevance of key data inputs underpinning the valuation, including the recent transactions of vessels of similar age and condition from open sources; • Checking, on a sample basis, the accuracy and relevance of the input data used in the value in use calculation prepared by the management; • Assessing the reasonableness of the management's key assumptions used in the value in use calculation based on available market data of the vessel chartering industry; and • Assessing the adequacy of the disclosures in the consolidated financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Chow Chi Chung (practising certificate number: P05073).

Ernst & Young
Certified Public Accountants
27 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	NOTES	**2025** **US$'000**	2024 US$'000
Revenue			
Logistic transportation		**11,665**	9,183
Trading		**6,939**	–
Total revenue	*5*	**18,604**	9,183
Direct expenses		**(8,896)**	(6,040)
Cost of goods sold		**(5,796)**	–
Gross profit		**3,912**	3,143
Other income and gains	*7*	**976**	1,111
Administrative expenses		**(3,230)**	(2,336)
Impairment loss (recognised)/reversed on vessels	*15*	**(1,275)**	91
Impairment losses on trade and other receivables		**(442)**	–
Allowance for credit losses on debt instruments at fair value through other comprehensive income, net		**–**	(389)
Gain on disposal of a subsidiary	*27*	**–**	106
Finance costs	*8*	**(17)**	(20)
(Loss)/profit before tax	*9*	**(76)**	1,706
Income tax expense	*10*	**(281)**	–
(Loss)/profit for the year attributable to owners of the Company		**(357)**	1,706
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		**140**	–
Other comprehensive income for the year, net of income tax		**140**	–
Total comprehensive (loss)/income for the year attributable to owners of the Company		**(217)**	1,706
Basic and diluted (loss)/earnings per share attributable to owners of the Company (US cent)	*13*	**(0.03)**	0.16

Consolidated Statement of Financial Position

At 31 December 2025

	NOTES	2025 US$'000	2024 US$'000
Non-current assets			
Property, plant and equipment	15	**42,762**	40,139
Right-of-use assets	16	**214**	8
Financial asset at fair value through profit or loss	17	**905**	–
Deposits	19	**101**	–
Total non-current assets		**43,982**	40,147
Current assets			
Inventories		**76**	–
Trade receivables	18	**330**	–
Other receivables, prepayments and deposits	19	**5,306**	722
Bank deposits	20	**5,214**	14,681
Cash and cash equivalents	20	**6,008**	4,257
Total current assets		**16,934**	19,660
Total assets		**60,916**	59,807
Current liabilities			
Deposits received, other payables and accruals	21	**1,348**	775
Contract liabilities	22	**487**	219
Lease liabilities	23	**186**	9
Income tax payable		**274**	–
Total current liabilities		**2,295**	1,003
Net current assets		**14,639**	18,657
Total assets less current liabilities		**58,621**	58,804

Consolidated Statement of Financial Position

At 31 December 2025

	NOTES	2025 US$'000	2024 US$'000
Capital and reserves			
Share capital	*24*	**1,098**	1,098
Reserves		**57,489**	57,706
Total equity		**58,587**	58,804
Non-current liabilities			
Lease liabilities	*23*	**34**	–
Total liabilities and equity		**60,916**	59,807

The consolidated financial statements on pages 67 to 113 have been approved and authorised for issue by the Board of Directors on 27 March 2026 and are signed on its behalf by:

Wu Ying Ha	**Lee Chun Yeung, Catherine**
DIRECTOR	*DIRECTOR*

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Share capital US$'000	Share premium US$'000 (Note (a))	Contributed surplus US$'000 (Note (b))	Exchange reserve US$'000 (Note (c))	Retained profits US$'000	Total US$'000
At 1 January 2024	1,098	8,072	41,029	–	6,899	57,098
Profit and total comprehensive income for the year	–	–	–	–	1,706	1,706
At 31 December 2024 and 1 January 2025	1,098	8,072*	41,029*	–*	8,605*	58,804
Loss for the year	**–**	**–**	**–**	**–**	**(357)**	**(357)**
Exchange differences arising on translation of financial statements of foreign operations	**–**	**–**	**–**	**140**	**–**	**140**
Total comprehensive income/(loss) for the year	**–**	**–**	**–**	**140**	**(357)**	**(217)**
At 31 December 2025	**1,098**	**8,072***	**41,029***	**140***	**8,248***	**58,587**

* These reserve accounts comprise the consolidated reserves of US$57,489,000 (2024: US$57,706,000) in the consolidated statement of financial position.

Notes:

(a) The share premium represents the excess of the proceeds received over the nominal value of the Company's shares issued.

(b) The contributed surplus represents the excess of the previous nominal value of the shares of the subsidiaries acquired pursuant to the group reorganisation over the previous nominal value of the Company's shares issued in exchange therefor.

(c) The exchange reserve represents foreign exchange differences arising from the translation of the financial statements of operations outside Hong Kong.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 US$'000	2024 US$'000
Operating activities		
(Loss)/profit before tax	**(76)**	1,706
Adjustments for:		
Interest income	**(253)**	(776)
Interest expenses	**17**	20
Gain on financial asset at fair value through profit or loss *(note 7)*	**(5)**	–
Gain from disposal of investments previously written off *(note 7)*	**(282)**	–
Gain on disposal of a subsidiary *(note 27)*	**–**	(106)
Depreciation of property, plant and equipment *(note 15)*	**3,009**	2,098
Depreciation of right-of-use assets *(note 16)*	**157**	97
Impairment loss recognised/(reversed) on vessels	**1,275**	(91)
Impairment losses on trade and other receivables	**442**	–
Allowance for credit losses on debt instruments at fair value through other comprehensive income, net	**–**	389
Operating cash flows before movements in working capital	**4,284**	3,337
Increase in inventories	**(76)**	–
(Increase)/decrease in trade receivables	**(518)**	323
Increase in other receivables, prepayments and deposits	**(4,787)**	(151)
Increase/(decrease) in deposits received, other payables and accruals	**573**	(266)
Increase in contract liabilities	**268**	219
Cash (used in)/generated from operations	**(256)**	3,462
Interest income received	**241**	776
Interest expenses paid	**(17)**	(31)
Corporate income tax paid	**(7)**	–
Net cash flows (used in)/from operating activities	**(39)**	4,207

