

Xingtong Shipping Co., Ltd.

2024 Environmental, Social, and
Governance (ESG) Report

2024



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Revitalizing China's Shipping Industry and
Connecting Global Trade Routes

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About This Report

This is the third Environmental, Social and Governance Report (the “ESG Report”) issued by Xingtong Shipping Co., Ltd. (“the Company”). In the principles of objectivity, standardization, transparency, and comprehensiveness, this report provides a detailed disclosure of the Company’s practices and performance in environmental, social, and governance for the year 2024.



Reporting Scope

This report covers Xingtong Shipping Co., Ltd. and its subsidiaries. Unless otherwise specified, the scope of this report is consistent with that of the Company’s Annual Report. For ease of expression and readability, “Xingtong Shipping Co., Ltd.” is referred to as “Xingtong Shipping”, “Xingtong”, “the Company” or “We”, and “XT-IMC Shipping Co. Ltd.” is referred to as “XT-IMC” in this report.



Reporting Period

This report covers the period from January 1, 2024 to December 31, 2024 (the “Reporting Period”). To improve the comparability and completeness, some sections of this report may be appropriately referred to previous years or contain forward-looking statements. This report is released on an annual basis, consistent with the financial year.



Preparation Basis

- Corporate Sustainability Disclosure Standards—Basic Standards (for Trial Implementation)
- Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 14 - Sustainability Report (for Trial Implementation)
- Chinese Academy of Social Sciences (CASS) Guidelines for Preparing Corporate Social Responsibility Reports in China (CASS-ESG 6.0)
- Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) (2021)
- UN Sustainable Development Goals (SDGs)
- Sustainability Accounting Standards Board (SASB) Standards



Data Sources

Data sources used in this report include public data from government agencies, the actual operational data, annual financial data, internal statistical reports of the Company, third-party questionnaire surveys, third-party evaluations or interviews, etc. The financial data in this report is expressed in RMB. For any discrepancy between this report and the financial statements, the financial statements shall prevail.



Confirmation and Approval

This report was approved by the Company’s Board of Directors on 24,3,2025 and was subsequently released in conjunction with the Annual Report. The Board pledges to exercise oversight over the contents of this report, ensuring its absence of any false records or misleading representations, and assuming responsibility for its truthfulness, accuracy and completeness.

This report is published in Chinese, with the English version derived from the Chinese translation. In the event of any discrepancies between the two versions, the Chinese version shall prevail.



Access to this Report

This report is available for review and download on the official websites of the Company (<https://www.xtshipping.com>) and the Shanghai Stock Exchange (<http://www.sse.com.cn>).



Message from General Manager

Across the continents and oceans around the world, Xingtong's ships sail day and night, tirelessly pursuing new horizons.

With the ebb and flow of tides, Xingtong's people remain steady and persistent, constantly forging new milestones.

Since its establishment, Xingtong Shipping has been devoted to the water transport of bulk liquid dangerous cargoes. We are committed to becoming a "world-class, domestically leading integrated service provider for chemical supply chain". In recent years, China has introduced policies to strengthen its position as a "Marine Power" and "Transportation Power", promote the "dual circulation" development pattern, and advance the Belt and Road Initiative, which has given the water transport logistics industry a crucial strategic mission. In 2024, amidst the increasingly complex international environment, Xingtong Shipping embraced sustainable development as an internal driving force, optimized business layout, and expanded the fleet scale. We provided safe and efficient service, and promoted the high-quality and sustainable development of the Company. In doing so, we can create value for customers, broaden value boundaries for investors, support employees' dreams, and take on our social responsibilities and missions.

I . Sailing Forward Together and Exploring the Blue Ocean Ahead

Under the national strategies of building China into a "Marine Power" and "Shipping Power", the Company seized the opportunities of the times. Guided by the "1+2+1" development strategy, we focused on expanding and strengthening domestic liquid hazardous cargo transportation, advanced clean energy transport and international shipping as our two pillars, and built a digital platform to fuel our growth. These efforts continuously solidify our leadership in domestic chemical transportation, expand our presence in the international chemical transportation markets, and strengthen our main hazardous chemicals transportation business.

Keeping pace with the industry's shift toward green, low-carbon, and smart shipping, the Company optimizes the fleet structure, accelerates the elimination of old ships, and strives to build a fleet that is high-end, large-scale, young, green, and intelligent. In October 2024, we became the first shipping enterprise with stainless steel domestic chemical tankers exceeding 10,000 DWT. Throughout the year, five new high-end stainless steel chemical tankers were put into operation, with the capacity of 49,700 DWT. As of the end of the Reporting Period, we have operated 37 ships with a total capacity of 429,500 DWT, and taken the largest market share of chemical tankers in China. Moreover, we strode into the international shipping sector. By late 2024, our 8 foreign trade ships, with a total capacity of 115,700 DWT, had been put into operation, and 6 foreign trade ships, with a total capacity of 129,600 DWT, were under construction.

During the Reporting Period, the total freight volume of the Company reached 13.14 million metric tons, with an increase of 18.38%. The international business of the Company, as important growth driver, achieved a cargo volume of over 1 million tons for the year, showing a positive development trend. In the future, the Company will continue to enhance its core competitiveness and market influence. Following the trends, advancing innovation and striving forward through difficulties, we will base Quanzhou as the headquarters while focusing on advancing the development of the branches in Shanghai and Singapore. We will also fully leverage the advantages of the Hainan Free Trade Port and Hong Kong, and continuously provide first-class services to global customers, to enhance the influence of the "Xingtong" brand in international markets.

II . Innovating Cooperation Model and Achieving Win-Win Results

The Company has signed a strategic cooperation framework agreement with C&D, and established a joint venture with Xiamen Jianfa Supply Chain Logistics Technology Co., Ltd. (a wholly-owned subsidiary of C&D), aiming to plan the entire supply chain cooperation in international chemical logistics. Sharing resources and prioritizing opportunities, we and C&D will enhance our respective competitiveness in the "going global" strategy and achieve win-win cooperation. We also will gradually shift from "owning ships" to "controlling ships", and continuously expand the scale of the company's fleet.

III . Upgrading the Safety System and Strengthening the Safety Foundation

Xingtong Shipping, taking the continuous improvement of safety management capabilities as an important competitiveness for sustainable development, continuously upgrades and optimizes its safety management system by absorbing the globally leading safety management experience and integrating new-generation digital information technologies. As of the end of the Reporting Period, the Company has been honored as a "Safety and Integrity Company" for 7 consecutive years, with a total of 8 ships recognized as "Safety and Integrity Ships" and 12 captains as "Safety and Integrity Captains". In 2024, the Company received and passed a total of 70 inspections from the Ship Inspection and Reporting Program (SIRE) and the Chemical Distribution Institute (CDI). In 2024, the Company officially joined the Shell Marine Partner in Safety Programme. This marks an important milestone in the Company's efforts to benchmark and establish international safety management systems.

IV . Valiantly Advancing with Steady Progress and Strictly Adhering to Compliance Governance

Xingtong Shipping always adheres to compliant and standardized operations, and continuously strengthens its governance foundation. In 2024, the Company focused on key fields such as sustainable development management, risk management and compliance enhancement. We continuously improved and perfected our corporate governance structure and internal control systems, strengthened internal audit supervision, comprehensively prevented and controlled risks, and enhanced our refined management capabilities. These efforts strengthen our ability to manage with precision, and empower us to implement our strategies and forge toward a brighter future efficiently.

V . Practicing Low-Carbon Paths and Supporting Green Shipping

Upholding the development philosophy of being "green, intelligent, and efficient", Xingtong Shipping resolutely follows the low-carbon development path advocated by China. In 2024, the Company commenced the building of two 25,900-DWT methanol dual-fuel stainless steel chemical tankers, and signed ship-building contracts for two similar ships. We actively implemented vessel energy-saving optimization and energy consumption management by installing energy-saving devices on existing ships.

Our fleet is steadily evolving to be more youthful, high-end, low-carbon and environment-friendly. This not only enhances our business competitiveness, promotes cost reduction and efficiency improvement, but also effectively assists in achieving green and environmentally friendly shipping and realizing the "carbon peaking and carbon neutrality" strategic goals.

VI . Venturing to Pursue Dreams and Crafting a Bright Future for Xingtong Shipping

Upholding the talent philosophy of "making Xingtong people better and gathering outstanding people at Xingtong", we are committed to strengthening team building and creating "Magnetic Xingtong". In 2024, we continued to strengthen talent development and recruitment, and established a professional and career-oriented talent pipeline. We also paid constant attention to the physical and mental health of employees, and truly implemented employee care by improving benefits, building cultural facilities, and organizing visits to the families of crew members. We strive to provide every Xingtong employee with an inclusive and open growth environment, and work together with them to contribute to the value creation of the Company and the advancement of the shipping sector.

Setting sail with innovation and steering with mission, Xingtong Shipping will continue to practice the philosophy of sustainable development, continue to explore and open up a new voyage, and draw a more brilliant blueprint for the global shipping industry. In the wave of the global economy, we will continuously deepen international cooperation, expand green shipping, and promote intelligent transformation, to deliver more efficient, safer, and more environment-friendly service. We firmly believe that, through unremitting efforts and continuous innovation, Xingtong Shipping will play an even more significant role in the global chemical logistics sector and make greater contributions to the prosperity and development of both China and the world.

General Manager, Xingtong Shipping Co., Ltd.

陳其龍





About Xingtong Shipping

/Company Profile /

Founded in December 1997 with a registered capital of RMB 280 million, Xingtong Shipping Co., Ltd. is mainly engaged in overseas shipping of bulk liquid dangerous cargoes. On March 24, 2022, the Company was listed on the Shanghai Stock Exchange (Stock Code: 603209). It is a Vice Director Unit of the Chemical Transportation Committee of China Shipowners' Association, a Vice President Unit of Fujian Shipowners' Association, a President Unit of Quanzhou Shipowners' Association, and one of the three leading shipping enterprises in Fujian Province.

Xingtong Shipping is committed to "becoming a world-class, domestically leading integrated service provider for chemical supply chain". Guided by the "1+2+1" strategic development plan, we constantly explore our main businesses, improve quality, reduce costs and increase efficiency. Additionally, we focus on expanding and strengthening domestic liquid hazardous cargo transportation in coastal regions, advance clean energy transport and international shipping as our two pillars, and built a digital platform to fuel our growth. We are evolving into a comprehensive chemical supply chain provider to achieve high-quality development.

Embracing the new development trend of "being green, low-carbon, and intelligent" of the shipping sector, Xingtong Shipping seizes market development opportunities, appropriately expands the fleet size, and continuously improve safety management levels, to achieve high-quality and steady development. In recent years, we have demonstrated consistent and robust growth, with revenue and profits steadily increasing year by year. In 2024, we achieved an operating revenue of RMB 1.515 billion, up by 22.43% year on year, and the net profit attributable to the shareholders of the listed company was RMB 350 million, up by 38.95% year on year.

¥ Economic Performance

	Operating Revenue (RMB million)	Net Profit Attributable to Shareholders of the Listed Company (RMB million)
2024	1,514.74	350.42
2023	1,237.27	252.20
2022	784.77	206.25

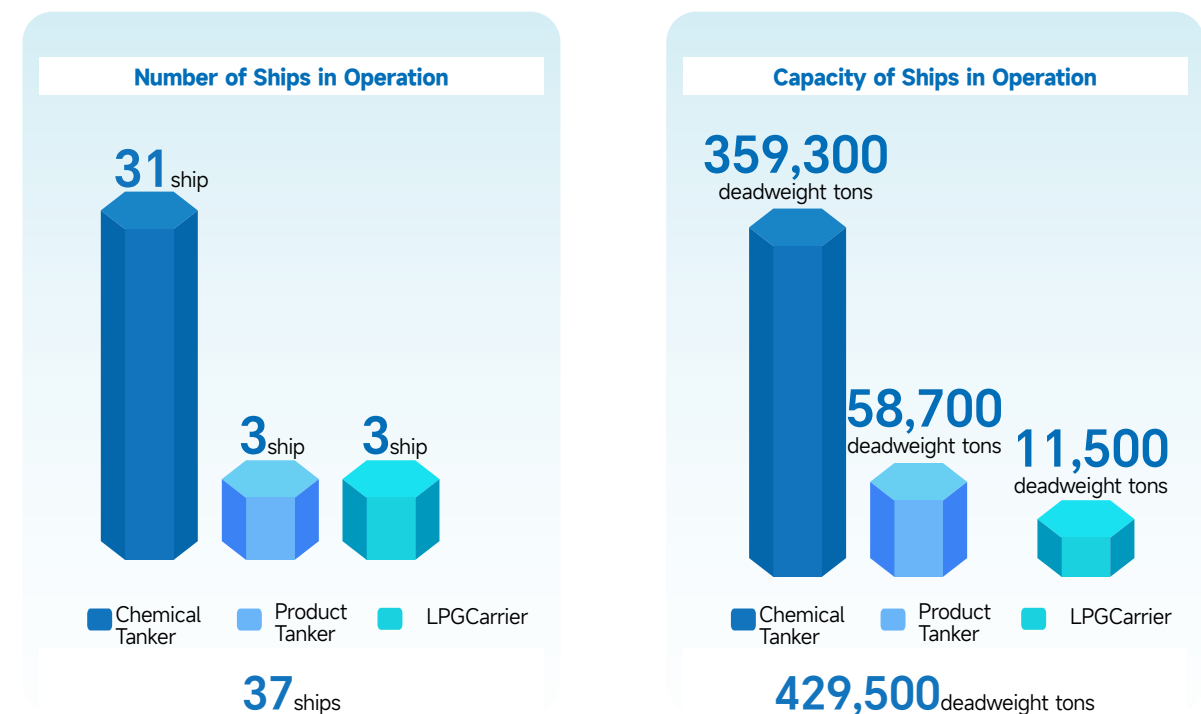
/Business Overview /

Under the guidance and support of industry policies such as the "14th Five-Year Plan" for Water Transport Development, the Company, with keen insight, fully seizes the development opportunities of the inland water transport market and comprehensively advances the "1+2+1" development strategy. The Company is unwaveringly focused on building a green and intelligent maritime fleet. By continuously optimizing operational processes and introducing cutting-edge technology and equipment, we constantly enhance our comprehensive service capabilities, and inject strong momentum into the green, sustainable, and high-quality development of the shipping industry.

On the one hand, the Company firmly strengthens its domestic business foundation, enhances existing advantages, and ensures steady growth in market share. On the other hand, we actively venture into the blue ocean of international business with a pioneering and innovative attitude, precisely target market gaps and strive to create new competitive advantages in the international arena. In addition, the Company promotes digitalization and intelligent transformation in depth, and fully utilizes advanced technologies such as big data and artificial intelligence to empower enterprise development. With multidimensional coordinated efforts, the Company is steadily moving toward the grand goal of becoming a world-class enterprise with outstanding industry influence and strong value creation ability.

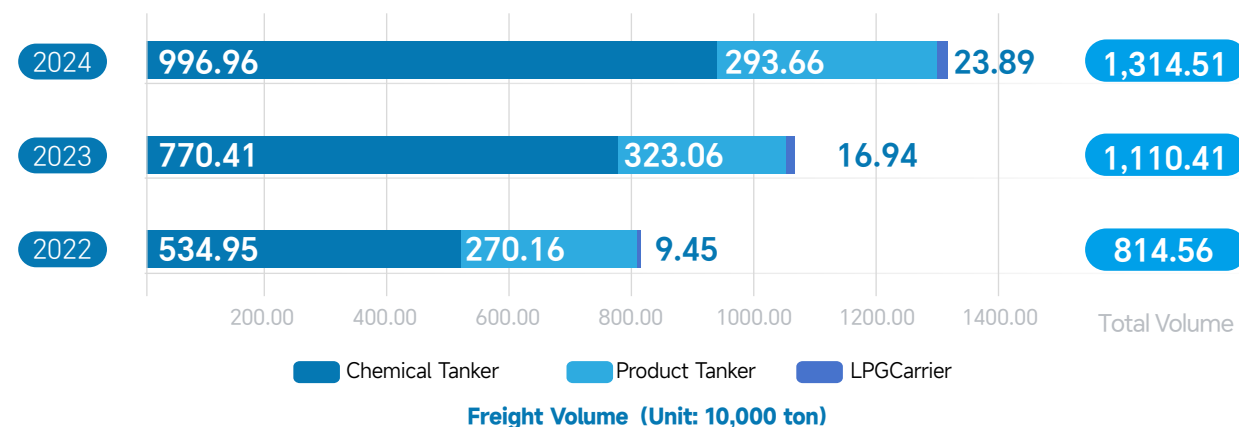
◎ Improving Capacity Construction

The Company continues to build a fleet of ships that are "larger, younger, higher-end, greener, and more intelligent", and continuously expands the capacity to meet the diversified needs of customers with more excellent services. After years of growth, the Company has become a leading enterprise in the domestic coastal bulk liquid chemical shipping industry, occupying a prominent position in the market segment. As of the end of 2024, the Company operates a total of 37 bulk liquid chemical tankers, product tankers and LPG carriers, with a total capacity of 429,500 DWT. Of these, 29 are domestic ships with a combined capacity of 313,800 DWT, and 8 are international ships with a combined capacity of 115,700 DWT (some of the Company's Chinese-flagged ships also engage in foreign trade business).



The Company is primarily engaged in the waterway transport of bulk liquid dangerous cargoes worldwide, including the shipping of liquid chemicals, refined oil, and liquefied petroleum gas. The types of goods transported include paraxylene, ethylene glycol, benzene, phenol, polyether polyols, liquid caustic soda, methanol, aviation kerosene, butadiene, butane, and other petrochemical products.

The Company has always adhered to safe and environment-friendly operating procedures. With excellent cargo loss control capability, the Company has maintained a low cargo loss rate for years. Relying on our efficient and accurate shipping schedule management system, we meet the customer's requirements for "quality, quantity and punctuality" for cargo transportation in all aspects. Moreover, we continuously consolidate the existing business territory, and actively explore new business fields to achieve steady development.



Building a High-End Fleet

With chemical transportation as its main strategy, the Company continuously expands the capacity of chemical tanker fleet engaged in domestic and foreign trade, optimizes fleet structure, and makes every efforts to improve the fleet competitiveness. During the Reporting Period, the Company actively promoted capacity upgrades. 5 newly built domestic and foreign trade chemical tankers were put into operation, increasing the fleet capacity by 49.7 KDWT, and one old chemical tanker with a capacity of 5 KDWT was decommissioned, achieving fleet renewal and maintaining a youthful fleet.

The Company actively responded to the development trend of green, low-carbon and intelligent shipping, steadily pushed forward the construction planning of the Company's fleet, and vigorously promoted the fleet to achieve high-end and green development. As of the end of the Reporting Period, the Company has 6 ships under construction with a capacity of 129.6 KDWT, including two 13 KDWT chemical tankers engaged in domestic and foreign trade and four 259 KDWT methanol dual-fuel stainless steel chemical tankers for foreign trade. On this basis, the Company lays a solid foundation for future business expansion, leads the industry's green transformation with practical actions, and contributes to sustainable development.

Case Study

"XT EXPLORATION" Officially Put into Operation

On November 5, 2024, the 13,000-DWT duplex stainless steel chemical tanker "XT EXPLORATION" departed from Maple Leaf Shipbuilding in Taizhou and officially went into operation. It carried 10,000 tons of paraxylene on its maiden voyage from Korea to Chinese Taipei.

As a new generation of green and intelligent high-end stainless steel chemical tankers, "XT EXPLORATION" is equipped with basic equipment such as ballast water treatment systems and aft shaft seals to meet the compliance requirements of various emission control areas and water zones. It is also equipped with intelligent navigation, intelligent energy efficiency, an intelligent engine room, and an intelligent information integration platform. With the continuous addition of more high-end ships, the fleet of the Company is steadily becoming younger, higher-end and greener, to provide excellent transportation services to global customers.



▲ "XINTONG BRIGHTNESS" Put into Operation in February



▲ "XINTONG PROSPERITY" Put into Operation in February



▲ "XINTONG 59" Put Into Operation in August



▲ "XINTONG EXPLORATION" Put Into Operation in November



▲ "XINTONG 17" Put Into Operation in November



Expanding Global Reach

International Routes

Actively responding to the national strategies of building China into a "Marine Power" and "Shipping Power", as well as the Belt and Road Initiative, the Company has made significant strides in the international shipping sector. With long-term strategic vision and unremitting efforts, the Company has gradually built a perfect transportation network covering the whole world. Now, our ships mainly sail in Northeast Asia, Southeast Asia, the Middle East, the Mediterranean Sea, Northwest Europe, the Indian Ocean, and South America, with main customers including PETROBRAS, SABIC, CARGILL, etc. With the continuous expansion of its foreign trade fleet, the Company significantly enhances its ability to meet the differentiated needs of customers, effectively satisfies customer demands for different types of goods, transportation distances, and routes, and gradually builds the Xingtong brand in the international shipping market of hazardous chemicals.

Domestic Routes

The Company continues to strengthen businesses operated for domestic trade, focuses on expanding and strengthening the domestic coastal transportation of liquid cargo hazardous goods, and deeply cultivates the domestic shipping market. The main customers of the Company include Sinopec, CNOOC, Fujian United Petrochemical, etc. The Company's transportation routes cover the coastal areas of mainland China and the middle and lower reaches of the Yangtze River and the Pearl River, forming a transportation network system that can radiate major domestic chemical industrial bases such as Bohai Bay, Yangtze River Delta, Pearl River Delta and Beibu Gulf.



Strategy and Culture

◎ Corporate Strategy

In 2024, guided by the “Belt and Road” Initiative and the “14th Five-Year Plan” for Water Transport Development, In the future, the Company will adhere to the vision “to become a world-class, domestically leading integrated service provider for chemical supply chain”, and steadily advance the “1+2+1” strategic development plan. We will continuously open international shipping routes, and serve the countries along the “Belt and Road” Initiative. Through a sustainable business model, we will develop into a globally competitive and well-known shipping enterprise, devote ourselves to the high-quality development of the marine economy, and support China to evolve into a transportation power and a marine power.