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 *US$'000*	2024 *US$'000*
Investing activities		
Purchase of property, plant and equipment	**(6,907)**	(14,559)
Purchase of financial asset at fair value through profit or loss	**(900)**	–
Proceeds from disposal of investments previously written off	**282**	–
Acquisition of a subsidiary *(note 26)*	**–**	(1,501)
Net proceeds from disposal of a subsidiary *(note 27)*	**–**	13,800
Placement of bank deposits	**(136,480)**	(242,923)
Withdrawal of bank deposits	**145,947**	244,777
Net cash flows from/(used in) investing activities	**1,942**	(406)
Financing activities		
Repayment of borrowings	**–**	(756)
Repayment of principal portion of lease payments	**(152)**	(102)
Cash flows used in financing activities	**(152)**	(858)
Net increase in cash and cash equivalents	**1,751**	2,943
Cash and cash equivalents at the beginning of the year	**4,257**	1,314
Cash and cash equivalents at the end of the year as stated in the consolidated statement of cash flows and consolidated statement of financial position	**6,008**	4,257

1. GENERAL INFORMATION

The Company (Registration No. 36692) was incorporated in Bermuda on 5 April 2005 as an exempted company with limited liability under the Bermuda Companies Act 1981. Its registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is at Rooms 1405-1412, 14th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong. The Company is primarily listed on the Main Board of the Hong Kong Stock Exchange and secondarily listed on the Main Board of SGX-ST. The consolidated financial statements are presented in US$, which is the functional currency of the Company, and all values are rounded to the nearest thousand (US$'000) where appropriate or as indicated.

The immediate and ultimate holding company of the Company is China Mark Limited, a limited liability company incorporated in Hong Kong which is wholly-owned by Ms. Liu Sainan.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 34.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**") for the first time, which are mandatorily effective for the annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	*Lack of Exchangeability*

The application of the amendments to IAS 21 in the current year has had no material impact on the Group's financial position and performance for the current year.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (CONTINUED)

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amended IFRS Accounting Standards that have been issued but are not yet effective:

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

1 Effective for annual periods beginning on or after 1 January 2026.
2 Effective for annual/reporting periods beginning on or after 1 January 2027.
3 No mandatory effective date yet determined but available for adoption.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's consolidated financial statements.

Other than the above, the directors of the Company anticipate that the application of the other amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements when these standards become effective.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for financial asset at fair value through profit or loss which has been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Revenue recognition

Revenue from contracts with customers

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

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

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) Marine logistic transportation services

Revenue from marine logistic transportation services is recognised over time based on daily rate.

For charter arrangement which contains a lease, the Group separately accounts for the rental income from lease components and marine logistic transportation service income from non-lease components for the charter contracts. Rental income from lease components is recognised in accordance with the accounting policy for revenue from other sources disclosed below.

(b) Trading

Revenue from the trading of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Revenue recognition (continued)

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

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

Income tax

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

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

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Income tax (continued)

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

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment (other than vessels) over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method. When parts of an item of property, plant and equipment have different useful lives, the cost of each part is depreciated separately.

Depreciation of vessels is charged so as to write off the cost of vessels over their remaining estimated useful lives from the date of initial delivery from the shipyard (second-hand vessels are depreciated from the date of their acquisition over their remaining estimated useful lives), after allowing for residual values estimated by the directors of the Company, using the straight-line method. The residual value of vessels is estimated at the product of its lightweight tonnage and estimated scrap rate.

Upon acquisition of a vessel, the components of the vessel which are required to be replaced at the next dry-docking are identified and their costs are depreciated over the period to the next estimated dry-docking date, usually ranging from 2.5 to 5 years. Costs incurred on subsequent dry-docking of vessels are capitalised and depreciated over the period to the next estimated dry-docking date. When significant dry-docking costs are incurred, any remaining costs of the previous dry-docking are written off immediately.

Expenditure incurred after items of property, plant and equipment have been put into operations, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Impairment on property, plant and equipment

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss recognised in prior years may no longer exist or may have decreased. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss or reversal of impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Leases

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

Group as a lessee

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leases (continued)

Group as a lessee (continued)

(a) Right-of-use assets

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

Office property	2 years
Motor vehicle	2 years

(b) Lease liabilities

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leases (continued)

Group as a lessor

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

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

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

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position and consolidated statement of cash flows include cash, which comprises of cash on hand and demand deposits; and cash equivalents, which comprise of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Investments and other financial assets

Initial recognition and measurement

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

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

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Investments and other financial assets (continued)

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

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

Financial assets at fair value through profit or loss

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Derecognition of financial assets

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

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

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

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

Impairment of financial assets

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

General approach

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Impairment of financial assets (continued)

General approach (continued)

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

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

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

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

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

Simplified approach

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables, as appropriate.

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

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

Subsequent measurement

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

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

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

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plan are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to disposal.

Foreign currencies

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

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Foreign currencies (continued)

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

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

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment assessment of vessels

The Group assesses regularly whether the vessels have any indications of impairment or indication of impairment reversals in accordance with its accounting policy. The Group determines the recoverable amount of the vessels based on the higher of value in use and fair value less costs of disposal, which is subject to estimates. The aggregate carrying amount of the Group's vessels at the end of the reporting period was US$37,584,000 (2024: US$40,122,000). By comparing the recoverable amount of the vessels with their respective carrying amounts, impairment loss on vessels amounting to US$1,275,000 was recognised (2024: impairment loss on a vessel amounted to US$91,000 was reversed) in profit or loss during the year.

5. REVENUE

(i) Disaggregation of revenue information

2025

	Logistic transportation US$'000	Trading US$'000	Total US$'000
Types of goods and services:			
Marine logistic transportation	**4,666**	**–**	**4,666**
Trading	**–**	**6,939**	**6,939**
Revenue from contracts with customers	**4,666**	**6,939**	**11,605**
Operating lease income	**6,999**	**–**	**6,999**
Total revenue	**11,665**	**6,939**	**18,604**
Timing of revenue recognition			
Transferred at point in time	**–**	**6,939**	**6,939**
Transferred over time	**4,666**	**–**	**4,666**
Total revenue from contracts with customers	**4,666**	**6,939**	**11,605**

2024 (restated)

	Logistic transportation US$'000	Trading US$'000	Total US$'000
Type of services:			
Marine logistic transportation	3,224	–	3,224
Revenue from contracts with customers	3,224	–	3,224
Operating lease income	5,959	–	5,959
Total revenue	9,183	–	9,183
Timing of revenue recognition			
Transferred over time	3,224	–	3,224

5. REVENUE (CONTINUED)

(i) Disaggregation of revenue information (continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2025	2024
	US$'000	*US$'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Marine logistic transportation services	**219**	–

(ii) Performance obligations for contracts with customers

Marine logistic transportation services

The Group provides marine logistic transportation services to customers. Such service income is recognised over time when the customer simultaneously receives and consumes the benefit provided by the Group. Revenue for these marine logistic transportation services is recognised over time based on daily rate.

The Group normally required the customer to pay 15 days in advance for the marine logistic transportation service. If upfront payments are received for the services to be provided, such receipts are recognised as contract liabilities until the services have been performed for the customers.

Trading

Revenue from the trading of commodities is recognised when the control of the goods is transferred to the customers, where payment in advance is normally required.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The marine logistic transportation service is for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

6. OPERATING SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by operating segments, based on information provided to the executive directors of the Company, being the chief operating decision makers ("**CODM**"), for the purposes of resources allocation and assessment of segment performance. This is also the current basis of organisation in the Group, whereby the management organises the Group based on different operating activities. The Group has commenced the business of trading of commodities during the current year and the Group's internal organisation has changed to two operating segments namely logistic transportation and trading.

Segment results represent profit/loss from each segment without allocation of corporate income, corporate expenses, impairment loss recognised/reversed on vessels, gain on disposal of a subsidiary, finance costs and net allowance for credit losses on debt instruments at fair value through other comprehensive income. The CODM has allocated vessels to the measurement of segment assets while the impairment loss recognised/reversed on vessels and gain on disposal of a subsidiary are not allocated in the measurement of segment results.

6. OPERATING SEGMENT INFORMATION (CONTINUED)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

2025

	Logistic transportation *US$'000*	Trading *US$'000*	Total *US$'000*
Segment revenue	11,665	6,939	18,604
Segment results	2,699	1,117	3,816
Unallocated:			
Corporate income			515
Corporate expenses			(3,115)
Impairment loss recognised on vessels			(1,275)
Finance costs			(17)
Loss before tax			(76)
Operating segment information			
Other non-cash expenses	442	–	442
Depreciation	2,978	–	2,978
Capital expenditure*	6,721	1	6,722

* Capital expenditure consists of additions to property, plant and equipment.

6. OPERATING SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (continued)

2024 (restated)

	Logistic transportation *US$'000*	Trading *US$'000*	Total *US$'000*
Segment revenue	9,183	–	9,183
Segment results	3,097	–	3,097
Unallocated:			
Corporate income			787
Corporate expenses			(1,966)
Impairment loss reversed on a vessel			91
Allowance for credit losses on debt instruments at fair value through other comprehensive income, net			(389)
Gain on disposal of a subsidiary			106
Finance costs			(20)
Profit before tax			1,706
Operating segment information			
Other non-cash expenses	–	–	–
Depreciation	2,091	–	2,091
Capital expenditure*	16,062	–	16,062

* Capital expenditure consists of additions to property, plant and equipment including assets from acquisition of a subsidiary.

6. OPERATING SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

2025

	Logistic transportation *US$'000*	Trading *US$'000*	Total *US$'000*
Segment assets	**44,941**	**5,862**	**50,803**
Unallocated corporate assets			**10,113**
Total assets			**60,916**
Segment liabilities	**970**	**741**	**1,711**
Unallocated corporate liabilities			**618**
Total liabilities			**2,329**

2024 (restated)

	Logistic transportation *US$'000*	Trading *US$'000*	Total *US$'000*
Segment assets	43,153	–	43,153
Unallocated corporate assets			16,654
Total assets			59,807
Segment liabilities	789	–	789
Unallocated corporate liabilities			214
Total liabilities			1,003

6. OPERATING SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities (continued)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than certain property, plant and equipment, right-of-use assets, financial asset at fair value through profit or loss, deposits, other receivables and prepayments, bank deposits and cash and cash equivalents; and
- all liabilities are allocated to operating segments other than certain other payables and accruals and lease liabilities.

Geographical information

The Group's operations are principally located in Hong Kong. The directors of the Company consider that the nature of the Group's marine logistic transportation business precludes a meaningful allocation of the Group's revenue and non-current assets relating to such business to specific geographical segments as these revenue and non-current assets mainly derives from and include vessels which are utilised across different geographical markets.

Excluding revenue from marine logistic transportation business, the revenue from external customers amounting to US$6,939,000 (2024: Nil) is derived in Chinese Mainland, based on geographical location of the operations.