“1+2+1” strategic

“1” Core

Continuously strengthen our core strength in the domestic transport of liquid hazardous goods,

Consolidating our leading position in the industry and increasing our brand awareness

+

“2”New “New Field” and “New Directions”

Enter the field of clean energy transportation, and actively engage in international shipping competition

+

“1” Platform

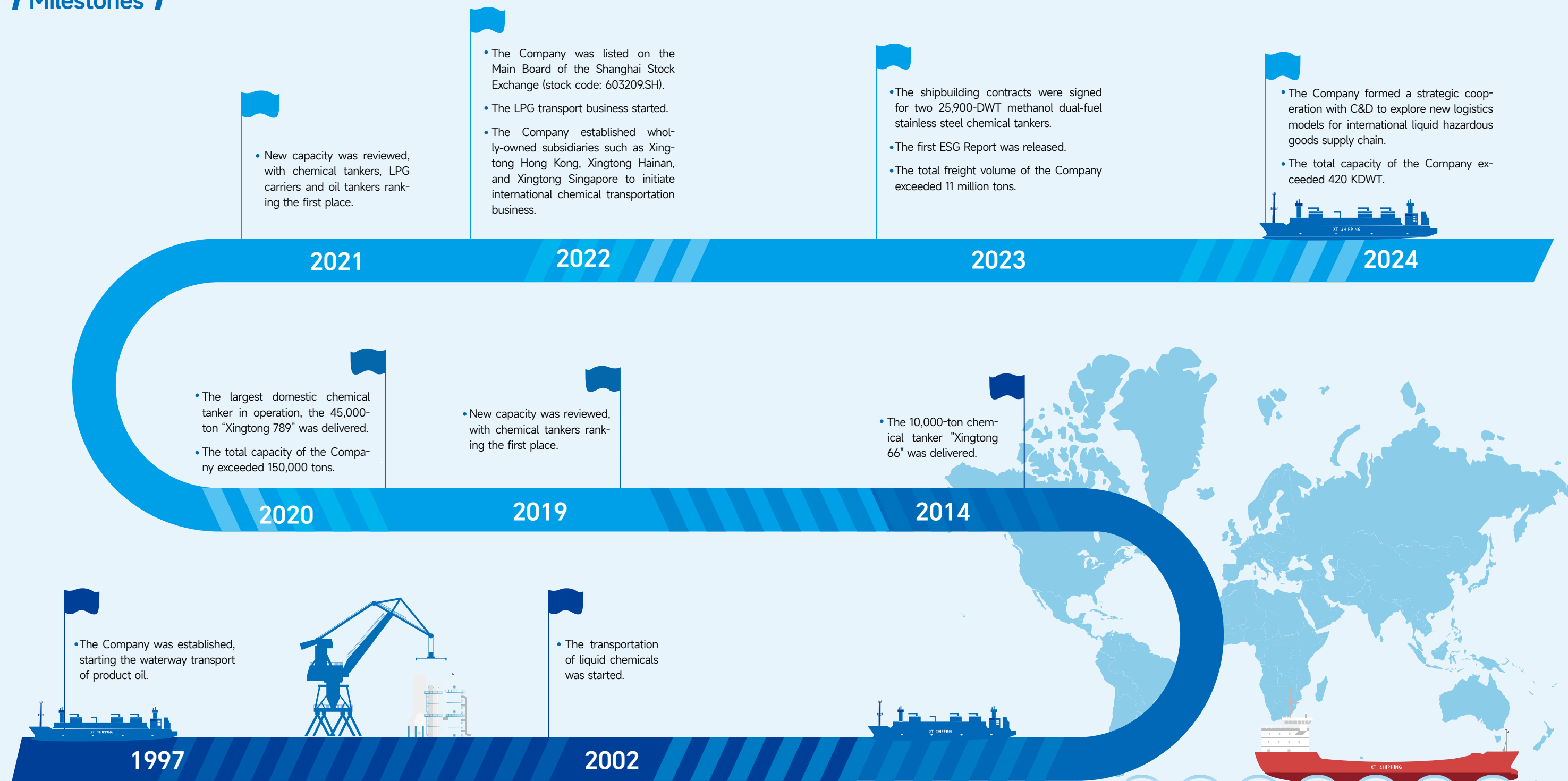
Create a digital platform for chemical supply chain logistics,

Consistently promoting digitalization and the application of technological innovation

◎ Corporate Culture



/ Milestones /



/ Honors and Achievements in 2024 /

◎ Industry Honors



Outstanding Contribution Enterprise on the 10th Anniversary of the China Petroleum Circulation Association

Awarding Authority:
China Petroleum Circulation Association

AAAA Logistics Enterprise

Awarding Authority:
China Federation of Logistics & Purchasing (CFLP)



Charitable Enterprise of Quanzhou

Awarding Authority:
Quanzhou Municipal People's Government



2024 Top 20 Private Service Enterprises in Quanzhou

2024 Top 100 Private Enterprises in Quanzhou

Awarding Authority:
Office of the Leading Group for Investment Promotion in Quanzhou City
Quanzhou Federation of Industry and Commerce



2024 Top 100 Private Enterprises with Tax Payments Exceeding 100 Million Yuan

Awarding Authority:
Quanzhou Municipal People's Government



2024 Excellent Supplier

Awarding Authority:
Jiangsu Shenghong Petrochemical Industry Group Co., Ltd.



2023-2024 Top Chemical Logistics Enterprises in Water Transport Services

Awarding Authority:
China Federation of Logistics & Purchasing (CFLP)

2024 Outstanding Logistics Partner

Awarding Authority:
PetroChina South China Chemical Sales Branch



Mr. Chen Xingming, Chairman of the Board, Outstanding Entrepreneur of Fujian Province at the 20th Fujian Enterprises and Entrepreneurs Conference

Awarding Authority:
Fujian Enterprises and Entrepreneurs Conference



Safety and Integrity Company, Safety and Integrity Ship, and Safety and Integrity Captain in 2024

Awarding Authority:
Maritime Safety Administration of the Ministry of Transport

◎ Recognition in Sustainable Development

"A" Rating from WIND ESG



Top 100 Chinese Listed Companies by ESG Performance in 2024

Awarding Authority: Securities Times

/ Customer Recognition and Qualification Certification /

◎ Customer Recognition

For a long time, by virtue of its professional strength and excellent service, the Company has established long-term and stable partnerships with a wide range of leading clients in the refining and petrochemical industry. With efficient, safe, and high-quality services, the Company has gained wide recognition from customers, including titles such as the "Best Service Provider for Safety" and the "Outstanding Logistics Service Provider" granted by clients such as Sinopec, CNPC, CNOOC and Sinochem.



◎ Qualification Certification

The Company, in strict compliance with the applicable international and domestic laws and regulations, establishes a sound safety and environmental protection management system, obtains the qualifications and certifications required by relevant authorities and classification societies, and continuously strengthen and enhance safety and environmental management systems to improve service levels.

Business Qualification



Certification Systems



Compliance Leadership: Ensuring Stable and Long-term Development



Xingtong Shipping strictly adheres to the governance requirements for listed companies. Upholding the business philosophy of “integrity, standardization, and win-win cooperation”, the Company has established and continuously improved a modern corporate governance system that is scientific, standardized, well-balanced and efficient. This helps solidify the Company’s development foundation, actively practice the philosophy of sustainable development, and promote the high-quality development of the Company.

Governance for Sustainable Development

Governance System for Sustainable Development

To align with the Company's strategic direction, promote sustainable development, ensure the scientific and rational nature of development plans and strategic decisions, and comprehensively enhance sustainable development capacity, the Company has formulated the ESG Management System, and established a sustainable development governance framework covering "decision-making, management and implementation" to unify the leadership, decision-making, and implementation of ESG work.

The Board of Directors, the leadership and decision-making body for ESG work, is responsible for determining the Company's sustainable development strategy and other overarching tasks. An ESG Working Group under the Board of Directors, as a research and guidance body for ESG work, is responsible for formulating ESG work guidelines and plans, and providing support to the Board of Directors. The Company's departments and subsidiaries, serving as the executing bodies for ESG work, are mainly responsible for specific implementation work, such as fulfilling departmental responsibilities in the implementation of the ESG strategy, and collecting/reporting ESG information.



In 2024, the Company organized ESG-related training to enhance employees' understanding of ESG concepts and relevant practice abilities. External experts were invited to give in-depth lectures on core ESG elements, international standards, best industry practices, as well as the opportunities and challenges facing ESG work.



ESG Promotion Site

Sustainable Development Concepts and Goals

Our social responsibility policy adheres to conducting business in a responsible, ethical, and sustainable manner, committing to long-termism and achieving sustainable development.





Focusing on the Sustainable Development Goals (SDGs) of the United Nations, we are actively engaged in ESG practices to promote sustainable development and strive to achieve a harmonious win-win cooperation between business and social values.

SDGs	Xingtong in Action	Corresponding Section
1 NO POVERTY	The Company actively engages in public charity activities, supports education development and rural revitalization, practices social responsibility with practical actions, and contributes to the construction of a harmonious society.	Dedication to Social Contribution Support for Rural Revitalization
2 ZERO HUNGER	The Company organizes agricultural support activities and actively contributes to the cause of rural revitalization.	Support for Rural Revitalization
3 GOOD HEALTH AND WELL-BEING	The Company pays attention to the physical and mental health of crew members, strengthens occupational health protection, and regularly conducts occupational health monitoring and medical checkups; The Company also organizes professional lectures and training, offers psychological counseling services, and fully safeguards the health and well-being of crew members.	Governance of Navigation Safety Assurance of Safety and Health Construction of Safety Culture
4 QUALITY EDUCATION	The Company attaches importance to talent cultivation, solidly offers professional ability and knowledge training, deepens school-enterprise cooperation, and co-cultivates shipping talents, constantly improves the professional skills and knowledge reserve of the staff, and creates a high-quality talent team.	Building of High-Quality Teams
5 GENDER EQUALITY	The Company actively advocates for gender equality, implements a non-gender-discriminatory recruitment policy, fully protects female employees' rights, organizes themed events such as Women's Day, and creates an inclusive and equal working environment.	Protection of Employees' Rights and Interests Employee Care and Support
6 CLEAN WATER AND SANITATION	The Company strictly regulates the compliant treatment of sewage from ships, ensures the safety of fresh drinking water onboard, actively improves sanitary facilities, and provides a healthy and safe living environment for the crew.	Environmental Compliance Management Water Resource Utilization
7 AFFORDABLE AND CLEAN ENERGY	The Company actively promotes the construction of low-carbon ships such as methanol dual-fuel ships, while exploring the application of green energy, and is committed to promoting the transition of the shipping industry to economic and applicable clean energy.	Energy Management
8 DECENT WORK AND ECONOMIC GROWTH	The Company provides diversified career development paths, strengthens employee training and promotion mechanisms, and fully safeguards employee rights and benefits.	Protection of Employees' Rights and Interests Optimization of Remuneration and Benefits Building of High-Quality Teams

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	<p>The Company has actively invested in R&D to promote the ships' digital intelligence transformation, build intelligent shipping platforms and enhance shipping efficiency and safety;</p> <p>The Company strengthens strategic cooperation with industry partners, jointly promotes technological innovation and industrial upgrading, improves infrastructure network layout, facilitates upstream and downstream coordination in the supply chain, and supports sustainable economic development.</p>	<p>Leading a New Chapter In Shipping</p> <p>Enhancement of Industry Collaboration</p> <p>Joint Efforts for Innovative Development</p>
10 REDUCED INEQUALITIES	<p>The Company provides equal career development opportunities and implements a non-geographical and non-sexist recruitment and employment policy to ensure that every employee enjoys a fair working environment and promotion opportunities.</p>	<p>Protection of Employees' Rights and Interests</p> <p>Employee Care and Support</p>
11 SUSTAINABLE CITIES AND COMMUNITIES	<p>The Company actively organizes its employees to participate in community environmental protection activities such as beach cleanups, improve the community's environmental quality and contribute to the community's sustainable development.</p>	<p>Social Welfare Activities</p>
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	<p>The Company implements a green procurement policy, prioritizes the selection of environmentally friendly and efficient materials and services, and drives the upstream and downstream of the supply chain to jointly practice responsible consumption and production concepts.</p>	<p>Recycling of Materials</p> <p>Sustainable Supply Chains</p>
13 CLIMATE ACTION	<p>The Company adopts advanced energy-saving technologies and equipment to optimize sh nbational climate policy trends, participates in relevant training and seminars, and ensures that business operations comply with international emission reduction requirements;</p>	<p>Response to Climate Change</p>
14 LIFE BELOW WATER	<p>The Company takes measures such as route optimization, enhanced ballast water management, and noise reduction during navigation to effectively protect marine ecosystems, maintain underwater biodiversity, and actively contribute to marine protection efforts.</p>	<p>Protection of Ecosystem and Biodiversity</p>
15 LIFE ON LAND	<p>The Company actively promotes the use of environmentally friendly packaging materials, implements green office practices, and conducts environmental activities such as tree planting to contribute to the protection of terrestrial ecosystems and biodiversity.</p>	<p>Improvement of Resource Efficiency</p> <p>Protection of Ecosystem and Biodiversity</p>
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	<p>The Company builds an efficient governance structure, strengthens compliance and risk management, promotes communication and cooperation with internal and external stakeholders, standardizes business practices, and establishes a peaceful, just, and strong business environment.</p>	<p>Compliance Leadership: Ensuring Stable and Long-term Development</p>
17 PARTNERSHIPS FOR THE GOALS	<p>The Company deepens the strategic cooperation with upstream and downstream enterprises in the supply chain, actively participates in industry forums and school-enterprise exchange activities, and establishes supply chain partnerships, to jointly promote the sustainable development of the shipping industry and drive win-win cooperation with a more open attitude.</p>	<p>Joint Promotion of Industry Development</p> <p>Sustainable Supply Chains</p>

Communication with Stakeholders

The Company is committed to improving the level of corporate responsibility governance and responsibility competitiveness, "telling the Xingtong story well, developing the Xingtong brand, increasing the popularity of Xingtong, and creating Xingtong value". The Company also actively communicates with the government, regulatory bodies, shareholders, customers and other stakeholders, and enhances the transparency of information disclosure and handling of claims, to realize the common sustainable development of enterprises and society.

Stakeholders	Main Topics of Concern	Company Respons
 Government/regulatory agencies	<ul style="list-style-type: none"> • Lawful tax payment • Employment promotion • Compliant operations 	<ul style="list-style-type: none"> • Strengthen communication and reporting with government/regulatory agencies • Publish regular reports and corporate ESG reports • Fulfill tax obligations
 Shareholders	<ul style="list-style-type: none"> • Compliant operations • Integrity management • Risk management and internal control • Development strategy 	<ul style="list-style-type: none"> • Disclose relevant information • Convene a general meeting of shareholders • Publish regular reports and corporate ESG reports
 Employees	<ul style="list-style-type: none"> • Protection of basic rights and interests • Health and safety • Career development • Crew care 	<ul style="list-style-type: none"> • Hold communication meetings such as the Employees' Congress • Ensure employees' occupational health and safety • Offer competitive remuneration and benefits • Provide diversified employee training • Build a "home" for the crew
 Communities	<ul style="list-style-type: none"> • Contribution to communities 	<ul style="list-style-type: none"> • Donate to education development funds • Participate in community public welfare activities
 Environment	<ul style="list-style-type: none"> • Energy conservation and carbon reduction • Waste discharges • Protection of marine ecosystems 	<ul style="list-style-type: none"> • Enhance Environmental Management • Practice energy conservation and emission reduction • Protect marine ecosystems • Develop green ships
 Customers	<ul style="list-style-type: none"> • Safe and efficient logistics services • Top-tier customer service 	<ul style="list-style-type: none"> • Enhance transport capacity • Deliver safe and efficient transportation services • Provide green and low-carbon transportation services
 Suppliers	<ul style="list-style-type: none"> • Fair, just, and open procurement 	<ul style="list-style-type: none"> • Offer fair opportunities • Conduct responsible procurement
 Industry organizations	<ul style="list-style-type: none"> • Contribution to industry development 	<ul style="list-style-type: none"> • Support industry exchanges • Participate in industry forums and meetings
 Media	<ul style="list-style-type: none"> • Transparent communication 	<ul style="list-style-type: none"> • 及时Timely release reports and information

Materiality Analysis

With reference to the requirements of relevant standards and guidelines such as Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 14 - Sustainability Report (for Trial Implementation) (hereinafter referred to as "the Guidelines"), and in combination with the characteristics of the industry in which the Company is operating and the business realities of the Company, we comprehensively identify and evaluate material topics that have a significant impact on and are of close concern to its stakeholders through questionnaire surveys of stakeholders, industry research and other means.

Material Topic Analysis Process

Analyzing the Company's activities and business relationships

Consider national policies, industry trends, and company strategies, comprehensively analyze the external environment and internal business activities, and identify the main stakeholders.



Establishing a list of material issues

Use the 21 topics set forth in the Guideline as the basis, and combine relevant standards and guidelines such as GRI and SDGs, industry characteristics, and expert recommendations to form a list of material topics.



Conducting a stakeholder survey

Conduct a stakeholder questionnaire to understand the views of stakeholders in conjunction with the assessment requirements related to impact materiality and financial materiality.



Assessing and confirming the materiality of topics

Based on the results of the stakeholder survey, and in conjunction with our internal leadership assessment and expert opinion, we assessed the materiality of the topics in terms of "financial materiality" and "impact materiality".

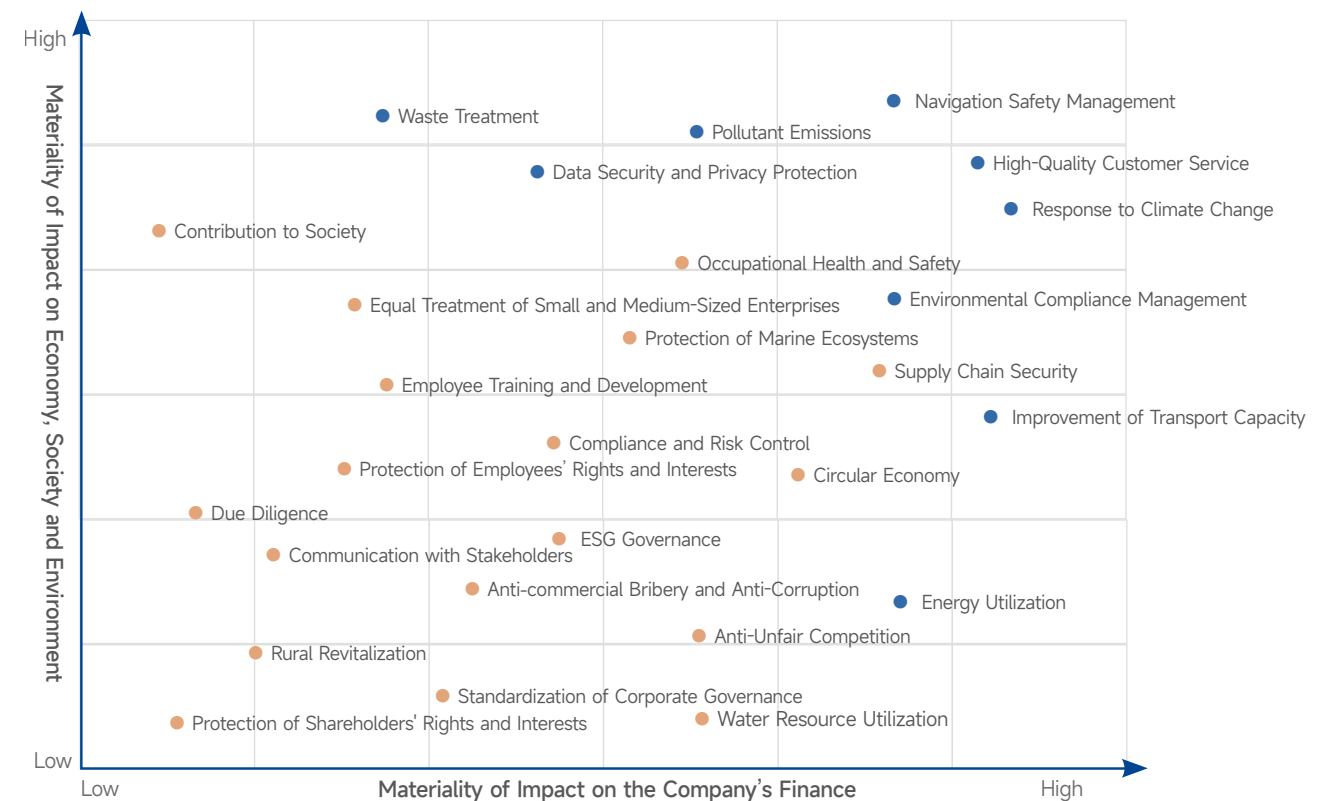


Reporting topics

Based on the assessment of the materiality of the topics, a matrix of material topics was formed.



Materiality Analysis Matrix



Topic Materiality Analysis Results

Topics of Dual Materiality	Topics of Financial Materiality	Topics of Impact Materiality	Topics of General Materiality
Response to Climate Change, Navigation Safety Management, High-Quality Customer Service	Environmental Compliance Management, Energy Utilization, Improvement of Transport Capacity	Pollutant Emissions, Waste Disposal, Data Security and Privacy Protection	Circular Economy, Water Resource Utilization, Protection of Marine Ecology, Protection of Employees' Rights and Interests, Employee Training and Development, Occupational Health and Safety, Supply Chain Security, Equal Treatment of Small and Medium-Sized Enterprises, Social Contribution, Rural Revitalization, Protection of Shareholders' Rights and Interests, Standardization of Corporate Governance, Anti-commercial Bribery and Anti-Corruption, Anti-Unfair Competition, Compliance and Risk Control, Due Diligence, Stakeholder Communication, ESG Governance
Inapplicable Topics			
Technology ethics (the Company's business scope does not involve scientific research, technology development, or other activities sensitive to technology ethics, such as life sciences and artificial intelligence)			

Notes:

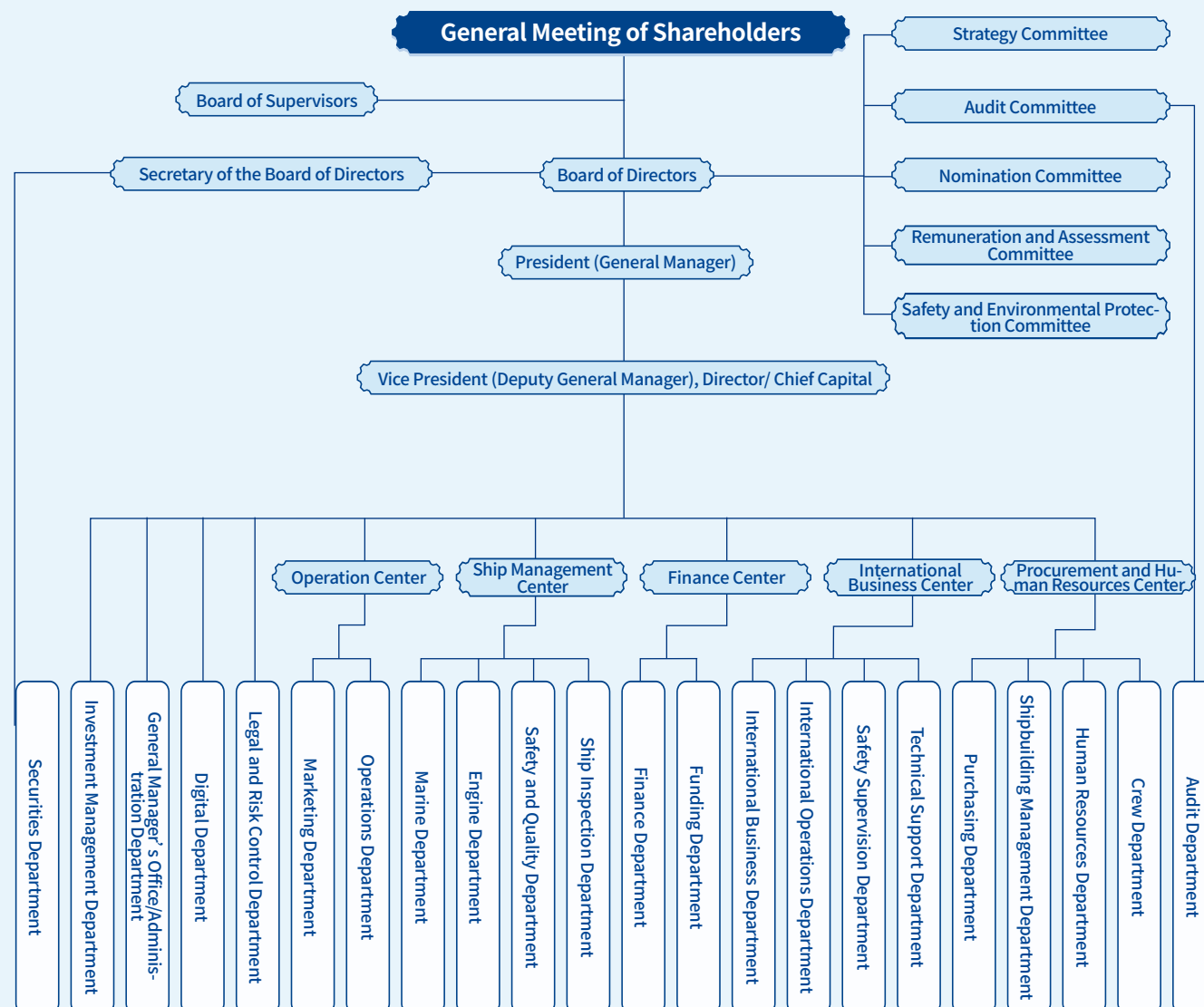
1. Topics of dual materiality refer to topics that have both financial materiality and impact materiality.
2. Topics of financial materiality refer to topics that only have financial materiality. Financial materiality indicates whether a given topic is expected to have a significant impact on the business model, operations, development strategy, financial condition, operating results, cash flow, financing methods, and costs of the Company in the short, medium, and long term.
3. Impact materiality refers to topics that only have impact materiality. Impact materiality indicates whether the Company's performance on the corresponding topics will have actual or potential significant impacts on the economy, society and the environment.