Non-current assets

	2025 ***US$'000***	2024 *US$'000*
Hong Kong	**391**	25
Mongolia	**5,000**	–
Chinese Mainland	**1**	–
	5,392	25

The non-current asset information above is based on the locations of the assets and excludes financial instruments and vessels in property, plant and equipment.

Information about major customers

Revenue arising from customers individually contributing over 10% of the total revenue of the Group is disclosed as follows:

	2025 ***US$'000***	2024 *US$'000*
Customer A[1]	**4,057**	N/A[3]
Customer B[1]	**3,898**	N/A[3]
Customer C[2]	**2,831**	–
Customer D[1]	**2,641**	–
Customer E[1]	**–**	4,727
Customer F[1]	**N/A[3]**	3,039
Customer G[1]	**–**	1,123

1 Related to logistic transportation segment
2 Related to trading segment
3 Less than 10% of the Group's total revenue

7. OTHER INCOME AND GAINS

	2025 US$'000	2024 US$'000
Bank interest income	**253**	776
Gain from disposal of investments previously written off	**282**	–
Fair value gain on financial asset at fair value through profit or loss	**5**	–
Others	**436**	335
	976	1,111

8. FINANCE COSTS

	2025 US$'000	2024 US$'000
Interest on lease liabilities	**17**	3
Interest expenses from borrowings	**–**	17
	17	20

9. (LOSS)/PROFIT BEFORE TAX

(Loss)/profit before tax has been arrived at after (crediting)/charging the following items:

	2025 US$'000	2024 US$'000
Auditor's remuneration		
– Audit services	**164**	144
– Non-audit services	**3**	3
	167	147
Employee benefits expenses (including directors' emoluments):		
– Salaries and other benefits	**1,674**	894
– Contributions to defined contribution benefits scheme	**55**	36
	1,729	930
Depreciation of property, plant and equipment	**3,009**	2,098
Depreciation of right-of-use assets	**157**	97
Interest income from banks	**(253)**	(776)

10. INCOME TAX EXPENSE

There was no assessable profit arising in Hong Kong for the years ended 31 December 2025 and 2024. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2025 ***US$'000***	2024 *US$'000*
Current – Chinese Mainland	**281**	–

Income tax expense for the year is reconciled to (loss)/profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 ***US$'000***	2024 *US$'000*
(Loss)/profit before tax	**(76)**	1,706
Tax at the statutory tax rate	**82**	281
Tax effect of income not taxable for tax purpose	**(2,081)**	(1,731)
Tax effect of expenses not deductible for tax purpose	**1,881**	1,450
Tax effect of tax losses not recognised	**399**	–
Income tax expense for the year	**281**	–

At the end of the reporting period, the Group had unused tax losses of US$8,676,000 (2024: US$6,255,000) (subject to the agreement by the relevant tax authorities). No deferred tax asset had been recognised in respect of such losses due to the unpredictability of future profit streams. The losses may be carried forward indefinitely.

At 31 December 2025, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiary established in the Chinese Mainland. In the opinion of the directors, it is not probable that this subsidiary will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investment in subsidiary in the Chinese Mainland for which deferred tax liability has not been recognised totalled approximately US$42,000 at 31 December 2025 (2024: Nil).

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to the directors or chief executive, disclosed pursuant to the Hong Kong Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, were as follows:

	Appointment date	Resignation date	Directors' fees *US$'000*	Basic salaries and allowance *US$'000*	Contributions to retirement benefits scheme *US$'000*	Total *US$'000*
2025						
Executive Directors						
Ms. Liu Sainan	**10 March 2025**	**N/A**	**–**	**377**	**15**	**392**
Mr. Wu Ying Ha *(Chief Executive) (Note a)*	**8 October 2024**	**N/A**	**–**	**216**	**9**	**225**
Ms. Lee Chun Yeung, Catherine *(Note b)*	**18 August 2023**	**N/A**	**–**	**204**	**10**	**214**
Ms. Wang Yu	**19 October 2017**	**10 March 2025**	**–**	**11**	**1**	**12**
			–	**808**	**35**	**843**
Independent Non-executive Directors						
Mr. Zhu Gaoming	**10 March 2025**	**N/A**	**31**	**–**	**–**	**31**
Mr. Qiu Yiyong	**10 March 2025**	**N/A**	**31**	**–**	**–**	**31**
Mr. Deng Banghao	**10 March 2025**	**N/A**	**25**	**–**	**–**	**25**
Mr. Zhou Qijin	**14 October 2015**	**31 March 2025**	**5**	**–**	**–**	**5**
Mr. Pau Shiu Ming	**13 April 2018**	**31 March 2025**	**5**	**–**	**–**	**5**
Mr. Tsao Hoi Ho	**27 November 2019**	**31 March 2025**	**5**	**–**	**–**	**5**
			102	**–**	**–**	**102**
Total			**102**	**808**	**35**	**945**
2024						
Executive Directors						
Mr. Wu Ying Ha *(Note a)*	8 October 2024	N/A	–	13	1	14
Ms. Lee Chun Yeung, Catherine *(Chief Executive) (Note b)*	18 August 2023	N/A	–	157	8	165
Ms. Wang Yu	19 October 2017	10 March 2025	–	58	2	60
Mr. Sue Ka Lok	30 November 2021	22 November 2024	–	153	8	161
			–	381	19	400
Independent Non-executive Directors						
Mr. Zhou Qijin	14 October 2015	31 March 2025	19	–	–	19
Mr. Pau Shiu Ming	13 April 2018	31 March 2025	19	–	–	19
Mr. Tsao Hoi Ho	27 November 2019	31 March 2025	19	–	–	19
			57	–	–	57
Total			57	381	19	457

Notes:

a. Mr. Wu Ying Ha was appointed as Executive Director on 8 October 2024 and was re-designated as Chief Executive Officer on 10 March 2025.

b. Ms. Lee Chun Yeung, Catherine was appointed as Executive Director and Chief Executive Officer on 18 August 2023. She ceased to be Chief Executive Officer on 10 March 2025.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Group. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

There was no arrangement under which a director or the chief executive of the Company waived or agreed to waive any remuneration during the year.

12. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2024: three) were directors of the Company whose emoluments are included in note 11 above. The emoluments of the remaining two (2024: two) individuals are as follows:

	2025	2024
	US$'000	*US$'000*
Salaries and allowance	**365**	137
Contributions to retirement benefits scheme	**3**	5
	368	142

The emoluments of the remaining two (2024: two) highest paid individuals (other than directors or chief executive) were within the band of HK$1,000,001 to HK$1,500,000 (2024: Nil to HK$1,000,000).

No emolument was paid by the Group to any of the directors and the five individuals with the highest emoluments in the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

13. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share attributable to owners of the Company is based on the following data:

	2025	2024
	US$'000	*US$'000*
(Loss)/earnings		
(Loss)/profit for the year attributable to owners of the Company	**(357)**	1,706

	2025	2024
	'000	*'000*
Number of shares		
Number of ordinary shares outstanding during the year	**1,097,704**	1,097,704

There were no dilutive potential ordinary shares in issue during the years ended 31 December 2025 and 2024.

14. DIVIDEND

During the year ended 31 December 2025, no dividend was paid, declared or proposed (2024: Nil), nor has any dividend been proposed by the directors of the Company since the end of reporting period.

15. PROPERTY, PLANT AND EQUIPMENT

	Vessels US$'000	Mining trucks US$'000	Furniture, fixtures and equipment US$'000	Motor vehicle US$'000	Leasehold improvement US$'000	Total US$'000
COST						
At 1January 2024	69,413	–	20	–	20	69,453
Additions	16,060	–	2	–	–	16,062
Disposal of a subsidiary *(note 27)*	(27,036)	–	(1)	–	–	(27,037)
At 31 December 2024 and 1 January 2025	58,437	–	21	–	20	58,478
Additions	1,715	5,000	72	80	40	6,907
At 31 December 2025	**60,152**	**5,000**	**93**	**80**	**60**	**65,385**
ACCUMULATED DEPRECIATION AND IMPAIRMENT						
At 1 January 2024	29,702	–	15	–	3	29,720
Depreciation	2,091	–	3	–	4	2,098
Disposal of a subsidiary *(note 27)*	(13,387)	–	(1)	–	–	(13,388)
Impairment loss reversed in profit or loss	(91)	–	–	–	–	(91)
At 31 December 2024 and 1 January 2025	18,315	–	17	–	7	18,339
Depreciation	2,978	–	12	9	10	3,009
Impairment loss recognised in profit or loss	1,275	–	–	–	–	1,275
At 31 December 2025	**22,568**	**–**	**29**	**9**	**17**	**22,623**
NET CARRYING AMOUNT						
At 31 December 2025	**37,584**	**5,000**	**64**	**71**	**43**	**42,762**
At 31 December 2024	40,122	–	4	–	13	40,139

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The estimated useful lives of the assets are summarised as follows:

Vessels	Shorter of 30 years or the estimated remaining useful life of the second-hand vessels
Mining trucks	Shorter of 10 years or the estimated remaining useful life of the second-hand trucks
Furniture, fixtures and equipment	5 years
Motor vehicle	5 years
Leasehold improvement	5 years

The directors of the Company shall estimate a recoverable amount of the Group's vessels at each reporting date when there is any indication that the vessels have suffered an impairment loss. The recoverable amount of a vessel is the higher of its value in use and its fair value less costs of disposal, and an impairment loss is recognised when the recoverable amount of a vessel exceeds its carrying amount.

During the year ended 31 December 2025, the Baltic Supramax Index, an index that was closely correlated to market freight rate, continued to be volatile and gave an indication that conducting an impairment assessment on the recoverable amount of the Group's vessels was warranted.

The fair value of the Group's vessels was determined based on the valuation carried out by JP Assets Consultancy Limited, an independent qualified professional valuer not connected to the Group, and the market approach was principally adopted for the valuation as there was a known market for used vessels. The fair value of the vessels was primarily determined based on the direct comparison method by making reference to the recent sale transactions of similar vessels with similar age and condition (Level 2 fair value hierarchy).

At 31 December 2025, the fair value less costs of disposal of two vessels of the Group was determined with reference to prevailing market conditions and amounted to US$27,510,000. An impairment loss on two vessels of US$1,275,000 was recognised in profit or loss as the recoverable amount of these two vessels was lower than their carrying amounts.

At 31 December 2024, the fair value less costs of disposal of a vessel of the Group was determined with reference to prevailing market conditions and amounted to US$14,108,000. An impairment loss on the vessel of US$91,000 was reversed in profit or loss as the recoverable amount of the vessel was higher than its carrying amount.

16. RIGHT-OF-USE ASSETS

	2025 US$'000	2024 US$'000
Carrying amount at 31 December		
Office property	183	8
Motor vehicle	31	–
Carrying amount	214	8
For the year ended 31 December		
Depreciation		
– Office property	139	97
– Motor vehicle	18	–
	157	97
Total cash outflow for leases	169	102
Additions to right-of-use assets	363	–

The Group leases office property and motor vehicle for its operations. Lease contracts are entered into for fixed term of two years. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor and the relevant leased assets may not be used as security for borrowing purposes.

17. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

The unlisted investment was fund investment and was mandatorily classified as financial asset at fair value through profit or loss as its contractual cash flows are not solely payments of principal and interest.

18. TRADE RECEIVABLES

	2025 US$'000	2024 US$'000
Trade receivables	518	–
Impairment	(188)	–
Net carrying amount	330	–

Trade receivables arose from the logistic transportation business and aged over 3 months based on the invoice date. The credit periods for customers of time charter are from 0 day to 30 days. An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is over 3 months.