Standardization of Corporate Governance

Governance through the General Meeting of Shareholders, Board of Directors, and Board of Supervisors

The Company, in strict compliance with the requirements of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Governance Code for Listed Companies and other laws and regulations, has established a corporate governance structure consisting of the General Meeting of Shareholders, Board of Directors, Board of Supervisors, and the management. The Company is committed to forming a governance mechanism with scientific decision-making, efficient execution, and strong supervision, in order to enhance governance effectiveness.

Organizational Structure



General Meeting of Shareholders

In strict compliance with the requirements of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Articles of Association of Xingtong Shipping Co., Ltd. (the "Articles of Association"), and the Rules of Procedure for the General Meeting of Shareholders of Xingtong Shipping Co., Ltd., the Company convenes and holds the General Meeting of Shareholders and treats all shareholders equally. The General Meeting of Shareholders adopts a hybrid online and offline meeting model to ensure that all shareholders, especially minority shareholders, can enjoy equal status and rights.

During the Reporting Period

2024
Key Performance

the Company held a total of **5** meetings of the General Meetings of Shareholders, and reviewed and approved **19** proposals at these meetings.



Board of Directors

The Board of Directors of the Company has set up the Strategy Committee, the Audit Committee, the Nomination Committee, the Remuneration and Assessment Committee, and the Safety and Environmental Protection Committee to perform their duties in accordance with the provisions of the Articles of Association of the Company and the implementing rules of these specialized committees, to provide the Board of Directors with rationalized proposals and to improve the operational efficiency of the Board of Directors.

During the Reporting Period

2024
Key Performance

the Company convened a total of **10** meetings of the Board of Directors, and reviewed and approved **45** proposals at these meetings.

the company held **3** meetings of the Strategy Committee, **4** meetings of the Audit Committee, **1** meeting of the Nomination Committee, and **2** meetings of the Remuneration and Assessment Committee.

The Company, in line with the Measures for the Administration of Independent Directors of Listed Companies, has formulated the Work System of Independent Directors of the Xingtong Shipping Co., Ltd. to give full play to the active role of independent directors in corporate governance and enhance the scientificity and professionalism of the decision-making by the Board of Directors.

	Independent directors (person)	Non-independent directors (person)	Whether the independent director(s) serves as chairman of the committee
Strategy Committee	1	2	No
Audit Committee	2	1	Yes
Nomination Committee	2	1	Yes
Remuneration and Assessment Committee	2	1	Yes
Safety and Environmental Protection Committee	1	2	No

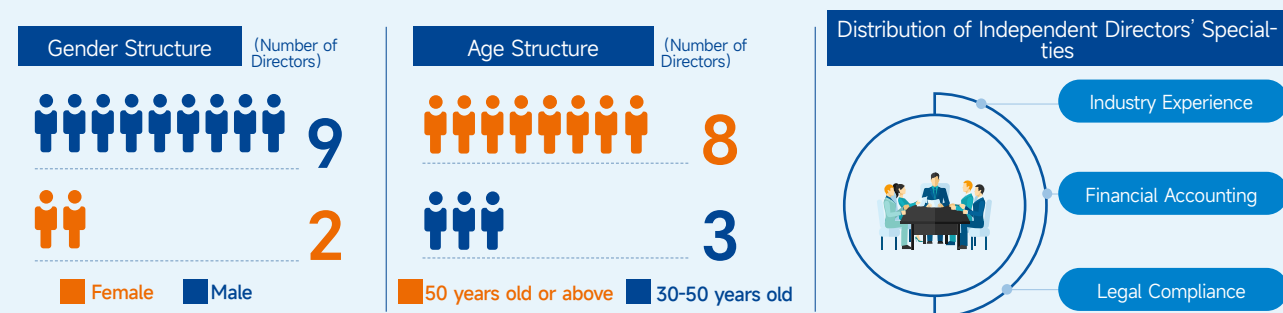
As at the end of the Reporting Period

2024
Key Performance

the Company's Board of Directors consisted of **11** directors, of whom **4** were independent directors and **7** were non-independent directors, with independent directors accounting for **36.36%**.

The Company attaches great importance to the diversity of the Board of Directors, and in close alignment with the long-term development needs, carries out comprehensive and meticulous consideration in the selection and recruitment of directors. We focus on the balance of various factors such as gender, age, professional knowledge, educational level, and background, and strive to build a board team with a reasonable structure and complementary strengths.

The existing directors of the Company have rich and diversified professional backgrounds, covering fields such as corporate management, finance and accounting, legal compliance and profound industry experience. In the daily operation and major decision-making process of the Company, the directors, by virtue of their unique professional advantages, analyze issues from different perspectives and provide valuable opinions and suggestions with both rationality and scientificity on the Company's business decisions, which strongly promote the Company's steady progress towards standardization and efficiency, and help the Company accurately grasp the development opportunities in the complex and volatile market environment to achieve sustainable development goals.



Board of Supervisors

The Board of Supervisors, following the Company Law of the People's Republic of China, the Articles of Association, the Rules of Procedure of the Board of Supervisors of Xingtong Shipping Co., Ltd., and other applicable laws, regulations, and rules, conscientiously performs its supervisory duties to effectively safeguard the interests of the Company and the rights and interests of shareholders.



Management of Remuneration for Directors, Supervisors, and other Officers

The Company focuses on the transparency of the remuneration of directors, supervisors, and other officers. In accordance with the Governance Code for Listed Companies and other applicable laws, regulations, and the Company's operation realities, the Company has formulated and published the Management System for the Remuneration of Directors, Supervisors, and Officers. This system clarifies the remuneration standards and related regulations for the payment of remuneration of directors, supervisors, and officers. It aims to fully motivate the directors, supervisors, and officers of the Company, enhance their cohesion, embody the fair principle of "aligning responsibilities, risks and interests", maximize the interests of shareholders, and lay a solid foundation for the Company's long-term and stable development.

As at the end of the
Reporting Period

2024
Key Performance

As of the end of the Reporting Period, the Company had **3** supervisors, including **1** employee supervisor, and **1** female supervisor who accounts for **33.33%** of the total.

IN 2024

the Company convened a total of **7** meetings of the Board of Supervisors to review **26** proposals.

Protection of Investors' Rights and Interests

Investor Relations Management

In compliance with applicable laws and regulations, the Company has formulated the Investor Relations Management System of Xingtong Shipping Co., Ltd., aiming to establish a long-term communication mechanism between the Company and its investors, enhance information transparency, and effectively safeguard the legitimate rights and interests of investors.

The Company actively maintains various communication channels, such as holding performance briefings, receiving investors for on-site research, answering investor hotlines, and reacting on SSE E-Interactive, to actively communicate with investors, address concerns raised by investors, and increase investor confidence in the Company's future development prospects and the recognition of the Company's values.

In 2024, the Company received comprehensive recognition from a wide range of investors for its outstanding performance in investor relations management, winning three major awards: "Top 300 Most Popular Listed Companies" on the Tonghuashun Annual List of Listed Companies, the "Investor Relations Elite Award", and the "Top 100 Most Popular Secretaries".

During the Reporting Period

2024
Key Performance

the Company held a total of **115** performance briefings and investor communication meetings, and made **17** replies on the SSE E-Interactive Platform, with a **100%** response rate to investors' questions, covering a total of **27** brokers' research reports.



Materiality of Impact on Economy, Society and Environment



On-Site Research by Investors

Information Disclosure

The Company standardizes the information disclosure process, formulates the Information Disclosure Management System of Xingtong Shipping Co., Ltd., strengthens the quality of information disclosure, ensures the truthfulness, accuracy, completeness, fairness and timeliness of information disclosure, and protects investors' right to know. Moreover, the Company attaches importance to the confidentiality of unpublished information, formulates the Insider Information and Confidentiality Management System of Xingtong Shipping Co., Ltd., and prevents insider trading.

In 2024, Fujian Association for Public Companies issued the Notice on the Publication of the 2023-2024 Annual Investor Relations Management Evaluation Results for Listed Companies in Fujian. Xingtong Shipping was awarded the highest "A" rating for its high-quality information disclosure, standardized corporate governance, and excellent investor relations management. Additionally, the Company received a "B" rating in the annual evaluation of information disclosure by SSE from 2023 to 2024.

During the Reporting
Period

2024
Key Performance



the Company dis-
closed **4** periodic
reports



and **85** interim
announcements.

Returns to Shareholders

On the basis of sound operations, the Company coordinates and balances the sustainable development of the enterprise and shareholder returns, and is committed to providing investors with a "sustainable, stable, and scientific" dividend policy. Through the implementation of cash dividends, share buybacks and other diversified return measures, the Company provides shareholders with long-term and stable investment returns, enhances the sense of gain for investors, and ensures that investors (especially small and medium-sized investors) can share in the development achievements of the Company.

During the Reporting Period, in active response to the Shanghai Stock Exchange's Proposal for the Special Action of "Improving Quality, Increasing Efficiency, and Focusing on Returns" for Companies Listed on the Shanghai Stock Exchange, the Company formulated the "Improving Quality, Increasing Efficiency, and Focusing on Returns" Action Plan, and focuses on aspects such as business operations, shareholder returns, cash dividends, share buybacks, employee stock ownership plans, and green development. This continuously promotes the Company's high-quality development, enhances investor returns, and increases the Company's investment value. Over the past three years, the cash dividends of the Company have steadily increased, with a cumulative dividend of RMB 193 million over three years.

During the Reporting Period

2024
Key Performance

	Cash Dividend per Share (yuan)	Total Cash Dividend (Tax Inclusive) (RMB million)	Proportion to Net Profit Attrib- utable to Shareholders of the Listed Company (%)
2024	0.20	73.26	20.91
2023	0.15	89.74	35.58
2022	0.15	30	14.55

Note: The cash dividends for 2023 and 2024 included the amount used for share repurchases in cash.



Enhancement of the Risk Defense Line

The Company continuously improves its risk management system and enhances its ability to prevent and resolve risks, in accordance with the Governance Code for Listed Companies, the Basic Standard for Enterprise Internal Control, and other relevant regulations. In daily operations, the Company regularly conducts risk assessments and issues the Legal Risk and Compliance Risk Management Report. This helps the management team of the Company understand the risk situation the Company faces in a timely and comprehensive manner, and enables them to make scientific and reasonable decisions, thereby ensuring the sustainable and stable development of the Company.

Enhancing Risk Management

The Company insists on integrating the requirements of risk management into enterprise management and business processes, and establishes "three lines of defense" for risk management. When assessing risks, the Company pays attention to both internal and external factors, fully recognizes the essence of risks and adopts proactive and effective strategies and measures to prevent and reduce risks. During the cooperation process, through due diligence on partners, including KYC ("Know Your Customer") reviews for overseas clients, suppliers, and domestic client evaluations, the Company helps to comprehensively identify various risks related to its partners, provides a foundation for subsequent risk assessments and responses, and ensures stable operations.

(1) Tax Management

The Company strictly complies with relevant tax laws and regulations, establishes internal control processes for tax management, clarifies tax management responsibilities, standardizes the Company's tax workflow, guards against tax risks, and ensures that tax accounting processing is timely, accurate and compliant in accordance with the Company Tax Management Rules and other systems. The Company adheres to the integrity of business, pays taxes in accordance with the law, declares and pays all taxes on time, and actively contributes to the national fiscal and tax revenue.

In 2024, in response to the needs of international business development, the Company offered specialized training on the "financial and tax laws" of Singapore to raise tax risk awareness across all departments.

In 2024, the Company's tax payments totaled RMB 162 million. During the Reporting Period, Xingtong Shipping and XT-IMC were awarded "2023 Tax Credit Rating A", and Xingtong Shipping was granted with honors such as 2024 Top 100 Private Enterprises with Tax Payments (with Tax Payments Exceeding RMB 100 Million) by Quanzhou Municipal People's Government.

(2) Management of Related Transactions

The Company strictly complies with the relevant provisions of the Articles of Association and the Management System for Connected Transactions of Xingtong Shipping Co., Ltd., fulfills the deliberation procedures and information disclosure obligations for connected transactions, strictly implements the system of avoidance of voting on connected transactions, and gives full play to the role of independent directors to safeguard the legitimate rights and interests of the Company and its shareholders.

Development of Risk Management Culture

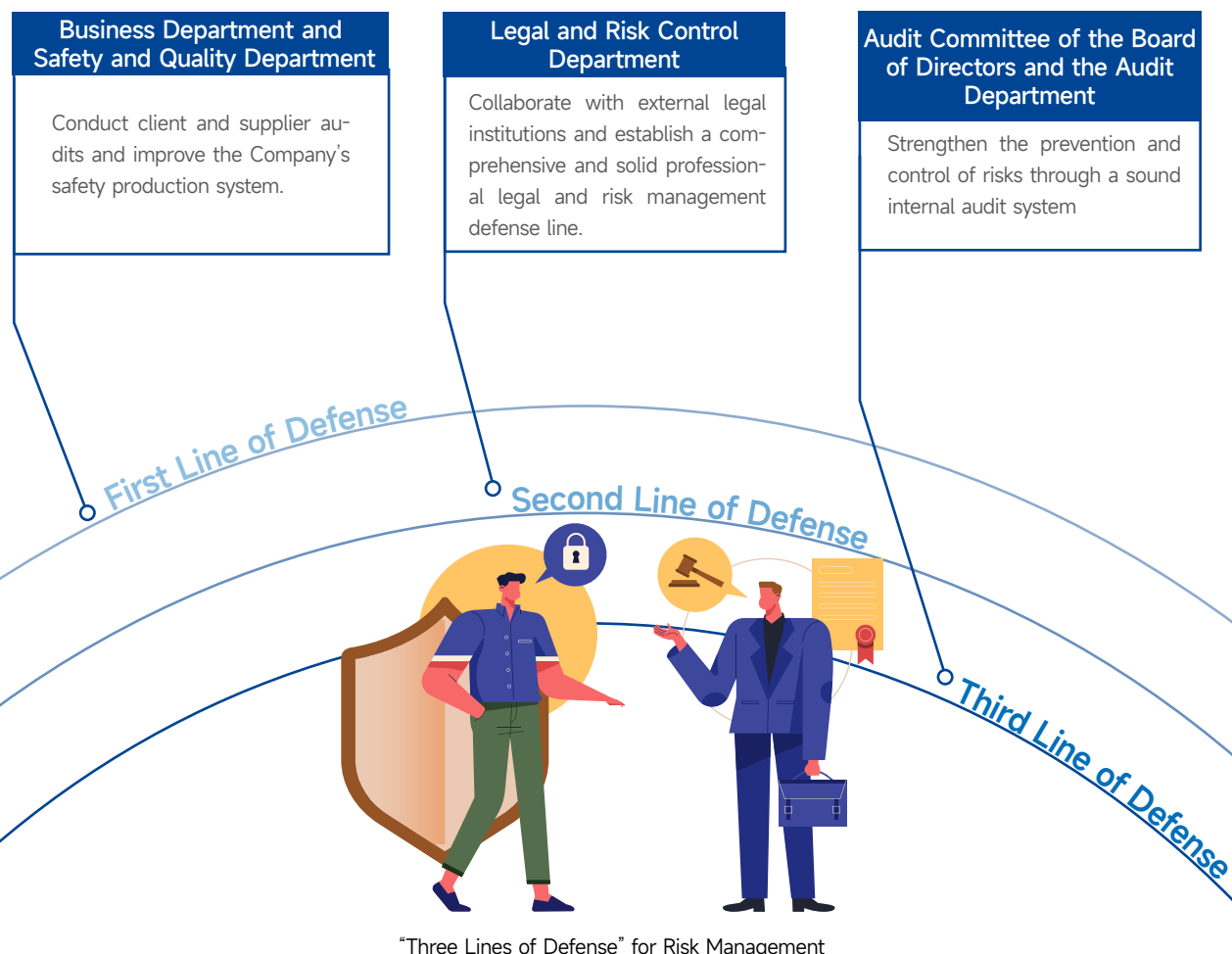
Focusing on risk management, the Company offers various risk management training as needed, fosters the risk management culture, and establishes a long-term mechanism for risk management. In 2024, the Company organized training activities such as "Sharing of Typical Sanction Cases", "Interpretation and Analysis of the Revision of the New Company Law", and "Integrity, Compliance, and International Dispute Resolution", to enhance employees' awareness and ability to prevent risks.

Improvement of Internal Control Systems

The Company attaches high importance to internal control systems, and continuously improves the Company's internal control management system in accordance with applicable laws and regulations such as the Basic Standard for Enterprise Internal Control. In 2024, the Company formulated and revised 13 management systems at the corporate level, and focused on enhancing internal audit supervision, to further strengthen the foundation of governance and management, improve operational efficiency, and safeguard the steady implementation of the Company's strategy.

The Company's internal control management structure is composed of the Audit Committee and the Internal Audit Department, which jointly conduct comprehensive supervision and objective evaluation of the Company's internal control management work and ensure the effective operation of the internal control system, prevent risks in operational management, and promote the achievement of internal control objectives.

In 2024, the accounting firm conducted an evaluation of the reasonableness of the Company's internal control system, the effectiveness of internal control operations, and other aspects, and issued the 2024 Internal Control Audit Report confirming that the Company maintained effective internal controls in all major areas.



Compliance and Business Ethics

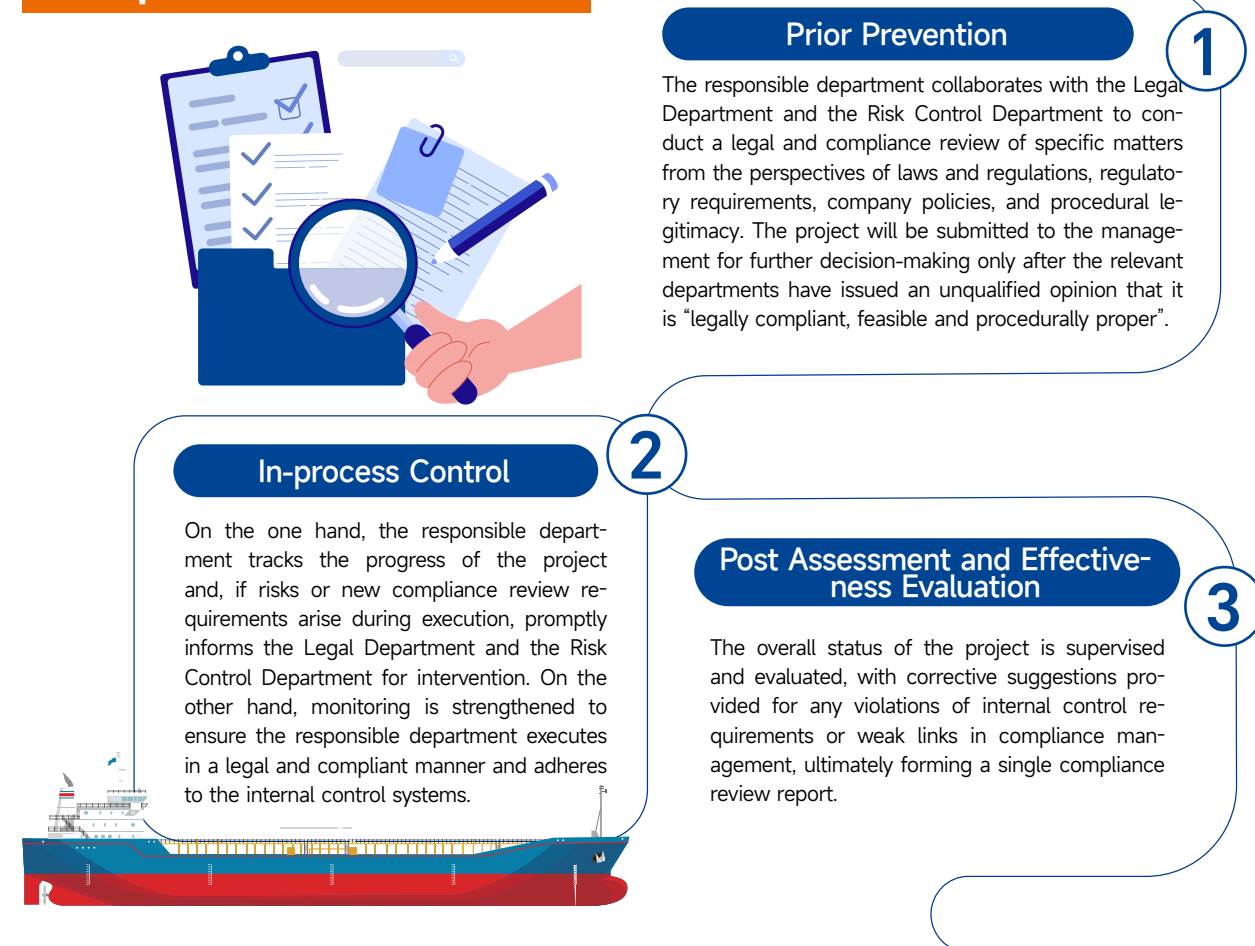
Compliance Management

The Company attaches great importance to compliance management. We formulate systems such as the Contract Management System and the Case Management System, standardize contract management, case prevention and processing mechanisms, and ensure compliance in complex international environments. By improving the compliance and legal risk reporting mechanisms, the Company prevents the financing of terrorism, money laundering, and other illegal activities, while comprehensively protecting the operation legitimacy and robustness of the Company. The Legal and Risk Control Department is responsible for developing, implementing and monitoring sanctions compliance, providing training and legal support. Each department is responsible for implementing sanction compliance measures including due diligence, transaction monitoring and reporting, etc. The Audit Department is responsible for auditing and evaluating sanction compliance.

The Company has deeply implanted anti-money laundering and sanction compliance review into the KYC cooperation background check procedure, and continuously improves the compliance system with a global compliance perspective. During the collaborative investment, the Company lawfully submitted the operator concentration filing materials to the State Administration for Market Regulation and formally obtained the Notice of Acceptance of Antimonopoly Review of Operator Concentration to ensure that the Company complies with the requirements of fair competition in the process of during the cooperation process.

In 2024, the Company did not experience any significant illegal or regulatory violations.

Compliance Review Process



Business Ethics

In strict compliance with laws and regulations such as the Anti-Unfair Competition Law of the People's Republic of China and the Anti-Monopoly Law of the People's Republic of China, and the Anti-Money Laundering Law of the People's Republic of China, the Company abides by the requirements of business ethics and integrity, upholds the principle of fair competition, refrains from engaging in any activities that may harm market competition, and prohibits any form of unfair competition. We submit operator concentration declaration documents to the State Administration for Market Regulation in accordance with the laws and regulations, and have officially obtained the Notice of Acceptance of Antimonopoly Review of Operator Concentration to ensure that the Company complies with the requirements of fair competition during the cooperation process.

The Company enforces strict, rigorous, and serious requirements, strengthens the prevention of integrity risks, incorporates integrity requirements into employees' daily work norms, and enhances the supervision and management of key personnel to safeguard the Company's asset security and operational order. In addition, the Company establishes integrity clauses in major contracts and ensures the fairness and transparency of procurement activities by improving procurement processes, clarifying evaluation standards, and implementing strict supervision mechanisms.

In 2024

2024
Key Performance

no economic losses due to legal actions related to bribery, embezzlement, or corruption occurred in the Company.



Low-Carbon Transformation: Leading the Future of Shipping



Xingtong Shipping strictly adheres to the relevant environmental protection regulations, such as the International Convention for the Prevention of Pollution from Ships released by International Maritime Organization (IMO), and leverages energy-saving and low-carbon technologies and other innovative measures to minimize negative impacts on the environmental ecosystem, thus contributing to the development of green shipping and fully safeguarding marine ecology.

Response to Climate Change

Governance

The Company formulates and implements the Energy Conservation and Emission Reduction Management Procedure, incorporates energy conservation and emission reduction into daily operation and management, and continuously improves energy conservation and emission reduction through regular review and continuous improvement, so as to promote green and low-carbon development. The Company's ESG Working Group coordinates the planning and implementation of strategies to address climate change, establishes a green and low-carbon development path, actively promotes the implementation of energy-saving and emission reduction measures, and promotes the harmonious coexistence of the enterprise and the environment.

Strategy

We identify the transformational risks, physical risks and opportunities that our own operations and value chain may face in the short, medium and long-term timeframes and their potential impacts, taking into account the development trends of the shipping industry and the operation realities of the Company.

Risk Type		Description of Risks	Financial Impact	Impact Duration	Value Chain Link Impacted	Countermeasures
Transformational Risks	Policy and Legal Risks	Mandatory Regulation and Pricing Mechanism for Greenhouse Gas Emissions from Ships: The 2023 IMO Strategy on Reduction of GHG Emissions from Ships sets emission reduction targets requiring a 40% reduction in emission intensity by 2030 and a 70% reduction in total emissions by 2040 (with a target of 80%). This means that future regulations will become stricter, with possible measures such as setting phased standards for ship fuels and implementing flexible pricing for greenhouse gas emissions. Moreover, the EU Emissions Trading System (EU ETS) will come into effect for the shipping industry, with the payment ratio increasing each year: 40% in 2024, 70% in 2025, and full payment starting in 2026. Mandatory Regulation of Ship Energy Efficiency and Carbon Intensity: The amendments to Annex VI of MARPOL provide for an Energy Efficiency Existing Ship Index (EEXI) and require that the competent Maritime Authority periodically rate the annual operational Carbon Intensity Index (CII) rating of ships and that the rating be continuously reduced. In November 2022, the Maritime Safety Administration of the People's Republic of China issued the Measures for the Management of Energy Consumption Data and Carbon Intensity of Ships, which require ships to record and report energy consumption data on a regular basis, and to regularly assess the annual operating carbon intensity rating of ships on international voyages. As regulations tighten further, ships that do not meet EEXI and CII requirements will need additional investments for inspections, modifications, and other measures.	Cost increase	Short-term, Medium, and Long-Term	Operations Downstream	Closely monitor updates to international regulations to ensure that ship operations comply with the latest emission reduction requirements; Invite external agencies to conduct training, research the specific impact of the EU ETS on the shipping industry, and develop corresponding cost budgets and risk management strategies. Strengthen carbon emission data management and carbon emission quota management, and complete the annual quota surrender as required by the EU ETS.
	Technology Risks	The R&D and application of energy-saving technologies for ships will become mandatory, including direct or indirect energy-saving technologies such as ship drag reduction, ship engine efficiency upgrading and route optimization. Accelerating the deployment of clean fuel-powered ships has become an industry trend, but the process is accompanied by a number of notable risks, such as high retrofit costs, technological uncertainty and market acceptance challenges.	Cost increase	Medium- and Long-term	Upstream Operations	Track the latest technological developments, policy changes, and market acceptance of clean fuel-powered ships; Actively participate in industry conferences, seminars, and other activities to obtain the latest information and experiences; Establish partnerships with ship operators and fuel suppliers, to jointly explore the application prospects of clean fuel-powered ships, and purchase and build low-carbon, environmentally friendly ships.

Transformational Risks	Market Risks	Customers prefer greener, low-carbon, and even zero-carbon logistics services. Fuel prices have risen as a result of the application of cleaner technologies such as fuel pretreatment.	Cost increase	Medium- and Long-term	Operations Downstream	Effectively reduce fuel consumption and alleviate cost pressures by optimizing transport processes, improving operational efficiency, and reducing empty sailing; Develop and implement a Ship Fuel Conversion Procedure to reduce the use of high-priced fuel.
	Reputation Risks	As the shipping industry is energy-intensive and high-emission, if the Company fails to effectively address climate change, the Company's environmental image may be severely damaged, making it difficult to attract and retain stakeholders such as investors, banks, customers, suppliers, and employees who are concerned about climate change and sustainable development. Environmental regulations in the hazardous materials transportation industry are tightening, and customers and consumers are becoming more environmentally conscious. Management measures of the Company for emission reduction and energy efficiency, if inadequate, will result in damage to the Company's reputation.	Cost increase, revenue decrease, and damage to reputation	Long-term	Upstream Operations Downstream	Establish and improve an environmental management system to ensure effective implementation of environmental protection measures; Establish communication channels with stakeholders, promptly respond to their concerns and feedback, and strengthen trust and cooperation; Organize employees to deeply study relevant environmental protection regulations to ensure that the Company's operations comply with regulatory requirements;
Physical Risk	Acute Risk	Extreme Weather Events Result in Damage to All Assets: The frequency and intensity of extreme coastal and offshore weather events, such as typhoons and tropical storms, have increased, leading to damage to assets such as ships, equipment, and cargo. Extreme Weather Events Increase the Difficulty of Ship Navigation: Frequent offshore extreme weather events increase the difficulty of ship schedules and route planning, cause damage to port facilities, reduce ship turnaround efficiency, interrupt some shipping activities, and increase transportation risks. Continuous Extreme Weather Affects Crew Status: Prolonged and continuous extreme weather leads to unstable physical and psychological state of crew members, which affects their health, work efficiency and safety of ship-board operations.	Cost increase, Damage to fixed assets, increased insurance costs, and decreased revenue	Short-term	Operations Downstream	Before the arrival of extreme weather, carry out a comprehensive inspection of the ships to ensure that the water tightness is good, the drainage system is smooth, and the key equipment (such as anchor chains, mooring equipment, and drainage pumps) is in good condition; During extreme weather, strengthen communication with shore-based and surrounding ships, obtain timely meteorological information and navigational advice, and implement measures such as detouring or suspending ships' operation in port; During continuous extreme weather, enhance monitoring of the crew's health, promptly identify and address health issues; develop detailed emergency plans, including emergency response processes, resource allocation, and personnel assignments; Integrate high-throughput satellite broadband systems, CCTV intelligent monitoring, AI behavior recognition, and navigational safety assistance systems on board, and based on authoritative meteorological data, intelligently analyze weather conditions at sea, proactively avoid risks, ensure navigational safety, and build an integrated smart navigation safety management platform for ships and shore bases.
	Chronic Risk	Sea Level Rise Affects Ship Unloading Operations and Berthing in Ports: Sea level rise will affect ship unloading operations and docking at existing ports, and may reduce the number of ports available for ships to dock. Sea Level Rise and Average Wind Speed Changes Affect Ship Navigation and Onboard Operations: Changes in average wind speed at sea will affect ship navigation resistance and speed, increase the difficulty of route planning and potentially negatively impact onboard operational safety.	Revenue decrease Cost increase	Long-term	Operations Downstream	Conduct a comprehensive assessment of the sea level rise adaptability of existing ports, prioritize ports with strong adaptability that can handle future sea level rise for docking and unloading operations; regularly update nautical information such as electronic charts to ensure that ships can access the latest data on routes, water depths, port facilities, etc., to address challenges posed by environmental changes such as sea level rise; monitor the ship's navigation performance in real-time, including key indicators such as speed, fuel consumption, and stability, and adjust the ship's operational parameters in a timely manner based on environmental factors such as sea level rise and wind speed changes, ensuring safe and efficient navigation.

Opportunity Type		Description	Financial Impact	Impact Duration	Value Chain Link Impacted	Countermeasures
Re-source efficiency	Improvement of ship operation efficiency	The R&D and deployment of the ship digital intelligence management system help to optimize routes scientifically and improve ship operational turnaround rates.	Cost decrease and revenue increase	Short- and medium-term	Operations Downstream	Increase investment in R&D to build a digital intelligence management system; continuously iterate and upgrade to maintain system advancement.
	Improvement of ship energy efficiency	The ship energy efficiency may be improved through energy-saving modifications, development, and deployment of the management system of ship digital intelligence transformation.	Cost reduction	Short- and medium-term	Operations	Develop energy-saving retrofit plans, adopt advanced energy-saving technologies and equipment; strengthen data integration and analysis to enhance decision-making support; train crew to improve system usage capabilities.
Energy source	Use of low-carbon energy sources	Dual-fuel powered ships that can use low-carbon energy sources such as methanol and LNG may be deployed to gradually increase the use proportion of low-carbon energy.	Green loan increase, cost reduction, revenue increase	Medium- and long-term	Upstream Operations Downstream	Evaluate the existing ship power systems, and select suitable dual-fuel power system solutions for retrofitting or newly building ships, ensuring technical feasibility and economic viability.
Products and services	Provision of zero-carbon logistics services	Zero-carbon fuel-powered ships may be deployed to meet customers' demand for zero-carbon transportation services.	Green loan increase, cost reduction, revenue increase	Long-term	Upstream Operations Downstream	Gain an in-depth understanding of customer needs for zero-carbon logistics services, including transport routes, cargo types, environmental requirements, etc., to provide customized zero-carbon logistics solutions.
Market	Increase in demand for clean energy and chemical transportation	The manufacturing industry needs to achieve green transformation and industrial upgrading, thus leading to an increase in demand for clean energy and chemical transportation.	Revenue increase	Medium- and long-term	Downstream	Analyze the demand distribution of the clean energy and chemical transportation market, and reasonably plan transportation routes and service networks.
Resilience	Diverse layout	The expansion of international routes and clean energy transportation business may be accelerated to effectively respond to risks in the chemical industry chain migration and trends in clean energy transformation.	Increase in green loans, revenue increase	Medium- and long-term	Operations Downstream	Conduct in-depth research on international routes and clean energy transportation markets, analyze market demand, competitive landscape, and potential risks; develop a long-term strategic plan with clear goals, paths, and timelines for expanding international routes and clean energy transportation business.

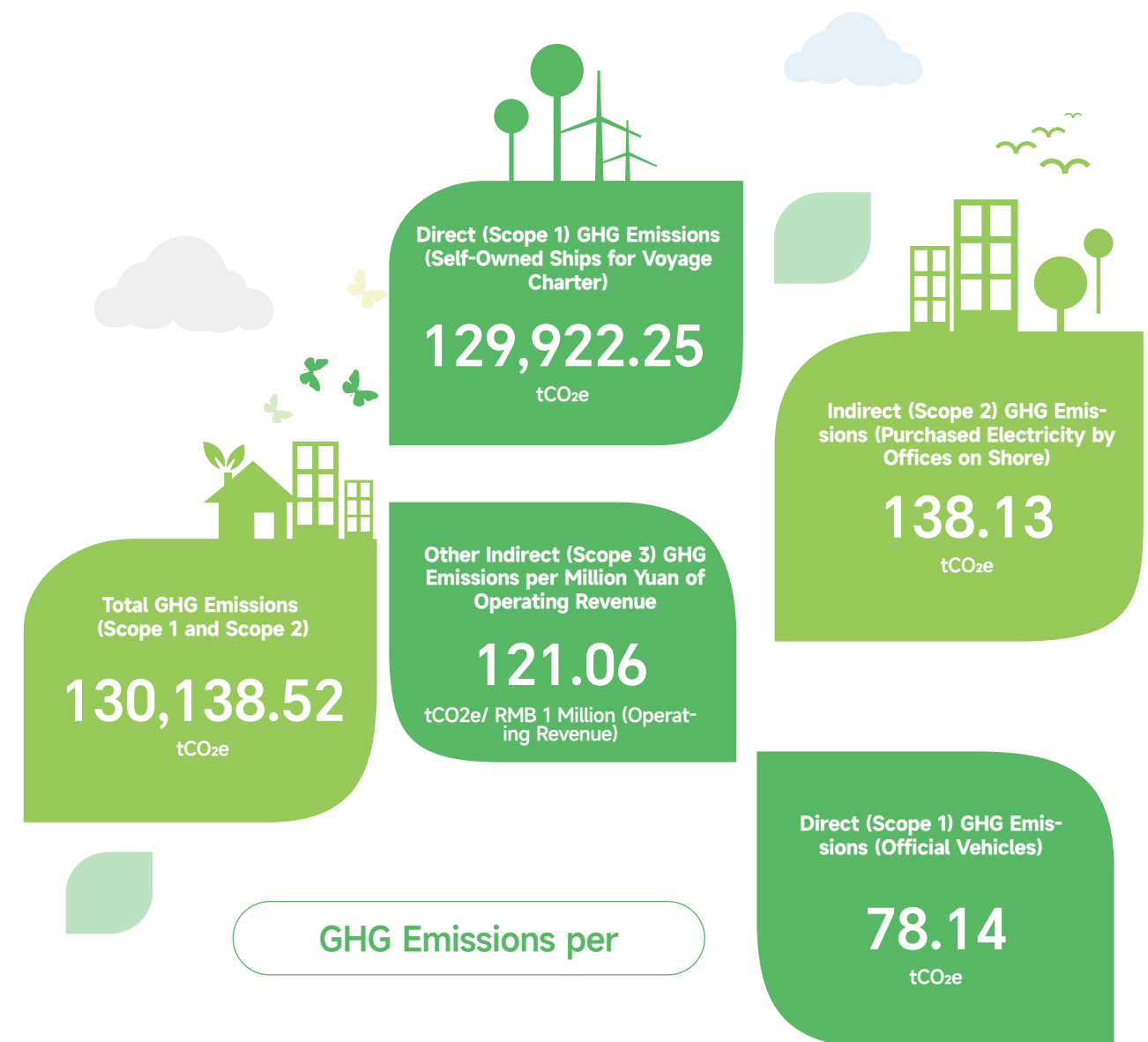
Definition of Time Horizon: When assessing the impacts of risks and opportunities, the time is divided into three dimensions: short-term (2024-2025), medium-term (2026-2030) and long-term (2031-2050).

Impact, Risk and Opportunity Management

In 2024, the Company actively responded to the challenges posed by climate change. Based on actual circumstances, we established a climate change risk response mechanism, and utilized diverse approaches such as internal discussions, expert consultations, and participation in industry exchange meetings to comprehensively and deeply identify potential climate-related risks in the Company's operations. Based on the Company's operation realities, we assessed potential climate risks and opportunities by considering the likelihood of risk occurrence, impact level, scope of impact, and irreparability of impact. Climate-related risks and opportunities are synthesized and evaluated based on internal questionnaires and expert opinions.

Indicators and Goals

The Company, based on its operation realities and according to IMO's relevant industry regulatory requirements, continuously monitors and manages greenhouse gas emissions from ships and other indicators to ensure the full implementation of emission reduction efforts.



Note: tCO₂e, tons of carbon dioxide equivalent.



Promotion of Low-Carbon Transformation

With the acceleration of global climate governance, the European Union pushed the emissions trading system (EU-ETS) to officially cover the shipping industry on January 1, 2024. As an emission reduction tool proposed by the European Union to combat climate change, the system is the world's largest transnational emissions trading system, which requires shipping companies to pay a proportionate share of carbon allowances based on verified emissions, and this proportion will rise year on year.

In the face of this policy change, shipping companies need to accurately grasp the key points of compliance, such as carbon emission accounting, quota payment and monitoring reports, and explore the path of emission reduction, such as energy efficiency optimization and alternative fuel application. In order to deeply understand and effectively implement the regional policy requirements involved in international business, the Company takes the initiative to participate in carbon policy study, offer special training on green shipping, and align with international green shipping rules, so as to respond to the global climate action with practical actions, avoid cross-border operation risks, and ensure the smooth operation of international business. In 2024, the Company purchased a total of **3,000** EU allowances (EUAs) and used **688** allowances for contract performance this year.



Actively Understanding Carbon Policies and Arranging for Carbon Compliance

Bernhard Schulte Shanghai ETS Exchange Seminar: In January 2024, the Company participated in the Bernhard Schulte Shanghai ETS Exchange Seminar. At the seminar, experts provided detailed interpretations of the latest regulatory requirements of the EU ETS and EU MRV, and clarified the compliance responsibilities of shipping companies at different stages, including key time nodes, such as the time to submit monitoring plans and emission reports and to pay for quota. The seminar also explained operational issues such as how shipping companies can identify and determine their administrative management bodies and how to apply for a Maritime Operator Holding Account (MOHA).

Interpretation and Training of EU Green Shipping Policy: Another EU green shipping policy, FuelEU Maritime, will be officially implemented. To better understand the compliance mechanism of FuelEU Maritime and assist the Company in operating steadily under the new regulations, avoiding potential risks, and better controlling fuel costs, capital expenditures, and compliance costs, the Legal and Risk Control Department held a "FuelEU Maritime" awareness session in December 2024. The Securities Department, the Investment Management Department, the Administrative Department, and the International Business Center participated in this training.



Environmental Compliance Management

During the navigation of the vessel, exhaust gases such as sulfur dioxide, nitrogen oxides, and particulate matter released from the combustion of fuel oil and diesel, as well as various types of waste such as domestic sewage, oily wastewater, and garbage generated during the ships' operation, all affect the health of the marine ecological environment. The Company is fully aware of the potential hazards and, therefore, strictly follows environmental protection regulations to properly handle these pollutants, ensuring that they do not pollute the marine water or cause ecological damage.

In addition, the Company's liquid hazardous goods transportation business is inherently high-risk, and often hazardous during transportation. Any leakage that occurs due to human error, equipment failure, or accidents, could not only disrupt the balance of the marine ecosystem and destroy the living environment of marine life, but also potentially have a significant impact on the daily lives of coastal residents and local economic activities. Therefore, the Company always prioritizes safety and environmental protection, actively implementing a series of strict and effective safety and environmental protection measures. These include enhancing crew safety and environmental protection training, regularly inspecting and maintaining vessel equipment, and developing comprehensive emergency response plans to ensure the safe operation of ships, effectively control environmental pollution risks, and strive to achieve a harmonious coexistence between corporate development and ecological protection.

The Company strictly adheres to the Regulation of the People's Republic of China on the Prevention and Control of Pollution of the Marine Environment by Ships and Their Related Operational Activities, the International Convention for the Prevention of Pollution from Ships (MARPOL), and other applicable laws, regulations and international conventions. The Company is committed to standardizing the environmental management of ship operations, ensuring that all ship activities comply with environmental protection requirements, effectively preventing and reducing ship pollution of the marine environment, and maintaining the balance of the marine ecosystem.

During the Reporting Period

2024
Key Performance

no major pollution accidents or significant
negative environmental impacts occurred
from the ships operated by the Company.