18. TRADE RECEIVABLES (CONTINUED)

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

	2025 **US$'000**	2024 US$'000
At beginning of year	**–**	–
Impairment loss	**188**	–
At end of year	**188**	–

Management has recognised an impairment for an amount of trade receivable under dispute with a customer.

19. OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2025 **US$'000**	2024 US$'000
Other receivables	**20**	558
Prepayment for purchase of inventory	**4,918**	–
Prepayments and other deposits for operating expenses	**469**	154
Account balances with brokers	**–**	10
Total	**5,407**	722
Portion classified as non-current assets	**(101)**	–
Current portion	**5,306**	722

Subsequent to the end of the reporting period, the contract for the purchase of inventory was terminated due to the non-performance of the supplier and the purchase prepayment was fully refunded to the Group.

20. BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

Bank deposits represented short-term time deposits denominated in Hong Kong dollars which were placed with banks in Hong Kong for investment purposes, and carried fixed interest from 2.31% to 3.08% (2024: 2.72% to 3.92%) per annum.

Cash and cash equivalents included cash on hand, demand deposits and short-term deposits placed for the purpose of meeting the Group's short-term cash commitments from time to time, which carried interest at prevailing market rates.

21. DEPOSITS RECEIVED, OTHER PAYABLES AND ACCRUALS

	2025 US$'000	2024 US$'000
Accrued expenses and other payables for operations	**1,348**	625
Deposits received from lessee of vessel	**–**	150
	1,348	775

22. CONTRACT LIABILITIES

Contract liabilities represent the advance payments from customers in relation to the logistic transportation and trading operations. As at 1 January 2024, contract liabilities amounted to nil. The increase in contract liabilities in 2025 and 2024 was mainly due to the increase in advance payments received from the customers.

23. LEASE LIABILITIES

	2025 US$'000	2024 US$'000
Lease liabilities are payable:		
Within a period not exceeding one year	**186**	9
Within a period of more than one year but not exceeding two years	**34**	–
Total	**220**	9
Less: Amounts due for settlement within one year shown under current liabilities	**(186)**	(9)
Amounts due for settlement after one year shown under non-current liabilities	**34**	–

24. SHARE CAPITAL

	Number of shares '000	Amount US$'000
Authorised:		
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	180,000,000	180,000
Issued and fully paid:		
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	1,097,704	1,098

All issued ordinary shares have a par value of US$0.001 each, carry one vote per share and carry the rights to dividends as and when declared by the Company.

25. SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share option scheme of the Company

The share option scheme of the Company (the "**Share Option Scheme**") was adopted by the Company at the annual general meeting of the Company held on 28 June 2017. Unless otherwise cancelled or amended, the Share Option Scheme will be valid and effective for a period of ten years commencing on the date of adoption.

The purpose of the Share Option Scheme is to provide participants with the opportunity to acquire proprietary interests in the Company and to encourage participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. Participants of the Share Option Scheme comprising of (a) directors of the Company (including executive directors, non-executive directors and independent non-executive directors); (b) employees of the Group; and (c) any advisors, consultants, business partners, agents, customers, suppliers, service providers, contractors of any member of the Group or any company or other entity in which the Group or any member of it has a shareholding interest, who, in the sole discretion of the Board, has contributed or may contribute to the Group or any member of it. The offer of a grant of options may be accepted for a period of 30 days from the date of grant, provided that no such offer shall be open for acceptance after the expiry of the period of ten years commencing on the adoption date of the Share Option Scheme or after the Share Option Scheme has been terminated. The amount payable by each grantee of options to the Company on acceptance of the offer for the grant of options is HK$1.00.

25. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Equity-settled share option scheme of the Company (continued)

The subscription price for the shares on the exercise of options under the Share Option Scheme shall be a price as determined by the Board in its absolute discretion at the time of the grant of the relevant option (and shall be stated in the letter containing the offer of the grant of the option) but in any case the subscription price shall not be less than the higher of (i) the closing price of the Company's shares as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date of grant, which must be a trading day; (ii) the average closing price of the Company's shares as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant; or (iii) the nominal value of a Company's share (if any) on the date of grant.

The total number of the Company's shares issued and to be issued upon exercise of the options granted to each participant, together with all options granted and to be granted to him/her/it under any other share option scheme(s) of the Company within the 12-month period immediately preceding the proposed date of grant (including exercised, cancelled and outstanding options) shall not exceed 1% of the total number of the Company's shares in issue as at the proposed date of grant. Any further grant of options to a participant in excess of the 1% limit shall be subject to the shareholders' approval of the Company with such participant and his/her/its associates abstaining from voting.

The limit on the total number of the Company's shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company must not exceed 30% of the total number of the Company's shares in issue from time to time. In addition, the total number of the Company's shares which may be issued upon exercise of all options to be granted under the Share Option Scheme, together with all options to be granted under any other share option scheme(s) of the Company (excluding lapsed options), must not represent more than 10% of the total number of the Company's shares in issue as at the date of adoption of the Share Option Scheme (the "**Scheme Mandate Limit**") or as at the date of the approval of the refreshed Scheme Mandate Limit as the case may be.

25. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Equity-settled share option scheme of the Company (continued)

At the special general meeting of the Company held on 20 October 2021, the shareholders of the Company approved the refreshment of mandate limit in respect of the grant of options to subscribe for shares of the Company under the Share Option Scheme (the "**Scheme Mandate Limit Refreshment**"). Accordingly, the total number of shares of the Company available for issue under the Share Option Scheme was 109,770,356 shares as refreshed, representing approximately 10% of the issued shares of the Company as at the date of approval of the Scheme Mandate Limit Refreshment.

No share options has been granted under the Share Option Scheme since its adoption. The total number of shares of the Company available for issue under the Share Option Scheme is 109,770,356 shares representing approximately 10% of the issued shares of the Company as at the date of this annual report.