Governance

Environmental Management System Certification Certificate



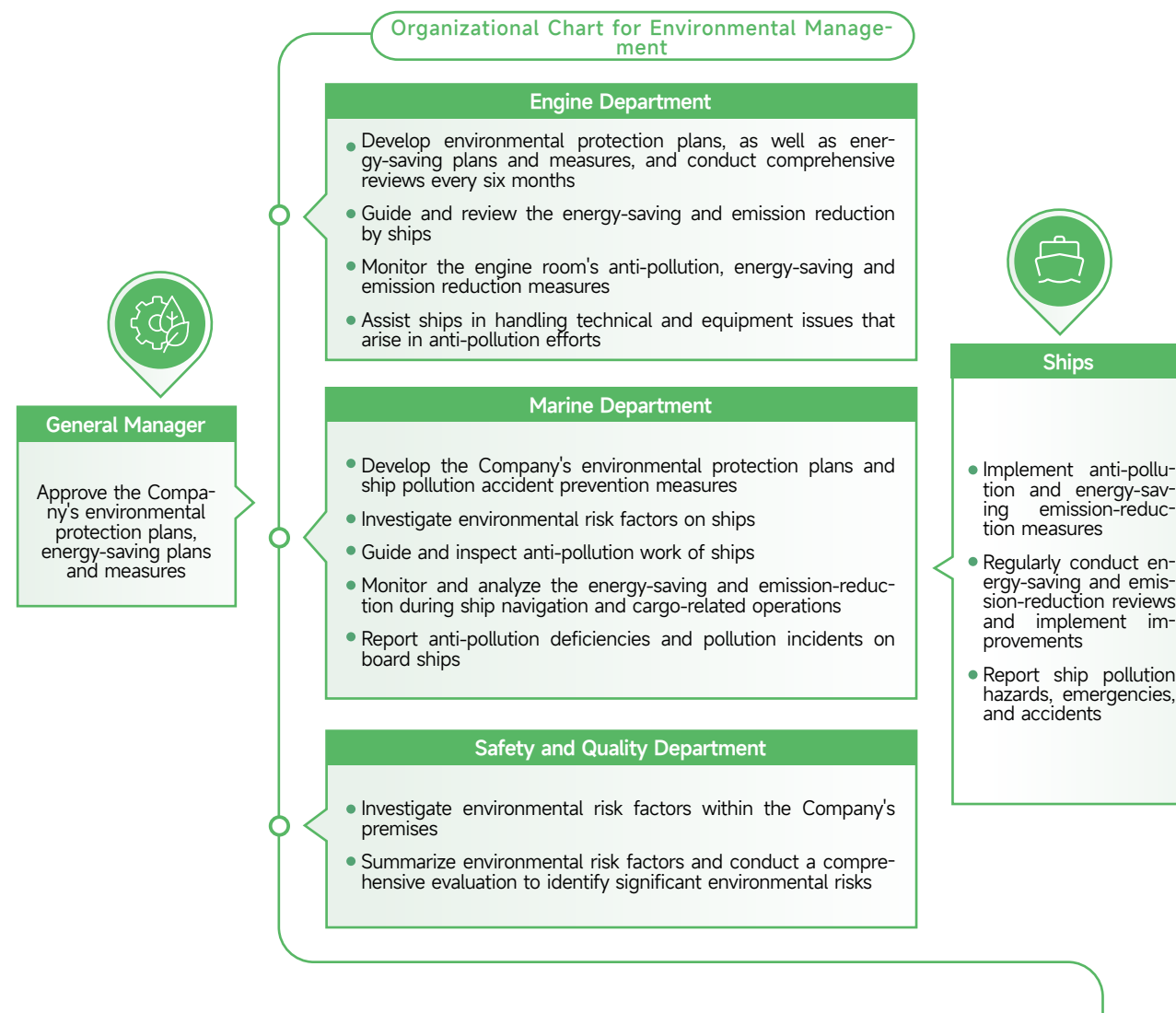
Following the environmental protection policy of "prioritizing prevention and continuous improvement", the Company has established rules such as the Environmental Protection Management Procedures, the Instructions for Preventing Air Pollution from Ships, the Instructions for Preventing Domestic Sewage Pollution and the Instructions for Preventing Ballast Water Pollution from Ships to ensure the compliance of environmental protection measures. By further standardizing energy-saving and emission-reduction behaviors, reducing energy consumption and pollutant emissions, promoting the development of green shipping, and using new technologies and practices in the shipping industry to continuously improve environmental management performance, the Company aims to achieve the expected environmental performance targets in various ship operations.

As of the end of the Reporting Period

2024
Key Performance

the Company has passed ISO 14001 certification.

The Safety and Environmental Protection Committee under the Board of Directors is responsible for supervising and managing the safety and environmental protection work of the Company. The General Manager is the first responsible person for environmental management and is responsible for ensuring that the environmental management system is integrated into daily operations and business development.



The Company organizes environmental protection training activities from time to time, covering a wide range of topics such as measures for pollution prevention, and technologies for energy conservation and emission reduction. The training is conducted by invited industry experts, effectively enhancing the environmental awareness and professional skills of the Company's management and crew members.



Training on Discharge Standards for Water Pollutants from Ships

Strategy

Type of Risks/Opportunities	Description of Risks/Opportunities	Financial Impact	Impact Duration	Value Chain Link Impacted	Countermeasures
Policy Risk	With the increasing global awareness of environmental protection, governments around the world are intensifying their regulations on maritime environmental protection. Ship inspections have become more frequent, and environmental requirements and standards are becoming stricter. The Company may face the risk of increased operating costs and the potential liability associated with these regulations. Any failure to comply with such environmental compliance requirements may cause the Company to face international sanctions and trade restrictions, which could impact the international business and market access of the Company.	Cost increase	Short- and medium-term	Operations	Strengthen the internal environmental management system, increase investment in environmental protection facilities, upgrade existing environmental protection equipment, and ensure that ship operations comply with more frequent inspections and stricter environmental audits; Enhance the daily maintenance and management of environmental protection facilities to reduce the risk of environmental violations caused by facility failures.
Legal Risk	Liquid hazardous materials are highly polluting. Any leakage (if occurs) due to accidents may pollute the marine environment, violate environmental protection regulations of the International Maritime Organization and China, result in penalties from the International Maritime Organization and related governments, and cause irreversible damage to the marine ecology.	Cost increase	Short-term	Operations	Establish a sound environmental management system, clarify the environmental protection organizational structure and responsibilities, and supervise the implementation of environmental protection regulations; organize regular environmental protection training to enhance environmental awareness among all employees; Formulate comprehensive environmental protection emergency plans and regularly conduct emergency drills to improve employees' ability to respond to emergencies and coordinate in dealing with incidents.
Type of Opportunities	Description of Opportunities	Financial Impact	Impact Duration	Value Chain Link Impacted	Countermeasures
Market Opportunities	With the increasing global emphasis on environmental protection, customers are paying more attention to the environmental performance of shipping companies and are more inclined to choose companies that meet environmental protection standards. By improving environmental performance, the Company can gain a larger market share and achieve a win-win result in terms of green transformation and market competitiveness.	Revenue increase	Long-term	Operations Downstream	Introduce advanced environmental protection equipment and technologies to reduce environmental pollution during operations; Regularly monitor and evaluate environmental protection-related indicators to identify and resolve problems in a timely manner; Actively participate in international environmental protection-related exhibitions and activities to expand the Company's influence and visibility.



Impact, Risk and Opportunity Management

Risk Management Process

Risk Identification

- Systematically check all pollution sources on ships each year (such as NOX, SOX, waste, VOC, tanker cleaning water, ballast water, sewage, anti-fouling paint, and various chemical tanker cleaning agents) to identify environmental hazard factors.

Risk Response

- Analyze the operation of the safety and quality management system (SQMS) each quarter to identify weaknesses and propose improvement suggestions.

Risk Assessment

- Arrange the Safety and Quality Department to organize the evaluation of identified environmental factors and determine significant environmental factors.

Risk Monitoring

- Conduct SQMS operational analysis every quarter, identify weaknesses, and propose improvement suggestions.
- Track and verify the corrective actions and improvement plans to ensure problems are effectively resolved and risks are effectively controlled.

Emergency Plans and Drills

The Company has formulated the Ship and Shore Emergency Response Procedures and other emergency manuals, which clearly define the entire process from emergency contact and emergency response to emergency action when emergencies occur on board. Detailed emergency response plans have been developed, including the Emergency Response Plan for Ocean Pollution from Ships, the Emergency Response Plan for Oil Spill from Ships and the Ship Waste Management Plan to ensure rapid and effective actions in all emergency situations. Ships are required to conduct scheduled training and drills to ensure that each crew member is familiar with emergency response procedures and their responsibilities.

In addition, the Company regularly organizes joint ship-to-shore emergency drills, at least once a quarter, to test the effectiveness of the emergency response plan and the smoothness of ship-to-shore communications, strengthen the team's ability to collaborate and coordinate, and improve its crisis management efficiency.

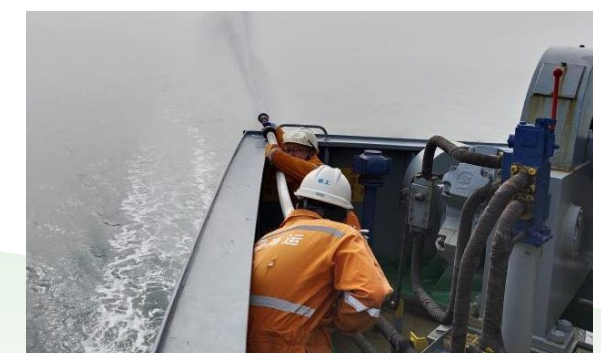
Indicators and Goals

The Company, in accordance with the ISO14001 Environmental Management System standards, sets annual environmental protection goals, clarifies responsibilities, establishes tracking and statistical mechanisms, and ensures that all business activities comply with environmental protection requirements.

Goals		Achievement
0 environmental pollution incidents	▶▶▶▶	Achieved ✓
Wastewater discharge (inert gas system wastewater, gray water) ≤ 360 (m3/ship • quarter)	▶▶▶▶	Achieved ✓
Noise in living areas (including underwater sound interference) ≤ 60 (dB)	▶▶▶▶	Achieved ✓



Conduct ship-to-shore emergency drills





Management of Ship Sewage

The Company has formulated relevant rules and regulations, such as Environmental Protection Management Procedures and the Instructions for Preventing Air Pollution from Ships, to regulate the activities of discharging oily sewage, domestic sewage and ballast water, strengthen the management of environmental protection on board ships, and ensure that all treatment measures such as discharges comply with the requirements of international conventions and domestic laws and regulations, to gradually reduce the generation and discharges of sewage and garbage from ships.



Wastewater Discharge from Ships

2024
Key Performance

Total Wastewater Discharge from Ships (Wastewater Discharged into Sea and Collected On Shore)

123,860.87 m³

Wastewater Discharge Intensity

84.14 m³/RMB 1 Million (Operating Revenue)

Discharged Water(Discharged water that complies with relevant regulations can be discharged into the sea directly or after meeting relevant standards upon treatment)

116,439.78 m³

Wastewater Collected and Treated Onshore

7,421.08 m³

Domestic Wastewater

35.00 m³

Sewage from Engine Room

231.13 m³

Sewage from Shampoos Room

7,154.95 m³



Management of Waste Gas

The Company has established regulations such as the Instructions for Preventing Air Pollution from Ships to clearly define the management requirements and operational procedures for ship exhaust emissions.

- Assign specialized personnel to regularly maintain and service anti-pollution equipment, and test pollution monitoring devices to ensure the effectiveness and reliability of pollution control equipment and procedures.
- For operations such as cleaning tanker, discharging ballast water, and painting in harbor waters, obtain prior approval from the relevant departments as required, and fully control the pollution risks of the related operations.

Prevention of
leakage of toxic
and hazardous
substances

Reduction in
gaseous pollutant
emission

- Adopt low-emission and high-efficiency equipment and clean fuel technologies, promote the implementation of technological reforms for ship environmental protection, equip all ships with volatile organic compounds (VOCs) collection devices, and install selective catalytic reduction (SCR) denitrification devices for new ships.
- Strictly standardize the operation, maintenance and overhaul processes of equipment and treatment devices to avoid the escape of gases during operation, and reduce the emission of gaseous pollutants such as nitrogen oxides, sulfur dioxide, particulates and VOCs in a multi-dimensional manner.

Waste Gas Emissions

2024
Key Performance



Nitrogen oxide (NO_x)

2,899.76 tons



NO_x Emission per Million Yuan of
Operating Revenue

19.70 kg/RMB 1 Million
(Operating Revenue)



Sulfur oxides (SO_x)

306.83 tons



SO_x Emission per Million Yuan of
Operating Revenue

208.43 kg/RMB 1 Million
(Operating Revenue)



Disposal of Wastes

The Company has formulated regulations such as Environmental Protection Management Procedures and Ship Waste Management Plan to comprehensively regulate all aspects of waste classification, collection, storage, treatment and record keeping to ensure that all kinds of wastes generated in the course of ship operation are disposed of in a scientific, reasonable and environmentally friendly manner, and continues to optimize the management process to reduce the generation of garbage from ships and is committed to the maintenance of ecological balance. **During the Reporting Period, the compliant disposal rate of wastes was 100%.**

Prevention of Oil Spill Incidents



Adhere to the philosophy of "prioritizing safety in pollution prevention", the Company strengthened the emergency oil spill incidents, including ensuring that operating ships are certified and hold anti-pollution certificates. Standard disposal procedures are established for operations such as ballast water discharge and deck operations, which may lead to oil spills, and operational drills are conducted. Crew members' awareness of pollution prevention and emergency operational capabilities are strengthened to fundamentally ensure "no spills or leaks".

Control of Ship Wastes



Regulating the emission behaviors in accordance with the International Convention for the Prevention of Pollution from Ships (MARPOL) and the Discharge Standard for Water Pollutants from Ships, the Company adheres to the principle of prioritizing on-shore treatment, improves the operational processes and supporting facilities for the generation, collection, storage and recycling of ship garbage, and optimize management to progressively reduces the generation of ship garbage.

Emission of Wastes

2024
Key Performance

Volume of non-hazardous waste generated

352.80 m³

generation intensity of non-hazardous waste

0.24 m³/ RMB 1 Million (Operating Revenue)

Volume of hazardous waste generated

518.84 m³

Generation intensity of hazardous waste

0.35 m³/ RMB 1 Million (Operating Revenue)

Waste Discharge

2024
Key PerformanceWaste Discharged under MARPOL
Annex V (Food Waste)91.88 m³

Volume Burned in Incinerator

8.18 m³Volume Discharged into
Collection Facilities771.59 m³

Notes:

(1) Non-hazardous waste mainly includes food waste, paper products, rags, glass, metal, bottles, ceramics, and other materials generated during the ship operation of the Company.

(2) Hazardous waste mainly includes plastics, cooking oil, incinerator ash, operational waste, electronic waste, oily sludge, and other materials generated during the ship operation of the Company.

Improvement of Resource Efficiency

Upholding the management philosophy of "environmental protection, energy conservation, and low carbon", the Company continuously improves the energy efficiency of ships, attaches importance to the utilization of resources, strengthens the management of resource consumption in ship navigation and related business activities, and guarantees the transportation service while minimizing the dependence on and consumption of natural resources. Moreover, the Company actively explores and applies new technologies and processes to promote its green and low-carbon transformation, and support the decarbonization process of the shipping industry.

Energy Management

Governance

The Company, in strict compliance with the IMO's Ship Energy Efficiency Management Plan and the Measures for Ship Energy Consumption Data and Carbon Intensity Management of the Maritime Safety Administration, has established systems and procedures such as the Energy Conservation and Emission Reduction Management Procedures. Multiple measures are taken to upgrade the green performance of ships, ensure energy is used reasonably and efficiently, and minimize negative environmental impacts on the marine environment and waste generation.

The General Manager is responsible for approving the Company's energy conservation and emission reduction measures; the Engine Department is responsible for developing the Ship Energy Efficiency Management Plan and providing guidance and monitoring of ship processes, urging ships to collect and report their energy efficiency data monthly and conducting a comprehensive review of energy conservation and emission reduction efforts every six months; the Marine Department is responsible for analyzing the energy conservation and emission reduction status of ship voyages and optimizing energy-saving and emission-reduction indicators and measures year by year based on the results.



Strategy

Risk Type	Description of Risks	Financial Impact	Impact Duration	Value Chain Link Impacted	Countermeasures
Market Risks	Fuel is the energy source that provides power for daily ship operations, and fluctuations in fuel prices directly affect the operating cost changes of the Company. Fuel prices fluctuate significantly due to factors such as geopolitics and trade wars, which may lead to an increase in the Company's fuel procurement costs and raise operating costs.	Cost increase	Short-term	Operations	Optimize ship energy efficiency, improve fuel utilization efficiency, and reduce fuel consumption costs. Strengthen market monitoring and analysis, closely follow international fuel market trends, reasonably plan fuel replenishment strategies along vessel routes, and utilize professional market analysis teams or tools to forecast fuel price trends and optimize procurement strategies.
Type of Opportunities	Description of Opportunities	Financial Impact	Impact Duration	Value Chain Link Impacted	Countermeasures
Technological Opportunities	The powerful data analysis and computing capabilities of AI large models are leveraged to accurately calculate the ships' energy consumption, and optimize the speed, fuel configuration, and refueling plan according to different sailing conditions, thereby reducing fuel energy consumption.	Reduction in costs	Long-term	Operations	Integrate AI-powered intelligent analysis into fleet operations, enhance the refined management of vessel operations, build a fleet with refined operations, save energy, reduce costs, and achieve green and sustainable development.

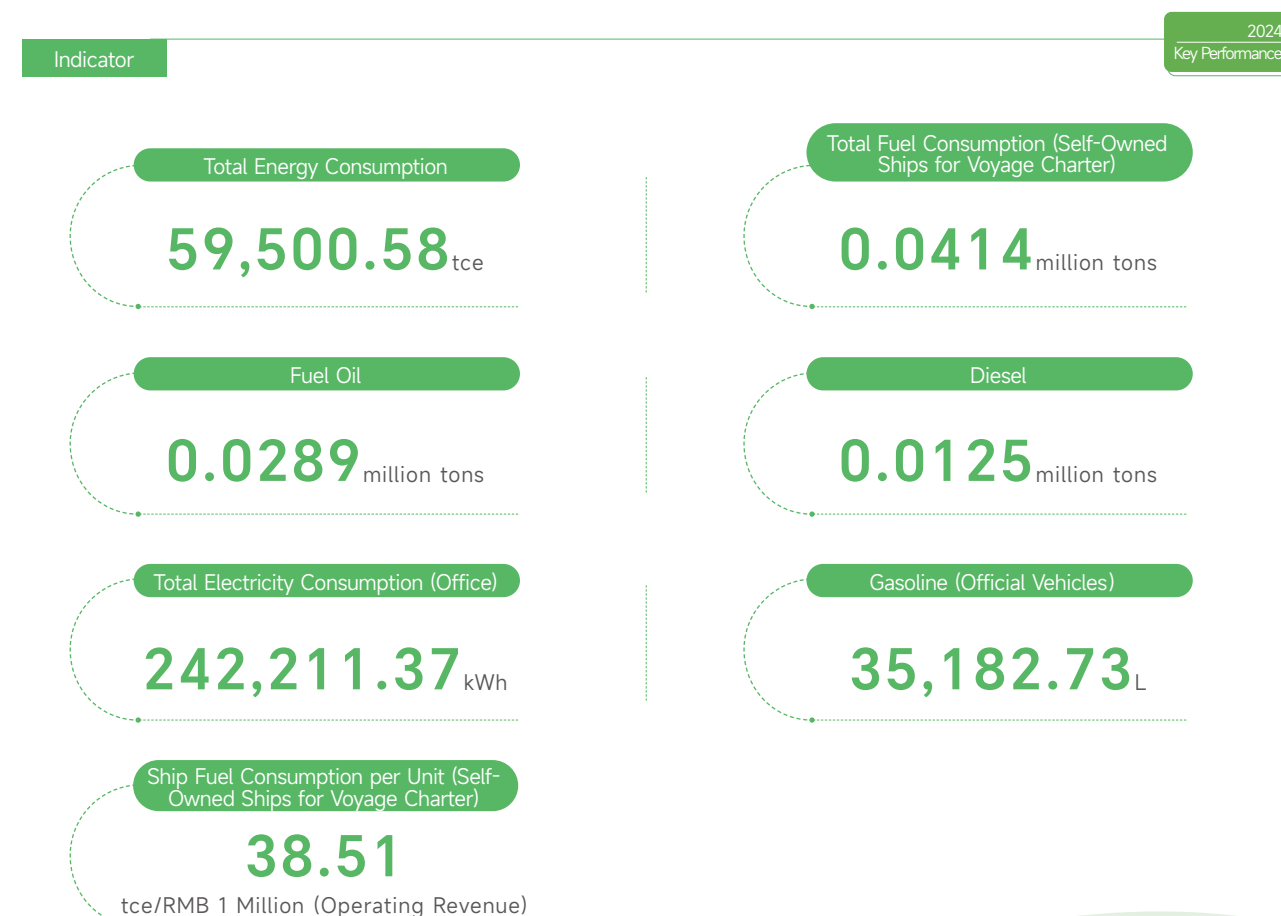
Impact, Risk and Opportunity Management

To address the uncertainties brought about by international oil price fluctuations, geopolitical conflicts, and changes in energy supply and demand, the Company is enhancing the energy risk management. We closely monitor international oil prices and supply-demand changes, analyze and assess the likelihood and impact of fuel price fluctuations, and formulate corresponding risk management strategies.

The Company establishes a fuel price early warning mechanism, strengthens market monitoring and analysis, and reasonably plans fuel replenishment schemes along ships' routes. Leveraging professional market analysis teams or tools, we predict fuel price trends, and reduce the impact of fuel price fluctuations on business operations by means such as optimizing procurement strategies and locking in procurement prices in advance, thereby achieving the goal of controlling energy risks.

Indicators and Goals

The Company continuously improves energy conservation and emission reduction practices for ships and sets specific requirements for ship energy consumption-related goals and indicators, thus promoting the rational and effective use of energy.

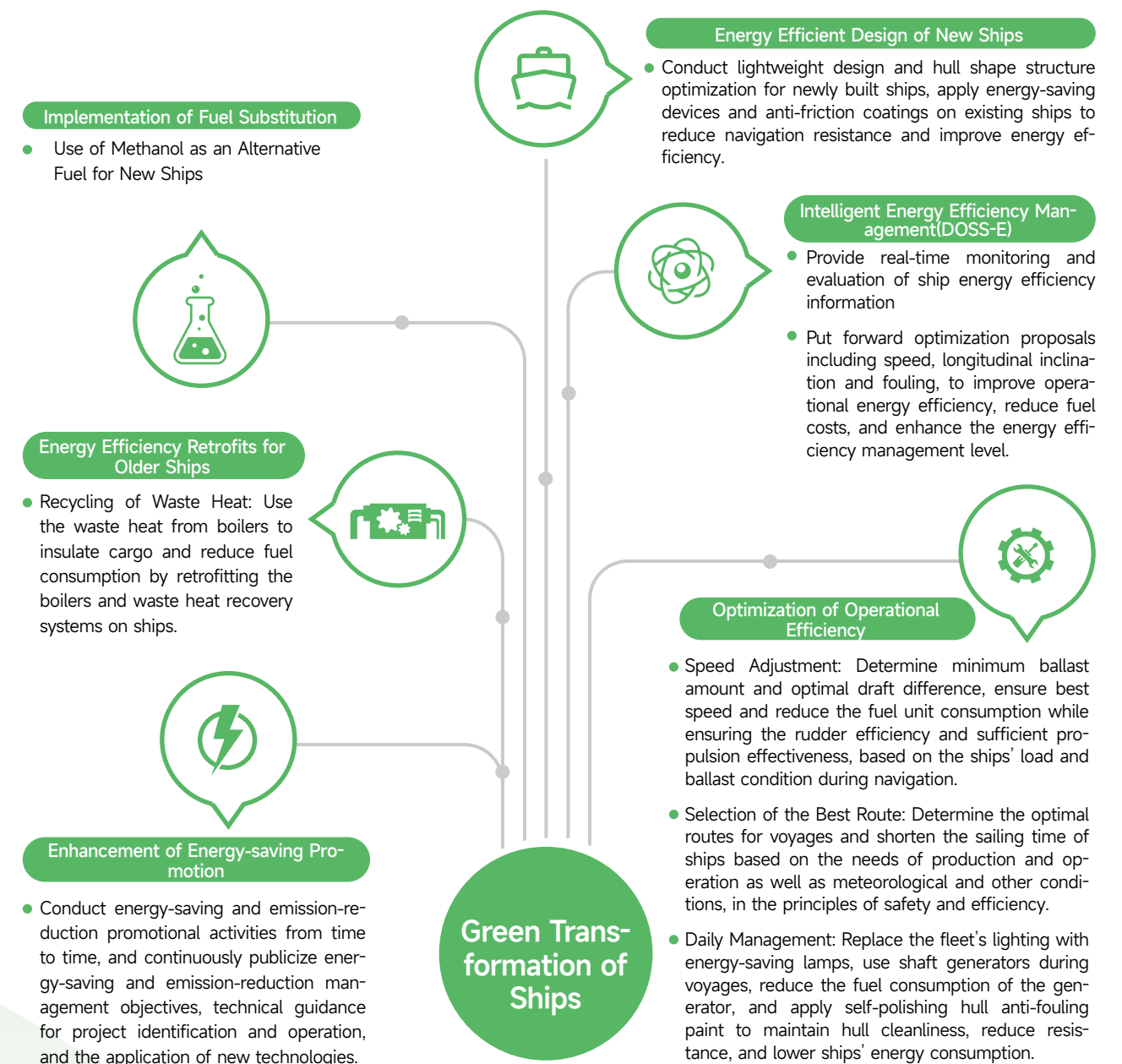


Note: tce, ton of standard coal equivalent.

Green Transformation of Ships

The Company actively promotes the green transformation of ships, including advancing energy-efficient ship design and improving energy efficiency, which lays a solid foundation for achieving green shipping goals. In recent years, all newly built ships comply with the relevant green ship requirements of the Rules for Green-Eco Ships 2022 of the China Classification Society. In addition, the Company, in line with the "One Out, One In" policy of the Ministry of Transport, replaces older ships with newly built ships, builds younger and higher-end ships, and enhances the competitiveness and market service capacity of ships.

Keeping pace with industry development trends, the Company actively practices green, low-carbon, and intelligent shipping. Based on the signing of contracts for the building of 25,900-DWT methanol dual-fuel stainless steel chemical tankers in 2023, the Company signed the contracts for another two ships of the same type in 2024. As of the end of the Reporting Period, the Company has four 25,900-DWT methanol dual-fuel stainless steel chemical tankers under construction, and the fleet continues to achieve cleaner and greener development.





Xingtong 17 Obtained i-ship (E) Class Notation

On December 27, 2024, "Xingtong 17" started its maiden voyage. As an intelligent ship, the ship is especially equipped with an advanced ship energy efficiency management system, and therefore won the i-Ship (E) class notation granted by the China Classification Society (CCS). It is Xingtong Shipping's the first ship obtaining the class notation. "Xingtong 17" is also one of China's first batch of ships obtaining the i-Ship (E) class notation for intelligent ships. This notation is specifically granted to ships equipped with intelligent functions such as intelligent energy efficiency management, highlighting the advanced level of the Company in intelligence and energy efficiency management.

i-Ship(E)



Training on the Current Status and Outlook of Green Ship Development

In December 2024, the Company implemented the philosophy of green development and responded to the urgent demand for green, low-carbon and environmental protection in the global shipping industry, and successfully held a training event themed "Current Status and Outlook of Green Ship Development". The purpose of this training was to further enhance the employees' understanding of green ship technologies and promote the Company's continuous development and innovation in the field of green shipping.

Water Resource Utilization

The Company, in strict compliance with the requirements of the Water Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Water Pollution and other applicable laws and regulations, continuously improves water resource management through process optimization, optimizes the tanker cleaning operation process, and take other measures to reduce water resource usage and improve water resource utilization efficiency.

The Company has reduced the amount of water used for tanker cleaning by adopting high-efficiency, low-waste equipment and operational methods, such as replacing dual-nozzle tanker cleaning machines with single-nozzle machines, and promoted the recycling of tanker cleaning water and domestic sewage to increase the utilization rate of water resource. For the tanker cleaning operations for cargo change, the Company develops reasonable and detailed tanker cleaning procedures based on the characteristics and requirements of the current and next voyages to ensure the cleaning quality, shorten cleaning time, reduce water and steam usage, and decrease wastewater discharge, etc.



2024
Key Performance

Indicator			
Total water consumption	Water consumption for offices	Water consumption for ships	Water consumption density (ships)
131,784.32 m ³	1,835.30 m ³	129,949.02 m ³	88.28 m ³ /1RMB 1 Million (Operating Revenue)

Material Utilization

The Company actively practices material recycling, fully promotes the recycling of packaging materials and used materials, realizes lightweight and reduced packaging, and optimizes and improves management processes, to effectively raise the material utilization rate.

Key Measures

Reduction in Use of Packaging Materials

- Promote and support suppliers in reducing the use of product packaging and encourage the use of reusable packaging.
- Recycle packaging materials as much as possible after the product is delivered to the ship to minimize packaging waste generated

Material Protection During Transportation

- Prevent leakage, detachment, and damage during transportation to ensure the effective utilization of materials and reduce waste.

Reuse and Recycling of Waste Materials

- Recycle and repair old tools, equipment, etc., to extend their service life and reduce resource waste.

Reduction in Procurement of Disposable Items

- Reduce the purchase of disposable items to minimize the consumption of single-use materials and the generation of wastes.

Green Office

The Company advocates green office, launches the Green Office Initiative, and encourages every employee to start from the small things around them and jointly promote the green office, aiming to create a greener and more sustainable working environment.

Energy Conservation and Emission Reduction

- Reasonably adjust the air conditioning temperature to be no lower than 26°C in summer
- Encourage the shared use of equipment with high energy consumption, such as projectors and photocopiers, to reduce idle time and increase equipment utilization rates

Paper Saving

- Use double-sided printing paper, display materials on electronic screens at meetings and adopt electronic visa for seafarer contracts to reduce paper consumption.
- Promote the use of email, cloud storage, and other tools to reduce the transmission and storage of paper documents, achieving paperless office operations.

Green Mobility

- Encourage walking, cycling, or using public transportation for commuting to reduce carbon emissions and help protect the blue sky and white clouds.

Greening with Plants

- Place green plants in the office to improve air quality, enhance the comfort of the working environment, and create a green atmosphere.

Protection of Ecosystem and Biodiversity

The ocean is the blue home where human beings rely on for survival and development. The Company is well aware of the vital importance of protecting the marine ecology. Adhering to the philosophy of green operation, we take the initiative to identify and assess the potential impacts of ship navigation and related business activities on biodiversity, and effectively respond to and continuously monitor the identified risk factors.

We also take measures (such as optimizing the design of shipping routes, strengthening the management of ballast water, and implementing the implementation of noise reduction in navigation) to actively protect the marine biodiversity, and ensure that the Company's business operations do not cause any damage or interference to the marine ecology.

Optimization of Routes

When planning navigation routes, we fully utilize the automatic route inspection function of the Electronic Chart Display and Information System (ECDIS), setting Particularly Sensitive Sea Areas (PSSA) and important marine biodiversity protection areas as no-go areas. This ensures that ships avoid these areas during navigation, effectively protecting biodiversity.

Management of Ballast Water

Adhering to the requirements of the International Convention for the Control and Management of Ships' Ballast Water and Sediments, we install efficient Ballast Water Management Systems (BWMS) on ships, and standardize ballast water treatment procedures, including cleaning and inspection before ballast operations, conditions and methods for ballast water exchange, and key steps for handling sediments and preventing its entry. We ensure that ballast water discharge during navigation does not cause abnormal migration of marine organisms, maintaining the health and stability of marine ecosystems.

Reduction of Navigation Noise

The Company prioritizes noise reduction during the ship design and construction phases, adopts low-noise equipment and reduces speed when approaching Particularly Sensitive Sea Areas and marine biodiversity protection zones, thus effectively reducing noise and vibration from the propeller and engine room equipment. Measures are taken to reduce unnecessary noise sources such as deck operations, to minimize noises and protect the ecological environment and biodiversity of these sensitive marine areas.

Key Indicators

2024
Key Performance

Percentage of Applicable Ships Implementing Ballast Water Exchange/Treatment in the Fleet

100%



Enhanced Defense Line: Safeguarding the Safety of Shipping



Safety is an important guarantee for the Company's steady development. Treating safety as a commitment and responsibility, we always adhere to the safety red line, strictly fulfill safety duties, and continue to provide solid support for the high-quality and sustainable development of Xingtong Shipping.

Governance of Navigation Safety

The waterway transport of liquid dangerous goods is extremely dangerous. Marine accidents caused by collision, grounding, stranding, fire or explosion may occur during the transportation of ships, and safety incidents may also happen due to improper procedures during tanker cleaning, loading, and unloading operations. Strictly following domestic and international laws, regulations, and conventions such as the Law of the People's Republic of China on Work Safety and the Regulations of the People's Republic of China on the Safety Operation and Pollution Prevention Management of Ships, the Company adheres to the management principle of "putting safety first, maintaining health, protecting the environment, ensuring quality, and prioritizing prevention". We actively absorb international standards and the world's leading safety management experience, continuously improve our safety management system, and provide safe, environmentally friendly and high-quality transportation services for our customers.

During the Reporting Period

2024
Key Performance

the Company invested RMB **15.78** million in safety production and implemented safety management in an orderly manner, and no safety accidents occurred in the Company throughout the year.

/ Governance /

Based on international and professional management requirements, we establish a safety quality management system (SQMS) tailored to our characteristics. The Company has also formulated a series of safety management regulations, such as the Safety Management Manual and the Guidelines for Ship Operation and Management to continuously improve its refined safety management level. As of 2024, the Company has been honored as a "Safety and Integrity Company" for 7 consecutive years. Multiple ships and captains of the Company have been recognized as "Safety and Integrity Ships" and "Safety and Integrity Captains" by the Maritime Safety Administration of the Ministry of Transport, respectively.

◎ Management Hierarchy

The Company has established a Safety and Environmental Protection Committee under the Board of Directors, with the General Manager serving as the primary responsible person for safety production and overseeing safety goals and key tasks. The Company's management team is responsible for setting safety objectives and measures and ensuring their achievement. The Maritime Department and the Engine Department are responsible for managing and implementing safety indicators and continuously improving the safety capabilities of all employees.

The Company has developed a Safety Production Responsibility System and signs a safety responsibility agreement with each department and each responsible person annually to ensure that all employees strictly fulfill their primary responsibility for safety production. An assessment and reward-punishment mechanism has been established to evaluate the performance of relevant personnel in achieving the safety production targets based on the Safety Production Goal Assessment and Reward-Punishment Measure, to encourage ship/shore employees to implement the Company's safety and environmental protection policies.

◎ Training and Assessment

In accordance with the SQMS Personnel Training Procedures, the Company formulates SQMS Annual Training Plan every year, and implements SQMS training and assessment for new recruits and transferred personnel, captains and other related shore/ship personnel, to ensure that shore/ship personnel have the ability to execute and meet the Company's safety, health, environmental protection and quality requirements, thereby guaranteeing the standardized operation of the SQMS system.

◎ Certification Audit

In accordance with the established management procedures such as the Internal Audit Procedure and the Effectiveness Evaluation and Management Review Procedure, the Company develops and implements an internal audit plan every year to standardize the audit of the Company's safety management system execution on both shores and ships. The Company also regularly produces SQMS system operation analysis reports and effectiveness evaluation reports, to promptly implement corrective actions for non-compliant items and ensure the effective operation and continuous improvement of the safety quality management system.

During the Reporting Period, the Company ensured the safety quality management system complied with applicable international and domestic rules, guidelines, and standards such as the ISM/NSM regulations, and maintained the validity of relevant certifications, such as the domestic/international DOC (Document of Compliance), SMC (Safety Management Certificate), and ISO 45001 Occupational Health and Safety Management System Certification.

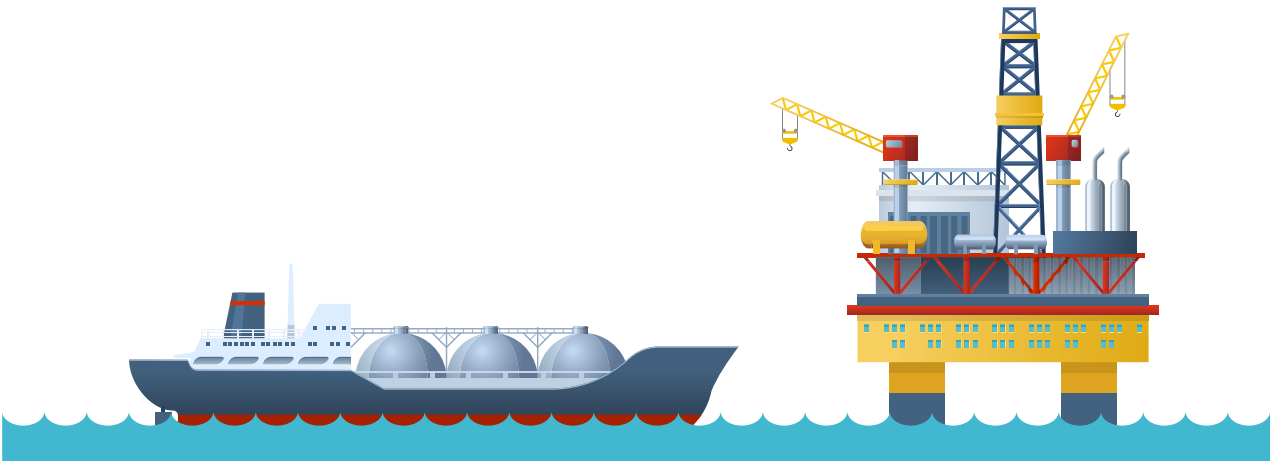


Occupational Health and Safety Management
System Certification

Strategy

Risk Type	Risk Description	Financial Impact	Impact Duration	Impact on Value Chain	Countermeasures
Legal Risk	Companies in the shipping industry are required to comply with the regulations of domestic and international maritime organizations and other regulatory authorities. Violations of applicable laws and regulations could result in significant fines, litigation, or penalties such as orders for suspension and rectification.	Cost increase	Short-term	Operations	The Company strictly adheres to domestic and international laws, regulations, and conventions, absorbs international standards, and adopts world-leading safety management practices, continuously improving its safety management system.
Operational Risk	In the course of daily operations, occupational health or safety accidents may lead to a decline in the Company's shipping service efficiency, or even business interruptions.	Cost increase	Short-term	Operations Downstream	Establish a safety risk classification and control mechanism, along with a dual prevention mechanism for hazard identification and treatment, and take timely response measures based on identified hazards to prevent and mitigate significant safety risks.
Reputation Risks	Penalties from regulatory agencies, as well as occurrences of occupational health and safety accidents, may reduce customers' trust in the Company, leading to a decrease in market share and damage to its brand image.	Revenue Decrease	Long-term	Operations Downstream	Improve the Company's emergency management system, establish standardized emergency mechanisms for various types of safety accidents, and continuously assess and improve through comprehensive ship/shore emergency drills, to ensure effective control of safety incidents.

Opportunity Type	Description	Financial Impact	Impact Duration	Impact on Value Chain	Countermeasures
Market Opportunities	In today's market environment, customers are paying more and more attention to shipping safety. Outstanding shipping safety performance will help the Company establish a good brand image, win a higher reputation in the industry, and gain more favor from customers.	Revenue increase	Long-term	Operations Downstream	Continuously optimize the safety and quality management system, enhance shipping safety management levels, provide customers with safe and high-quality shipping services, and earn customer trust.



Impact, Risk, and Opportunity Management

The Company builds and improves the dual prevention mechanism of safety risk classification and control and hidden danger investigation and management, formulates procedures such as the Procedures for the Identification, Evaluation and Control of Occupational Health Hazards, and continuously improves the risk control and hidden danger investigation and management ability of ship and shore personnel, to effectively control safety, health and environmental protection risks and ensure the safety of ships.

Risk Grading and Control

The Company classifies safety risks into "risks related to operational activities", "risks related to facilities and equipment", and "risks related to occupational disease hazards", and establishes a List of Risk Sources and a List of Major Risk Sources covering operational activities of both ships and shore-based operations. We standardize risk identification, assessment, and grading criteria, implement corresponding control measures based on safety risk grading, and organize regular safety risk reviews, to prevent major safety risks from the source and eliminate and curb major and catastrophic accidents.

Hazard Identification and Management

The Company classifies accident hazards into "basic management accident hazards" and "production site accident hazards", and standardizes the scope, cycle, responsible personnel, and system monitoring for hazard identification and rectification. Through internal and external inspection methods, such as self-inspection, shore-based supervisor visits, internal and external audits, maritime safety inspections, and on-site supervision checks, the Company promptly identifies and eliminates accident hazards. For major hazards, the Company forms dedicated investigation teams to organize assessments in a timely manner, develops major accident hazard rectification plans, and conducts follow-up assessments after rectification, with designated personnel verifying and closing relevant cases.

Identification and Rectification of Hidden Hazards



◎ Emergency Management

In accordance with the Emergency Response Law of the People's Republic of China, the Measures for the Administration of Emergency Response Plans for Production Safety Accidents and other applicable laws and regulations, the Company formulates a series of emergency management systems and procedures such as the Emergency Response Handbook and the Emergency Response Procedures for Ships and Shores, to form a standardized emergency management system. For all types of safety incidents such as ship operational safety, toxic liquid leakage, severe weather damage, and pirate hijacking, the Company has established a standardized emergency mechanism between shores and ships, covering emergency contact, emergency response, and emergency actions, to ensure effective control of ship risks and accidents.

To test the scientificity, practicability, and operability of emergency plans and improve the ability to handle accidents appropriately in emergency situations, the Company updates the annual ship/shore joint drills plan every year according to the Five-Year Plan for Ship/Shore Joint Drills, conducts comprehensive ship/shore emergency drills, and take continuous evaluation and improvement measures, to ensure that such plans can cover all emergencies identified by the Company in five years.

Case Study: Ship Anti-theft and Anti-hijacking Drills

In March 2024, the Company carried out an emergency drill of anti-piracy and anti-hijacking of ships, which further urged the ship/shore-based personnel to be proficient in emergency response process and improve the effectiveness of crisis management through the training and pre-drills of emergency response procedures, instructions, emergency response plans and equipment testing.



/ Indicators and Goals /

The Company constantly builds a strong safety defense around the long-term safety goal of "zero accidents, zero casualties, zero pollution, zero detention, zero cargo loss", formulates the annual production safety management objectives (KPIs) accordingly, and carries out quarterly tracking statistics to ensure the effective implementation of all safety work.

During the Reporting Period

During the Reporting Period, the ship safety and anti-pollution management met the Company's established requirements, and successfully achieved the overall goals of five "zeros" and three "100%".

S/N	Safety Management Objectives	Achievement
1	Zero Accidents	Achieved ✓
2	Zero Casualties	Achieved ✓
3	Zero Pollution	Achieved ✓
4	Zero Detentions	Achieved ✓
5	Zero Cargo Losses	Achieved ✓
6	100% Pass Rate in External Audit	Achieved ✓
7	100% Pass Rate in Inspection by Oil Companies	Achieved ✓
8	100% Success Rate Against Typhoons	Achieved ✓

Note: "Zero cargo loss" generally refers to a cargo loss rate that does not exceed the limit stated in the transportation service contracts.

Protection of Safety and Health

/Protection of Navigation Safety/

Based on its SQMS management system, the Company deeply implements and continuously improves ship safety management work from aspects such as ship operation management, maintenance and fire safety, to ensure the safe navigation of company ships.

Ship Operation Safety Management	
Management of Ship Operation	The Company has developed procedures such as the Shipboard Operation Plan and Instruction Formulation Procedure and other procedural documents. For shipboard operations (including key operations and daily operations), detailed operating procedures applicable to each ship based on its characteristics must be formulated. Through training, guidance, supervision and inspection, the Company ensures that all operations are strictly executed in accordance with applicable regulations, laying a solid foundation for safe navigation.
Ship Maintenance	The Company has developed the Ship and Equipment Maintenance Procedure, strictly approves the Annual Ship Maintenance Plan, and performs maintenance and servicing of ships and equipment at appropriate intervals as planned. The Company regularly tracks the execution process, and promptly eliminates equipment defects, thus ensuring that the ship and equipment meet domestic and international regulatory requirements and that the ships are in normal operation and suitable for cargo transport.
Ship Supervision and Control	The Company conducts daily, quarterly, and semi-annual monitoring inspections of ship/shore operations. Non-conformities if identified are analyzed comprehensively, and SQMS operation situation and results are promptly reported to senior management of the Company. Any issues encountered in the operation of SQMS are resolved to ensure the effective execution of the SQMS system. Additionally, the Company tracks and monitors the ship's dynamics during navigation by means such as independent monitoring and ship reports. The Head of the Marine Department tracks the ships under their control throughout the voyage. Through activities such as accompanying the ships during their voyages and conducting onboard inspections, they ensure that navigation standards are maintained and that navigation safety is ensured through joint efforts.
Fire Safety of Ships	The Company solidly promotes fire safety management work, promptly equips and updates fire safety equipment, regularly maintains and services it, and continuously strengthens crew members' fire safety awareness education. Fire drills are conducted on schedule. Furthermore, the Company organizes large-scale fire safety inspections, and conducts analysis and summaries each quarter to ensure fire safety on ships.
Safety Management for Related Parties	The Company has developed the Stakeholder Control Procedure, which outlines the methods and requirements for managing stakeholders that may pose environmental or occupational health and safety risks. The Company signs a Safety Agreement for External Personnel with stakeholders, to clarify mutual safety responsibilities. Through safety education, supervision, and inspections, the Company promptly corrects any violations, and ensures that stakeholders implement the Company's requirements for environmental protection, occupational health, and safety requirements, etc.
Empowerment with Digital Application	The Company keeps pace with the global development of maritime information technology. Through the application of industry-leading shipping safety management concepts and advanced technologies, the Company has established high-throughput satellite broadband systems, CCTV smart monitoring, AI behavior recognition, and navigation safety assistance systems. These systems enable the collection of ship navigation data, engine room equipment operation data, personnel violation behavior alerts, and other data to build an integrated smart navigation safety management platform for ship and shore operations. This significantly reduces safety accidents caused by equipment malfunctions or human factors, such as machine failures, personal injuries, ship deviations, and anchor dragging. The Company is gradually achieving "all-process, all-element, all-time domain" intelligent navigation safety management for all ship types in the fleet, creating a globally leading intelligent navigation safety brand in the industry.