26. ACQUISITION OF A SUBSIDIARY

During the prior year, the Group acquired the entire equity interest in Poly Odyssey Marine Corp., which paid a deposit for the acquisition of a vessel at the date of acquisition, from an independent third party at a cash consideration of US$1,503,000 and such acquisition was accounted for as an asset acquisition. The acquisition of vessel has been completed during the prior year.

Assets recognised at date of acquisition:

	US$'000
Deposits paid for acquisition of property, plant and equipment	1,503
Cash and cash equivalents	2
Other payables	(2)
	1,503
Net cash outflow arising on acquisition of a subsidiary:	
Net cash consideration paid	(1,503)
Cash and cash equivalents acquired	2
Net cash outflow on acquisition	(1,501)

27. DISPOSAL OF A SUBSIDIARY

During the prior year, the Group disposed of its entire equity interest in Zorina Navigation Corp. to an independent third party at a cash consideration of US$13,800,000.

The net assets of Zorina Navigation Corp. at the date of disposal were as follows:

	US$'000
Property, plant and equipment	13,649
Other receivables and prepayments	64
Other payables and accruals	(19)
	13,694
Cash consideration received	13,800
Gain on disposal of a subsidiary	106
Cash inflow arising on disposal of a subsidiary:	
Cash consideration received and cash inflow on disposal	13,800

28. RETIREMENT BENEFITS SCHEME

The Group operates a Mandatory Provident Fund Scheme (the "**MPF Scheme**") for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group in funds under the control of trustees. Both the Group and employees contribute a fixed percentage to the MPF Scheme based on their monthly salary in accordance with government regulations. The Group's contributions to the MPF Scheme for its employees are fully and immediately vested in the employees once the contributions are made. Accordingly, there are no forfeited contributions under the MPF Scheme that may be used by the Group to reduce the existing level of contributions.

Pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay long service payment ("**LSP**") to qualifying employees in Hong Kong upon retirement, subject to a minimum of 5 years employment period amounting to two-third of last monthly wages (before termination of employment) multiplied by years of service. Last monthly wages are capped at HK$22,500 while the amount of LSP shall not exceed HK$390,000. This obligation is accounted for as a post-employment defined benefit plan. The accrued benefits attributable to the employee's mandatory contributions under the MPF scheme of an entity would not be eligible to offset against its obligations on LSP for the portion of the LSP accrued on or after 1 May 2025. The unfunded LSP obligation at 31 December 2025 and 2024 and the current service cost during the years ended 31 December 2025 and 2024 is insignificant.

29. RELATED PARTY DISCLOSURES

(a) During the year ended 31 December 2024, the Group paid office lease expenses of US$44,000 to a related company that has a common substantial shareholder as the Company.

(b) During the years ended 31 December 2025 and 2024, the remuneration of the Group's key management personnel comprising directors and chief executive officer of the Company is disclosed in note 11.

30. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders of the Company through the optimisation of the debt and equity balance. The capital structure of the Group consists of equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a continuous basis taking into account the cost of capital and the risk associated with the capital. The Group will balance its overall capital structure through payment of dividend, issuance of new shares as well as raising of new debts or repayment of existing debts. The Group's overall strategy remains unchanged from prior year.

31. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2025 US$'000	2024 US$'000
Financial assets		
Financial assets at amortised cost	**11,805**	19,506
Financial asset at fair value through profit or loss	**905**	–
	12,710	19,506
Financial liabilities		
Amortised cost	**612**	207

(b) Financial risk management objectives and policies

The Group's financial instruments include trade receivables, other receivables and deposits, bank deposits, cash and cash equivalents, deposits received and other payables. Details of the financial instruments are disclosed in the respective notes. The risks associated with the Group's financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

Most of the Group's financial instruments are denominated and settled in HK$ or US$. As HK$ is pegged to US$, the management thus considers the Group's foreign currency exposure is not significant.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to bank deposits (see note 20) and lease liabilities (see note 23). The management monitors interest rate exposure and will consider necessary actions when significant interest rate exposure is anticipated.

Credit risk and impairment assessment

The Group's credit risk exposure is primarily attributable to and concentrated in bank deposits and cash equivalents. The Group does not hold any collateral or other credit enhancements to cover its credit risk. The credit risks on bank deposits and cash equivalents are limited because the deposits are mainly placed in a state-owned bank and therefore the ECL is considered negligible. The maximum exposure to credit risk of bank deposits and cash equivalents as at 31 December 2025 and 2024 based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, represents their carrying amounts as at 31 December 2025 and 2024, and year-end staging classification for bank deposits and cash equivalents as at 31 December 2025 and 2024 is Stage 1.

31. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management therefore considers that the Group's liquidity risk has been reduced.

At 31 December 2025 and 2024, the financial liabilities are not interest-bearing and the carrying amounts of the financial liabilities represent the undiscounted cash flows that are repayable on demand or within one year by the Group.

(c) Fair values

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost at the end of each reporting period approximate their fair values, due to the short term maturities of these instruments.

The Group has estimated the fair value of unlisted fund investment based on the net asset value per share of the investment provided by the fund manager, under Level 2 of fair value measurement hierarchy.

32. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of US$363,000 (2024: Nil) and US$363,000 (2024: Nil), respectively, in respect of lease arrangements for office property and motor vehicle.