Case Study: Special Fire Safety Action for Ships

In May 2024, to thoroughly implement national laws and regulations on ship fire safety management, prevent ship fire accidents, and enhance ship fire safety awareness, the Company organized a special ship fire safety action. Through fire safety publicity, fire safety inspections, and rectification activities, the Company aims to comprehensively improve the fire prevention capabilities and management level of ships, ensuring that ships maintain a safe and effective fire prevention status throughout their long-term operation.



◎ Inspection on Ship Safety

Focusing on implementing Flag State Control (FSC), Port State Control (PSC), SIRE (Ship Inspection Report Program) Inspection, and CDI Inspections, the Company continuously enhances the awareness of the need for inspections among all staff, strengthens preparation for inspections, and promptly corrects any deficiencies identified during inspections as required. This ongoing effort aims to continuously improve the Company's ship safety management capabilities.

During the Reporting Period				2024 Key Performance			
Number of PSC Ship Inspections	27	Number of PSC Ship Detentions	0	Number of FSC Ship Inspections	38	Number of FSC Ship Detentions	0
<hr/>							
Number of SIRE Inspections	64	SIRE Inspection Pass Rate	100 %	Number of CDI Inspections	6	CDI Inspection Pass Rate	100 %

/ Safety and Health of Personnel /

The Company has developed a series of occupational health and safety regulations, including the Occupational Health Management System. We fully utilize the functions and roles of the Ship Safety Committee and safety officers, promptly identify shortcomings and risks in ship management activities, and take relevant corrective actions to prevent occupational accidents, injuries, and diseases aboard and safeguard the health and safety of the crew.

◎ Protection of Occupational Health

In response to all operations with potential hazards, such as the use of chemicals in ship engine rooms and the surface operation on high-temperature equipment, the Company has developed systems such as the Occupational Disease Protection Equipment Management System and the Occupational Disease Hazard Protection Facilities Maintenance and Repair System. All ships of the Company have been equipped with sufficient personal protective equipment and facilities as required, including safety helmets, face shields, and chemical protective gear, and are provided with relevant operation manuals, operating procedures, and related guideline documents. The daily maintenance and care of protective facilities are implemented to ensure the normal and safe operation of equipment, comprehensively promote the standardization of ship operations, and guard the safety of personnel.

◎ Occupational Health Monitoring

The Company formulates systems such as the Occupational Health Monitoring and its File Management System, invites third-party agencies to carry out workplace occupational disease hazards testing every year, and organizes occupational health checkups for employees engaged in exposure to occupational disease hazards and informs employees of the relevant test results faithfully. We actively take measures to improve working conditions and protective facilities according to rectification recommendations, and continuously improve the health protection work. In addition, the Company standardizes the management of employee occupational health monitoring files, provides relevant materials for employees' occupational disease diagnosis and identification, and accepts investigations and supervision from health management departments.

Occupational Health Checkups



Promotion of Occupational Health

The Company has developed the Occupational Health Education and Training System, and utilized various methods, such as bulletin boards, meetings, training, on-site occupational disease hazard explanations, and occupational disease hazard warning signs, to widely promote occupational health. The content covers regulations, knowledge, systems and operating procedures concerning occupational disease prevention and control, and the correct use of occupational disease protection equipment, in order to continuously enhance employees' self-protection awareness and abilities.

Training on Occupational Health Knowledge



Notification Card of Occupational Disease Hazard



Care about Mental Health

The Company places great importance on the mental health of its employees. We actively organize psychological health lectures and training sessions led by external professionals such as psychological counselors, and provide psychological counseling assistance and guidance to employees, aiming to improve their mental health and create a healthy working environment together.

Training on Psychological Counseling



Construction of Safety Culture

/ Safety Culture Philosophy /

The Company understands the importance of safety culture, adheres to its original intentions, and maintains a spirit of diligence, dedication, striving, and progress. Striving to practice proper worldview, outlook on life, and sense of values and achieve industrial modernization and agricultural modernization, the Company, guided by the “Ten Beliefs” and “Ten Safety Principles”, is committed to realizing the five “zero” goals. The Company continually deepens, innovates, and enhances ship safety management.

Ten Safety Culture Principles

01

Safety is the first productive force and core competitiveness.

02

Zero tolerance for anything that goes against safety.

03

Always be alert even in peace, and everyone is responsible person for safety.

04

Follow commands, obey orders, standardize operations, and integrate drills and training.

05

Work safely, without shirking responsibility, avoiding accountability, neglecting duties, or relying on luck.

06

Mindfulness without complacency, and equipment without “injury”.

07

Achieve the “Four Don’ts” principle: Do not harm yourself, do not harm others, do not be harmed by others, and do not allow others to be harmed.

08

Adhere to the four frontlines: Implement commands on the frontline, identify hazards on the frontline, solve problems on the frontline, and create culture on the frontline.

09

Everyone Speaks of Safety, Everyone Knows Emergency Response.

10

Treat the ship like home, and when the ship is safe, the cargo is safe, crew members are safe, and the home is safe.

/ Safety Integrity Honors /

The Company always places safety management at the core strategic position and continues to increase investment in safety with unwavering determination. With significant advantages in safety management system construction, risk prevention mechanisms, and strengthened crew safety training, the Company has received a series of highly prestigious honors, such as “Safety and Integrity Company”, “Safety and Integrity Ship”, and “Safety and Integrity Captain”. This is not only a high recognition from the industry for the Company’s past efforts but also a strong motivation to inspire the Company to move forward. In the future, the Company will continue to promote high-quality development by adhering to stricter safety management, higher service quality, and more innovative business models.

Safety Integrity Company

In 2018, the Company was awarded the title of “Safety Integrity Company” by the Maritime Safety Administration of the Ministry of Transport. As of 2024, the Company has maintained this honor for 7 consecutive years, and become one of the few bulk liquid chemical shipping companies gaining such a honor.

Safety Integrity Ships

In 2024, there were 8 ships with valid honor certificates of “Safety and Integrity Ships”.

Safety Integrity Captains

In 2024, there were 12 captains with valid honor certificates of “Safety and Integrity Captains”.

/ Safety Culture Activities /

Safety culture education, as a key initiative to enhance employees’ safety awareness and professional ability, plays a pivotal role in the development strategy of the Company. The Company is committed to carrying out various safety promotion and training activities, covering a wide range of forms such as theoretical lectures, simulated hands-on exercises, case analysis and discussions. These activities not only help crew members master the correct safety skills through practical operations but also enable shore-based personnel to gain a deeper understanding of the connotation of safety culture from different perspectives. Through continuous learning and practice, all employees’ understanding of safety culture has been further deepened, and their safety operation capabilities have been significantly strengthened, thus building a solid and reliable line of defense for the safe operations of the Company.

In the future, the Company will continue to innovate in safety promotion and training methods, continuously improve the safety literacy of all employees, and ensure that safety culture is truly integrated into the daily work and life of each employee.

◎ Practice Highlight 1: Active Promotion of Good Safety Practices

To fully leverage the subjective initiative and work enthusiasm of crew members, improve their safety management skills, and effectively prevent safety accidents, the Company has formulated the Measures for Collection and Implementation of Good Practices, actively advocated and promoted the evaluation and reward mechanism for “Good Practices”. The Company collects the “Good Practices” proposed by crew members and shore personnel, while also setting up a scoring mechanism to reward outstanding “Good Practices”. These practices are then promoted within the fleet, included in ship inspection items, and incorporated into the ship safety performance evaluation, collectively promoting the improvement of the Company’s safety management.

During the Reporting Period

2024
Key Performance

During the Reporting Period, the Company collected a total of 120 good practices, and the shore-based review team evaluated/reviewed a total of 40 practices and sent them to the fleet for sharing.

◎ Practice Highlight 2: Promotion through Shell Marine Partner in Safety Program

On August 7, 2024, the Company, with the approval of Shell, officially joined the “Shell Marine Partner in Safety Program” and became a member of this partnership. This marks a solid step forward for the Company in professional exchanges within the industry and in promoting and enhancing the level of shipping safety management.

The Company actively responded to Shell's three key action initiatives, deepened its safety commitment, strictly followed the requirements to carry out various activities, and regularly verified the effectiveness of these activities. This effort strengthens the Company's safety culture foundation, improves overall safety awareness and operational compliance, and collectively creates a safer and more efficient working environment on ships.

Shell Marine Partner in Safety Program



◎ Practice Highlight 3: "Safety Production Month" Themed Activities

In June 2024, to further implement the important instructions on safety production by General Secretary Xi Jinping, the Company organized a series of “Safety Production Month” activities with the theme “Everyone Speaks of Safety, Everyone Knows Emergency Response to Smoothen Life Passage”.

◎ Full Mobilization

At the beginning of Safety Month activities, the Company issued a call to solicitate videos for the 2024 Safety Production Month, actively encouraged all ships to participate in filming slogan videos for the safety production month, widely promoted the event through the WeChat Official Account of Xingtong Shipping, and held the launching ceremony of the “Safety Production Month” on both shores and ships. Senior leaders and employees of the Company participated together, inspiring enthusiasm for all employees to engage in the event.

Launching Ceremony of the “Safety Production Month”



United Cooperation: Building Sustainable Development Together



Adhering to the vision to become a world-class, domestically leading integrated service provider for chemical supply chain, Xingtong Shipping continuously extends the field of chemical supply chain services, provides high-quality, safe and diversified all-round supply chain services, and joins hands with various partners to build a mutually beneficial and win-win industrial ecology.

Enhancement of Development Resilience

The Company steadily advances the "1+2+1" strategic development plan, continuously improves development resilience, grasps opportunities, benchmarks the international first-class level, and adheres to the operating principles of putting safety and customer first. We strive forward steadfast in scientific and refined management and the application of information intelligence, and resolutely strengthen compliance construction, while pursuing quality improvement, cost reduction, and efficiency enhancement in parallel. Committed to value creation and result sharing, we will enhance ship operational efficiency by optimizing route layouts, implementing refined management, and applying intelligent information technology, to continuously improve our market competitiveness, operational efficiency, and overall profitability, and to take leadership in sustainable high-quality development.

/ Governance /

The Company implements the service philosophy of "Leading In Service, with Every Employee Caring for Customers". We are dedicated to establishing long-term, stable relationships with customers. Through the formulation of relevant systems such as the Transportation Service Business Management System, the International Transportation Business Management System, the Ship-Shore Operations System, and the Customer Satisfaction Survey and Complaint Management Procedures, we standardize the Company's business operations, improve communication and cooperation efficiency among departments, and enable the Company to continuously provide high-quality and first-class services to customers.

The Company defines the relevant responsibilities of the departments involved in business services. The Marketing Department is responsible for front-end service such as customer contract handling, customer relationship maintenance, and customer demand research. The Operations Department is responsible for tasks such as ship voyage execution to ensure ships complete the transportation tasks in quality and quantity according to voyage order instructions. Other relevant departments provide necessary support.

/ Strategy /

Risk Type	Risk Description	Financial Impact	Impact Duration	Impact on Value Chain	Countermeasures
Operational Risk	If issues arise in the process of ship deployment, ship transportation, cargo loading and unloading operations, it may lead to transportation delays, cargo damage, customer complaints, disputes, and increase in operational costs.	Cost increase	Short-term	Operations Downstream	Standardize the Company's transportation services, freight forwarding business, and other business management processes, continuously improve communication and collaboration efficiency between departments, and standardize the execution of customer demand research, voyage planning, ship operation management, etc., to provide high-standard services to customers.
Reputation Risks	If the Company faces legal disputes or other negative issues, or if the service quality and efficiency cannot meet customer demands, it may lead to a decrease in customer satisfaction and impact the Company's reputation.	Revenue decrease	Long-term	Operations Downstream	Adhere to customer-oriented philosophy, focus on customer service and satisfaction, fully understand customers' needs in transportation types, quantities and periods, reasonably allocate ships, and continuously strengthen customer relationship maintenance.

Opportunity Type	Description	Financial Impact	Impact Duration	Impact on Value Chain	Countermeasures
Market Opportunities	Against the backdrop of the stable growth of the chemical trade market, the Company may have more business growth opportunities and further expand its market share.	Revenue increase	Long-term	Operations Downstream	Ø Gain an in-depth understanding of customers' needs and market trends, continuously expand both domestic and international shipping businesses, and meet customers' diverse needs through efficient and high-quality transportation services.

/ Impact, Risk, and Opportunity Management /

To improve customer service levels and enhance customer satisfaction, the Company has formulated systems such as the Transportation Service Business Management System to implement standardized service work and control risks during the customer service process. In addition, to strengthen the assessment of customers' performance capabilities and risk management, the Company conducts customer risk assessments based on the Customer Evaluation Management System around dimensions such as the nature of the enterprise, registered capital, and business demand, to better understand customer needs, optimize service strategies, enhance customer risk assessments, and take proactive and effective measures to prevent and reduce risks.

/ Indicators and Goals /

To provide customers with better, more efficient, and attentive shipping services, the Company pays close attention to customer feedback, promptly collects, organizes, and analyzes information such as customer complaints and satisfaction data, and makes continuous improvement and optimization.



/ Optimization of Customer Service /

© Deepened Communication with Customers

The Company formulates the Transportation Service Business Management System and other relevant systems to establish standardized and efficient business service management processes, engage in full communication with customers, and build good relationships. The Company carries out customer demand analysis to understand the needs of customers in terms of transportation varieties, quantities, loading and unloading ports and time, and reasonably allocates the corresponding ships to ensure efficient and smooth transportation services. During the transportation service process, the Company also keeps comprehensive track of every voyage's loading operations, transportation, unloading operations, and document collection, maintaining timely communication and relationship maintenance with customers, further enhancing customer trust and satisfaction.

◎ Customer Satisfaction Management

The Company attaches great importance to customer feedback, continuously strengthens communication with customers, establishes a scientifically reasonable customer satisfaction indicator system, conducts annual customer satisfaction surveys, performs annual statistical analysis, and based on the analysis summary, strengthens and improves weak areas, continuously enhancing its professional capabilities and qualities, to provide higher-quality services to customers.

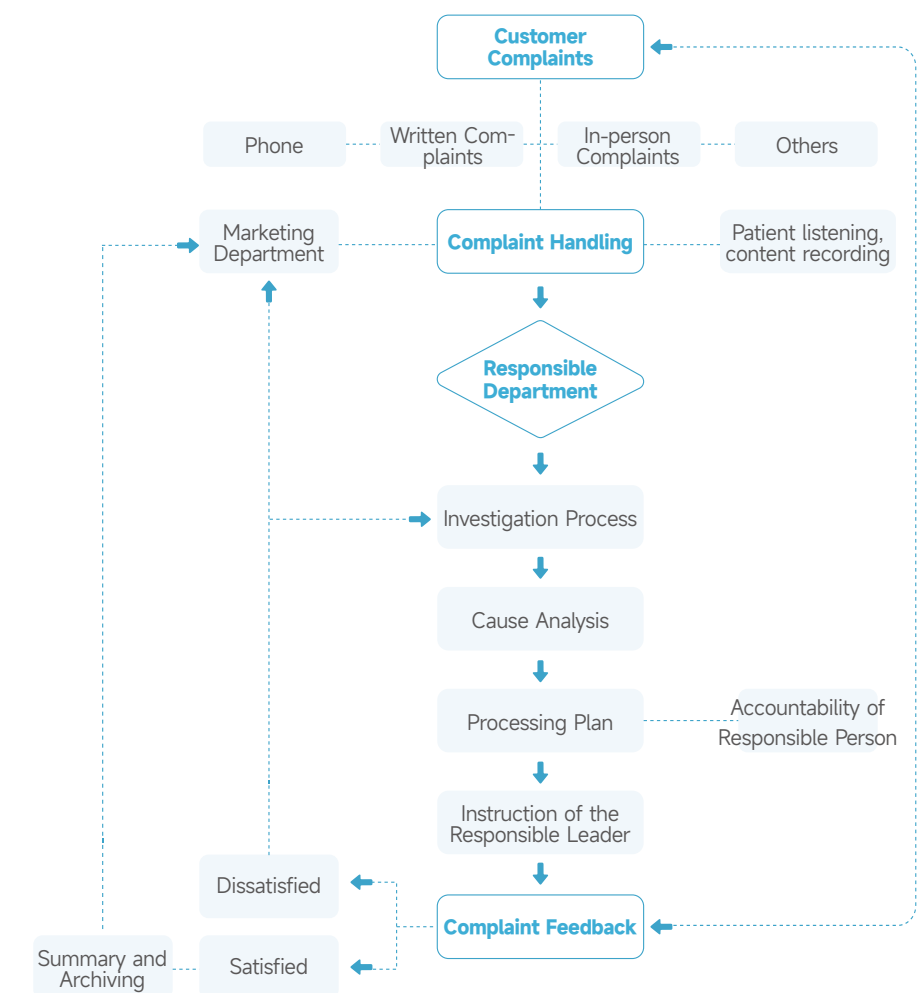
Customer satisfaction surveys

Indicator Principles	<p>Accurately grasp key indicators of customer needs;</p> <p>Create controllable indicators that generate new expectations in customers, prompting the Company to take improvement measures;</p> <p>Focus on quantitative indicators that can be counted, calculated and analyzed.</p>
Survey content	Cover aspects such as ship transportation, service capability, and comprehensive evaluation.
Survey Methods	<p>Use email, phone inquiries, fax, questionnaires, visit records, forums, and other forms;</p> <p>Require each department to hold a discussion meeting every month to analyze and improve shortcomings in management.</p>
Analysis and Processing	<p>Summarize and statistically analyze the customer satisfaction survey results, recorded in the Customer Satisfaction Summary Table and the Customer Satisfaction Statistical Analysis;</p> <p>Organize relevant departments to investigate and handle customer dissatisfaction projects, and feedback the results to customers in a timely manner;</p> <p>Convene the relevant departments of the Company to organize special meetings, inform the situation of customer satisfaction survey in a timely manner, analyze the reasons, and urge the relevant departments to formulate corrective and improvement measures, and follow up the implementation of the situation.</p>

◎ Handling of Customer Complaints

The Company continues to pay attention to customer needs, defines the specific duties of each responsible department in the Customer Complaint Management System, and forms a systematic and standardized process for receiving and handling customer complaints, so as to quickly respond to and dispose of customer feedback issues, ensure customer satisfaction, and effectively safeguard the rights and interests of customers.

Customer Complaint Handling Process



Intelligent Shipping Ecosystem

Digitalization is a key enabler for the shipping industry to improve its resource allocation capabilities and achieve new momentum in business development. Responding to the national call for green, low-carbon, and intelligent shipping development and catering to the evolving needs of the Company, we continuously promote innovative breakthroughs in new generation information technology, dive into the application of “digital shipping and smart ships, and extend these technologies into the supply chain”. This covers the construction of projects such as business management systems, infrastructure construction, data security management systems, and intelligent ship systems, to comprehensively enhance our fine management capabilities.

In 2024, the Ship Operation Efficiency Analysis Dataset independently developed by the Company was awarded a shipping data intellectual property registration certificate by the Fujian Provincial Intellectual Property Protection Center. This achievement significantly enhanced the operational efficiency of the Company's shipping platform, and effectively transformed data from “intellectual property” into “assets”, marking a key step forward for the Company in the field of new quality productive forces. In accordance with relevant accounting regulations, data assets were first included in the balance sheet of the Company.



2024
Key Performance

During the Reporting Period

Investment in R&D

1,496.7 RMB thousand

Total Number of Authorized Patents

27

Total Number of Software Copyrights

18

Total Number of Trademarks

18

© List of R&D Projects in 2024

S/N	Category	Project Name
1	Ship Operations	Anchor Warning System
2		Sailing Schedule Assistant System
3		Ship Certificate Warning System
4	Business Management	Pallet Quotation System
5	Crew Management	Crew Contract Cloud Signing System
6	Information Security	Intelligent Data Backup and Recovery System

Case Study: Intelligent Ship Systems



Upholding the development philosophy of being “green, intelligent, and efficient”, the Company has established an intelligent platform for ship management, which covers functions such as ship equipment monitoring, navigation path optimization, fuel management, and remote maintenance. A data collection, transmission, and storage system has also been built to meet the full-process operational management needs of ships.

Real-Time Ship Status Monitoring and Warning System:

The real-time status monitoring and multi-level warning functions have been realized for key equipment on ships such as the engine, the fuel system, and the navigation system. Through real-time data transmission, key equipment status information can be shared between the ship and shore. Once any abnormality is detected in the equipment, the system automatically triggers a warning and sends it to the shore-based support team.

Intelligent Navigation Optimization System:

Intelligent navigation optimization modules have been launched, integrating external data such as weather forecasts, ocean current speeds, and channel data to provide crew members with the best route suggestions. This helps ships reach their destinations safely in the shortest time possible. The platform can predict potential weather risks along the voyage and promptly alert ships to adjust their routes.

Remote Maintenance and Support Module:

A remote maintenance system has been established, allowing the shore-based support team to remotely monitor and diagnose ship equipment, provide real-time technical support, reduce ship downtime due to equipment failures, and improve the continuity and stability of ship operations.

Monitoring and Management of Ships' Energy Consumption:

An energy consumption monitoring module has been developed to monitor the fuel consumption and energy efficiency of ships in real time, support data collection and analysis, and provide management with a basis for optimizing energy consumption strategies.

Joint Promotion of Industry Development

With an open and enterprising attitude, Xingtong Shipping actively engages in strategic partnerships with external companies, participates in industry seminars and forums, school-enterprise exchanges and other activities, and deeply integrates into the industry ecosystem. We integrate resources and advantages of all stakeholders, discuss industry development trends, and share practical experience and achievements, to promote the sustainable development of the Company and the industry.

◎ Joint Strategic Cooperation

Case Study: Strategic Reach Cooperation Between Xingtong Shipping and C&D

In November 2024, in response to the wave of supply chain upgrades in the chemical industry and to implement the national development strategy of "Going Global", Xingtong Shipping officially signed a strategic cooperation framework agreement with C&D (a listed company under the control of C&D Group which is one of the Fortune 500 Companies), embarking on a new chapter of long-term strategic cooperation. Adhering to the philosophy of strong alliances and shared advantages, both parties strengthen open cooperation to lead the international chemical shipping industry towards intelligent, green, and efficient development. Through supply chain optimization and value creation, they further enhance their ability to serve large global chemical customers.