(b) Changes in liabilities arising from financing activities

	Lease liabilities *US$'000*	**Borrowings** *US$'000*
At 1 January 2024	108	756
Interest expenses	3	–
Repayment	(102)	(756)
At 31 December 2024 and 1 January 2025	9	–
Additions	363	–
Interest expenses	17	–
Repayment	(169)	–
At 31 December 2025	**220**	**–**

33. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2025	2024
	US$'000	*US$'000*
Non-current assets		
Interests in subsidiaries	**–**	–
Amounts due from subsidiaries	**67,618**	74,748
Total non-current assets	**67,618**	74,748
Current assets		
Other receivables and prepayments	**53**	61
Bank deposit	**3,205**	–
Cash and cash equivalents	**193**	176
Total current assets	**3,451**	237
Total assets	**71,069**	74,985
Current liabilities		
Amounts due to subsidiaries	**46,589**	47,874
Other payables and accruals	**135**	169
Total current liabilities	**46,724**	48,043
Net current liabilities	**(43,273)**	(47,806)
Total assets less current liabilities	**24,345**	26,942
Capital and reserves		
Share capital *(note 24)*	**1,098**	1,098
Reserves	**23,247**	25,844
	24,345	26,942
Total liabilities and equity	**71,069**	74,985

	Share premium	**Contributed surplus**	**Accumulated losses**	**Total**
	US$'000	***US$'000***	***US$'000***	***US$'000***
At 1 January 2024	8,072	41,029	(22,837)	26,264
Loss and total comprehensive loss for the year	–	–	(420)	(420)
At 31 December 2024 and 1 January 2025	8,072	41,029	(23,257)	25,844
Loss and total comprehensive loss for the year	–	–	(2,597)	(2,597)
At 31 December 2025	**8,072**	**41,029**	**(25,854)**	**23,247**

34. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES OF THE COMPANY

Name of subsidiaries	Place of incorporation/ establishment and business	Class of shares held	Issued capital	Proportion of nominal value of issued capital held by the Company 2025 %	2024 %	Principal activities
Indirect:						
CMG Management Limited	Hong Kong	Ordinary	HK$1	**100**	100	Investment holding and provision of management services
Heroic Marine Corp.	Republic of Panama/ Worldwide	Ordinary	US$200	**100**	100	Provision of marine logistic transportation services
Polyworld Marine Corp.	Republic of Panama/ Worldwide	Ordinary	US$10,000	**100**	100	Provision of marine logistic transportation services
Poly Odyssey Marine Corp.	Republic of Marshall Islands/ Worldwide	Ordinary	US$100	**100**	100	Provision of marine logistic transportation services
勇利（烏海）投資有限公司 (Yongli (Wuhai) Investment Co., Ltd.)#	People's Republic of China/Chinese Mainland	Registered	RMB1,000,000	**100**	–	Trading
HK Courage LLC	Mongolian People's Republic	Ordinary	US$100,000	**100**	–	Provision of land logistic transportation services

The company is established as a wholly foreign-owned enterprise whereas the English name represents the best effort by the directors in translating its Chinese name as it does not have official English name.

The directors are of the opinion that a complete list of subsidiaries of the Company will be of excessive length and therefore the above list contains only the particulars of subsidiaries which principally affects the results or assets of the Group.

None of the subsidiaries had issued any debt securities as at the end of the year.

35. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform with the current year's presentation.

Five-year Financial Summary

	Year ended 31 December				
	2025	2024	2023	2022	2021
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
RESULTS					
Revenue	**18,604**	9,183	8,512	12,372	9,738
(Loss)/profit before tax	**(76)**	1,706	(3,974)	1,123	10,488
Income tax expense	**(281)**	–	–	–	–
(Loss)/profit for the year	**(357)**	1,706	(3,974)	1,123	10,488

	At 31 December				
	2025	2024	2023	2022	2021
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
ASSETS AND LIABILITIES					
Total assets	**60,916**	59,807	59,034	66,455	72,451
Total liabilities	**(2,329)**	(1,003)	(1,936)	(5,317)	(10,999)
Equity attributable to owners of the Company	**58,587**	58,804	57,098	61,138	61,452

Past Performance and Forward-Looking Statements

Performance and results of the operations of the Group for previous years described within this annual report are historical in nature. Past performance is no guarantee of the future results of the Group. This annual report may contain forward-looking statements and opinions, and therefore risks and uncertainties are involved. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. None of the Company, the Directors, employees or agents assumes (a) any obligation to correct or update any forward-looking statements or opinions contained in this annual report; and (b) any liability arising from any forward-looking statements or opinions that do not materialise or prove to be incorrect.

Glossary of Terms

In this annual report, the following abbreviations have the following meanings unless otherwise specified:

"2025 AGM"	the annual general meeting of the Company held on Tuesday, 17 June 2025 at 11:00 a.m. at Plaza 3, Basement 3, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong and via video conference at Connection 4, Level 3, Amara Hotel, 165 Tanjong Pagar Road, Singapore 088539
"2026 AGM"	the annual general meeting of the Company to approve, among other matters, the annual results of the Company and its subsidiaries for the year ended 31 December 2025
"Audit Committee"	audit committee of the Board
"Board"	Board of Directors of the Company
"BSI"	Baltic Supramax Index
"Bye-laws"	Bye-laws of the Company
''Chinese Mainland''	for the purpose of the segment differentiation of this annual report, the People's Republic of China, excluding coverage of Hong Kong, Macau Special Administrative Region and Taiwan region
"Company"	Courage Investment Group Limited
"Director(s)"	the director(s) of the Company
"dwt"	dead weight tonnage
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Listing Rules"	Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules
"Nomination Committee"	nomination committee of the Board
"PRC"	People's Republic of China
"Remuneration Committee"	remuneration committee of the Board
"RMB"	Renminbi, the lawful currency of the People's Republic of China
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGD"	Singapore dollars, the lawful currency of Singapore
"SGX-ST"	Singapore Exchange Securities Trading Limited
"US$" and "US cent(s)"	United States dollars and cent(s), the lawful currency of the United States of America
"%"	per cent

The Chinese version of this annual report is a translation of the English version and is for reference only. In case of any discrepancies or inconsistencies between the English version and the Chinese version, the English version shall prevail.