Additionally, the Company signed a joint venture contract with Xiamen Jianfa Supply Chain Logistics Technology Co., Ltd. to establish a joint venture aimed at jointly purchasing green and high-end chemical tankers, meticulously laying out global chemical maritime business. By integrating both parties' global resources and advantages, they work together to contribute to the improvement of the global chemical industry chain.



◎ Industry Exchanges

Case Study: Participation in 2024 (18th) Petrochemicals Storage & Logistics Conference

In October 2024, the Company actively participated in the 18th Petrochemicals Storage & Logistics Conference. At the conference, many leading companies in the chemical industry, including well-known cargo owners, shipowners, freight forwarders, and storage enterprises, gathered together to conduct business cooperations (e.g., matching cargo owners with suppliers for vehicles and ships), deeply discuss and communicate on various topics in the storage and transportation field of the petrochemical industry, and explore the development of the industry.



Case Study: Students and faculty of Shanghai Maritime University visited Xingtong Shipping to outline a new blueprint for shipping through university-enterprise collaboration

In July 2024, in response to the Survey on "Thousands of Enterprises and Hundreds of Ports" initiated by Shanghai Maritime University, a social practice exchange program for students of Shanghai Maritime University, the Company received a group of faculty and students led by several leaders who visited and exchanged with the Company. Focusing on core topics, such as industry development trends, talent cultivation, and the opportunities and challenges in the industry, both parties engaged in in-depth and productive discussions. To further deepen university-enterprise cooperation, the general manager of the Company was invited to serve as an external mentor for the ideological and political education for the College of Transport & Communications of the Shanghai Maritime University. This lays a solid foundation for future in-depth cooperation of both parties and the development of the shipping industry.



Sustainable Supply Chains

/ Management of Supply Chain /

Attaching great importance to supply chain security, the Company has established systems such as the Supplier Management System and the Procurement Business Management System, to specify overall requirements for suppliers, standardize supplier selection, evaluation, and management processes, as well as procurement processes for key materials such as fuel oil, ship materials, and ship repair materials, and build a safe and stable supplier team.

The Vice President in charge is responsible for approving procurement contracts and supply agreements of the Company, while the Purchasing Department handles daily procurement management, supplier investigation, selection and evaluation, and procurement contract management. The ship owner is responsible for material application, acceptance, quality feedback, and warehouse management. Together, they ensure the effectiveness of supplier management.

/ Full-process Management of Suppliers /

The Company has established a standardized control process for managing supplier development, evaluation, and assessment, and achieved full-process management of suppliers.

Selection
of Suppli-
ers

The Company selects high-quality suppliers that meet its needs based on factors such as qualifications, industry recognition, and industry management experience, controlling supply chain ESG risks from the source.

Admis-
sion of
Suppliers

Detailed evaluation criteria are set according to the markets, industries, products, and services involved, including supplier qualification status, service capabilities, product price levels, etc. Suppliers are required to provide certification documents for quality, safety, environmental protection, labor rights, special work permits, etc. New suppliers undergo a comprehensive evaluation to ensure material quality and protection of labor rights.

Supplier
Classifi-
cation

Based on the comprehensive assessment results, major material suppliers are classified into three categories (A (Core), Category B (General), and Category C (Emergency)), and preferential procurement cooperation is carried out.

Supplier
Assess-
ment

The Company conducts an annual assessment of its suppliers, and assesses their performance in product/service quality, health, safety, environmental management systems, certification, and implementation. Based on the assessment results, the supplier grade is adjusted. If a supplier encounters issues such as credit, quality, or service problems, their grade is adjusted according to the severity of the issue. The supplier may be blacklisted, procurement from them may be reduced or stopped, and the qualified supplier list will be updated in a timely manner.

/ Supplier Sustainability Management /

The Company places great emphasis on the ESG performance of its suppliers. By incorporating ESG-related requirements into the supplier management process, strengthening green procurement, and promoting transparent procurement methods, the Company collaborates with supplier partners to drive the sustainable development of the supply chain.

Supplier ESG
Management

For international ship management services and maritime labor services, the Company requires suppliers to provide certification documents for labor rights, special work permits, and other relevant qualifications to ensure compliance with applicable laws and regulations concerning labor rights, occupational health and safety, and welfare protection. In addition, the Company conducts ESG-related advocacy and support for suppliers, including efforts to minimize product packaging, promote package reuse, and recycle packaging after delivery to ships.

Green Pur-
chasing

The Company prioritizes the procurement of environmentally friendly products with energy efficiency, long service life, and low waste generation, and uses products with ecological protection certification (G-ECO) whenever possible. For the procurement of a complete set of new equipment, a No Asbestos Declaration must be accompanied.

Transparent
procurement

The Company continuously strengthens the integrity management of its supply chain. Suppliers are required to sign an Integrity Cooperation Agreement or include integrity cooperation clauses in relevant contracts, clearly defining the ethical standards for both parties and jointly maintaining a healthy and fair business environment.

During the Reporting Period

2024
Key Performance



100%

Supplier Review Coverage Rate



100%

On-Site Inspection Coverage Rate
for Core Suppliers

Protection of Information Security

/ Information Security Management /

In accordance with the principles of "risk orientation, full participation, continuous improvement, compliance and responsibility", and in line with laws and regulations such as the Data Security Law of the People's Republic of China, the Network Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, the Company has developed systems such as the Computer Information Security Management System, the Computer Asset Management System, and the Data Center Security Management System, and established a stable information security management system to effectively ensure the safety of the Company's information and data.

The Digitalization Department, serving as the core of the Company's information management structure, leads information management and informatization work. The Information Security Task Force implements information security and privacy protection strategies. Senior management is responsible for decision-making and supervision, while the Legal and Compliance Department provides compliance support. Each business department ensures the implementation of relevant policies at the low level.

In accordance with national and industry data security regulations, the Company's self-developed projects strictly implement information data security management, ensuring data security throughout the entire project lifecycle.

information data security management

Data Minimization and Refined Management

Conduct data collection and storage according to the "minimum necessary" principle, reduce the scope of sensitive data usage, and strengthen the protection of highly sensitive data.

Whole-Life-Cycle Management

Strictly follow security standards and processes from data collection, storage, transmission, use, to destruction, and ensure the security of data throughout its lifecycle.

Multi-layered Security Protection

Establish multi-layered security protection system at the network, application, and data layers, and ensure data security through access control, encryption, monitoring, and other measures.

Continuous Improvement and Risk Management

Regularly review and update data security measures, promptly address emerging security risks and take corrective actions quickly when problems are identified.

Key Performance . During the Reporting Period

0 data security violations or customer customer information leaks occurred in the Company.

/ Improvement of Security Assurance /

The Company strictly implements information security control, continuously optimizing and improving security measures to ensure effective control of information security risks.

Regular Risk Assessment

Conduct risk assessments to analyze potential security threats and vulnerabilities, and formulate corresponding control measures.

Access Control and Permission Management

Based on the principle of least privilege, strictly control access permissions to systems and data, regularly review permission configurations and make necessary adjustments.

Security Audits and Log Management

Check the execution of various security measures, ensure compliance with the Company's information security policies, configure and manage access and operation logs for key systems, and retain them for a certain period for audit and investigation purposes.

Vulnerability Management and Patch Management

Monitor security vulnerabilities in the system, and regularly check and promptly fix known vulnerabilities, especially those involving core systems.

Emergency Response and Incident Management

Develop a detailed emergency response plan, ensure rapid response and control of impact during security incidents, and regularly conduct incident simulation drills to ensure that all departments are familiar with emergency processes.

Data Backup and Recovery Mechanism

Establish a data backup and recovery mechanism, regularly back up critical data, and periodically test the data recovery process to ensure quick restoration in the event of data loss.

/ Information Security Cooperation /

The Company closely follows the development trends of cutting-edge technologies such as ship intelligence, informatization and smart AI, and simultaneously implements information data security management during the active promotion of digital construction. The Company collaborates with qualified external organizations, such as the Cangqiong- Constellation Cloud Platform and other external cooperation projects, and adopts a series of multi-layered security measures covering data encryption, access control, network protection, and risk identification and management, to ensure the privacy, integrity, and availability of user data in the cloud environment.



Shared Responsibility: Seeking Collaborative Growth and Mutual Prosperity



Xingtong Shipping has always regarded employees as the core driving force of enterprise development, and continuously absorbs, cultivates, and introduces outstanding talents. Through improving welfare benefits and incentive mechanisms, we build a stable and efficient talent team, and solidify the foundation for talent development. The Company actively fulfills its social responsibilities, and engages in community development, rural revitalization, and social welfare activities, to achieve mutual prosperity of corporate development and social value.

Protection of Employees' Rights and Interests

/ Compliant Employment /

Strictly adhering to the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and the Law of the People's Republic of China on Employment Promotion, the Company has formulated several management systems, including the Employee Handbook, the Recruitment and Allocation Management System, and the Shore-based Employee Resignation Management System, to standardize employee recruitment, onboarding, and resignation processes and ensure fair, just, and orderly recruitment. To eliminate child labor and forced labor, the Company strengthens pre-employment identity verification, checks the age of candidates to ensure compliance with legal regulations, and strictly enforces daily work and rest mechanisms according to attendance-related systems.

Based its talent development strategy, the Company formulates crew recruitment needs according to crew team building plans, and introduces talents through diversified recruitment channels such as on-campus recruitment events, cooperation with domestic recruitment platforms, internal recommendations and peer exchanges. In addition, the Company establishes partnerships with colleges and universities such as Dalian Maritime University and Quanzhou Ocean Institute, injecting new vitality into the development of our talent pool.



Presentation in Quanzhou Ocean Institute



During the Reporting Period

2024
Key Performance

The Company has a total of
731 employees,

with the labor contract signing rate of
100%.

/ Diversity, Equality, and Inclusion /

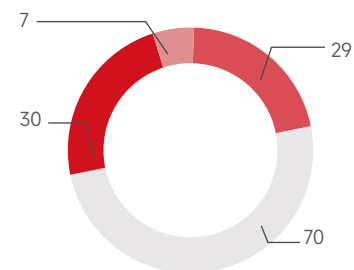
The Company values the equality and diversity needs of employees. In accordance with the Measures for the Administration of Employee Employment and the principle of equal employment, we conduct recruitment work to ensure that there is no discrimination or increased employment barriers based on ethnicity, race, gender, religious belief, household registration, or other differences. We respect the legal rights and interests of each employee.

Shore-based employee

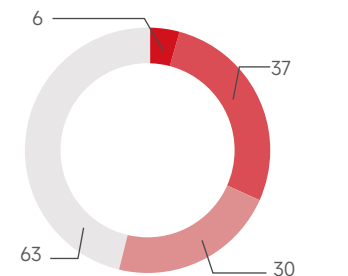
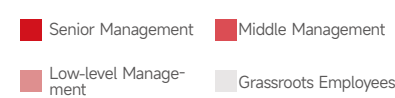
2024
Key Performance

◎ Shore-based Employee Structure

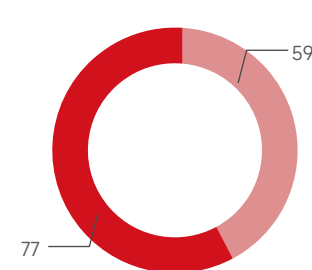
Number of Shore-based Employees (by Age)



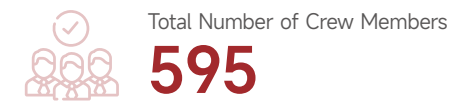
Number of Shore-based Employees (by Job Level)



Number of Shore-based Employees (by Gender)

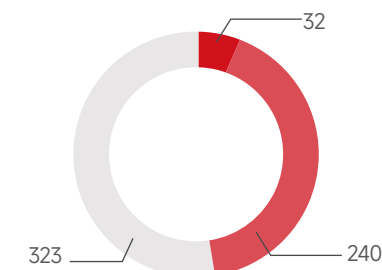


Own crew members

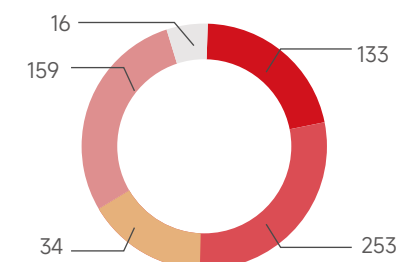
2024
Key Performance

◎ Crew Structure

Number of Self-owned Crew Members (by Employee Level)



Number of Self-owned Crew Members (by Age)



The Company actively creates an inclusive and diverse corporate culture, and encourages mutual respect, understanding, and cooperation among employees. Through various channels such as the internal publication Xingtong·Seaway, bulletin boards, and official website, the Company promotes its values and cultural concepts, ensuring that employees from different backgrounds and personalities feel the Company's care and respect, thereby enhancing their sense of belonging and recognition. Additionally, the Company fully considers the needs of female employees. While ensuring legal rights and benefits for female employees, such as marriage leave, maternity leave, prenatal check-up leave and breastfeeding leave, the Company has added special leave—menstrual leave—to provide convenience for female employees.



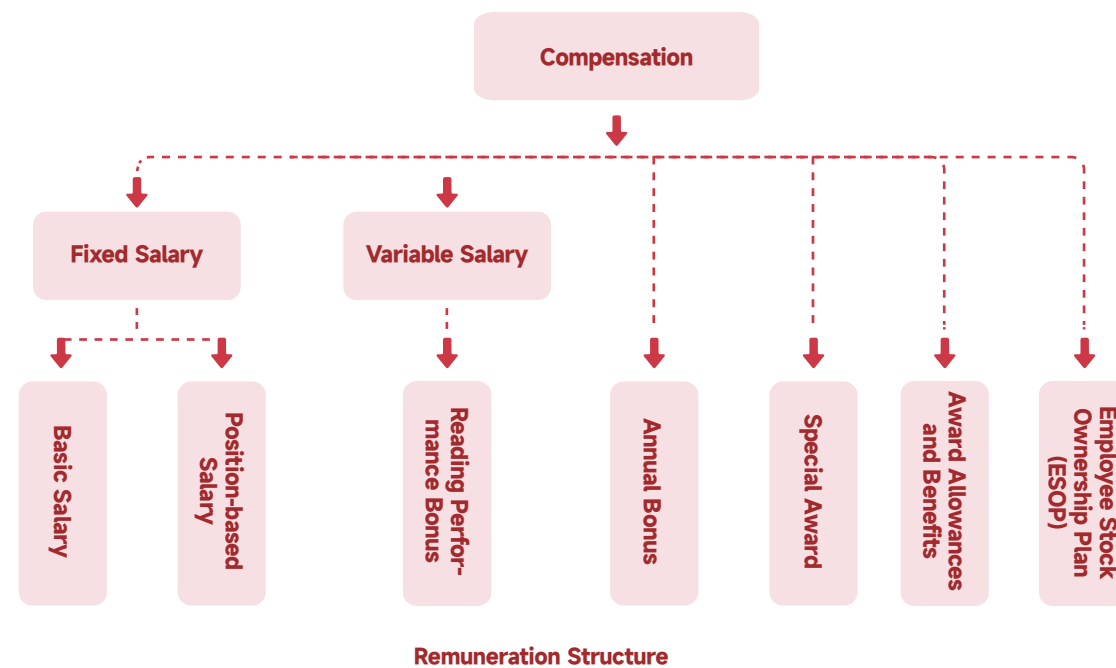
Activities on Women's Day

Optimization of Remuneration and Benefits

◎ Remuneration Management

The Company adheres to the principles that remuneration should be “compliant, competitive, position-based, performance-oriented, and adjustable”. Based on the Labor Law of the People’s Republic of China and other relevant policies, combined with the Company’s realities, the Company has established systems such as the Shore-based Employee Remuneration Management System and the Crew Remuneration Management System to regulate shore-based and crew remuneration management. Committed to building a scientific, reasonable, fair, and competitive remuneration management system, the Company fully utilizes the adjustment and incentive functions of remuneration to effectively attract, retain, and motivate talents, and ensures the continuous enhancement of its core competitiveness and the achievement of corporate goals.

With a hybrid remuneration strategy and based on remuneration levels and remuneration structure, the Company adopts different strategies for the remuneration of employees in different job levels and positions. The crew remuneration is determined with a market-based approach and based on the contribution of individual crew members, deciding the income level of the crew. The Company has established a collective evaluation mechanism led by the Crew Department with participation from multiple departments, to adjust crew remuneration in line with fluctuations in labor market prices every six months, thereby improving the crew compensation structure system.



The Company insists on optimizing the talent incentive mechanism and establishing a diversified, multi-level incentive system. This fully stimulates employee enthusiasm and creativity, and achieves long-term mutual development between the Company and its employees. In 2024, the Company implemented an employee stock ownership plan to provide incentives to the Company’s directors, supervisors, officers, and key personnel, further enhancing the cohesion of employees and the development vitality of the Company. As of the end of 2024, the Company’s employee stock ownership plan covered 55 employees (including overseas employees).

the Company’s employee stock ownership plan covered
(including overseas employees).

55 employees

/ Management of Performance Assessment /

For regular assessment and objective evaluation of employee performance, the Company has established the Shore-based Performance Management System to standardize mechanisms such as performance assessment, performance interviews and appeals, and improve its talent incentive and constraint mechanisms. With an overall performance system oriented to the business strategy, the Company adopts tools such as the balanced scorecard and KPI (Key Performance Indicators). With a focus on departmental performance evaluations, the Company has constructed an integrated KPI performance evaluation system. The two main tools of performance management are introduced to link departmental performance bonuses with business results. A mechanism that connects employee earnings with company performance is established to promote mutual growth between employees and the Company.

Key Performance **2024**
the percentage of employees regularly undergoing performance and career development evaluations was
95.59%

/ Improvement of the Benefit System /

The Company adheres to a people-centered philosophy and advocates an atmosphere of “healthy life, happy work”. We have established the Shore-based Employee Welfare Management System and the Crew Welfare System, to provide all employees with a comprehensive welfare system that includes three major parts: statutory benefits, corporate benefits, and union benefits.

In terms of working hours and leaves, the Company formulates the Shore-Based Employee Attendance Management System to standardize attendance management and protect employees’ rights to work, rest, and take leaves, and implements a user-friendly clock-in system and provisions on leaves for travel. A no-clock-in attendance system is in place for the employees in the International Business Center who need to deal with jet lag. In addition, the Company also takes into full account the living needs of employees. Employees with children in kindergarten or elementary school can apply for leave to assist with their children’s school commute, and arrive 30 minutes later than the morning work schedule of the Company.

Regarding the working hours of the crew, the Company complies with regulations on preventing crew fatigue, establishes daily mechanisms such as work and rest time logs, and ensures that the crew receives adequate rest.

Compliant Statutory Benefits

Statutory benefits include social insurance, housing provident fund, paid annual leave, marriage leave, bereavement leave, maternity check-up leave, maternity leave, paternity leave, breastfeeding time, and medical leave, in accordance with national policies and the Company’s relevant regulations.

Diverse Corporate Benefits

Corporate benefits supplement statutory benefits and include accidental injury insurance, employee health check-ups, travel leave, seniority subsidies, phone bill subsidies, and special benefits.

Humanized Benefits from the Trade Union

Benefits from Trade Union, as a beneficial supplement to corporate benefits, include team-building activities, annual trips, birthday gifts, holiday greetings, Women’s Day greetings, wedding gifts, hospital visits, support for employees in difficulty, condolence visits, education scholarships, and daily welfare.

Employee Care and Support

◎ Enhancement of Crew Care

Due to the special nature of their working environment, job requirements, and working hours, crew members face higher risks to their physical and mental health. We care about the health and well-being of every crew member, and pay attention to every detail of their daily life, including giving birthday cards with heartfelt wishes and gifts to crew members celebrating their birthdays every month. Considering that crew members are unable to take timely care of their families due to their working hours, the Company organizes crew family care activities to enhance emotional communication between crew members and their families, truly putting care and support in place. In addition, the Company regularly organizes ship visits and care activities, provides care and support, and holds retirement ceremonies for retired crew members, ensuring that crew members feel a sense of pride and warmth during their time with the Company.

Employees' Children Scholarship Award Ceremony



Family Gatherings



Retirement Ceremony



Ship Visits for Support



/ Creation of a Good Working Environment /

The Company actively creates a good working environment, and establishes offices in locations such as Quanzhou, Shanghai, Singapore, and the Hainan Free Trade Zone, offering employees a variety of office location options.

Considering employees' diverse interests and hobbies, the Company has carefully created an employee room to enrich employees' professional lives. The room is equipped with a quiet library where employees can immerse themselves in books during their free time, fitness equipment to meet different exercise needs, as well as various fitness equipment and a dedicated badminton court to meet the diverse fitness needs of employees.

Shanghai Office



Library



Sports Facilities on Ship



Scientific and Democratic Management

◎ Improvement of Democratic Management

The Company has established the Trade Union and the Employees' Congress, and set up related mechanisms for democratic management to ensure employees' right to know, participate, express, and supervise. This promotes the institutionalization, standardization, and scientific management of democratic governance in the Company, and fosters democratic decision-making, employee unity, and harmony.

In accordance with the requirements for standardized management, the Company establishes and improves the disclosure system, defines the contents and forms to be disclosed, and makes regular and targeted disclosures. We disclose hot topics, key concerns, and management challenges reflected by employees to accept the supervision by employees.

The Company insists on strengthening democratic management and giving full play to the role of the Trade Union. Every year, we organize several legal and regulatory training sessions to enhance employees' self-protection awareness, implement the equal negotiation system for collective contracts to safeguard employees' legal rights and interests, and strengthen the cooperation between workers and operators. We also establish a mechanism for the mediation of labor disputes and the supervision and inspection of labor protection, as well as a liaison system of union member representatives, to promote employees' participation in democratic management.

In 2024

2024
Key Performance

100%

of the Company's employ-
ees are the members of the
Trade Union.

◎ Enhancement of Employee Communication

The Company has formulated regulations such as Regulations on the Management of Shipboard Catering Service, Living Quarters Hygiene, and Onboard Complaints, and established diverse communication channels for collecting employees' opinions and suggestions in a comprehensive and effective manner, to ensure that the voices of the crew are heard and valued. The Company provides employees with opportunities to express their ideas through confirmations, promotions, and semi-annual and annual performance reviews. We also organize employee interviews and face-to-face discussions to better understand employees' needs and expectations. In addition, the Company organizes informal communication through corporate cultural activities, such as team-building events, sports games, and regular outings, to gather employees' feedback. Through a wide range of channels, the Company forms response plans based on a full understanding of employees' suggestions, dynamically provides feedback on relevant progress, continuously improves employee satisfaction, and fosters a positive, productive and democratic atmosphere.

New Employee Symposium



◎ Employee Satisfaction Survey

In 2024, the Company conducted an employee satisfaction survey to listen to what employees feel and think. The survey was divided into surveys for shore-based employees and crew members, covering aspects such as remuneration and benefits, training systems, colleague relationships, corporate culture, working environment, and the service attitude of the Crew Department. Based on the survey results and employee feedback, the Company conducts self-examination and correction on existing management issues, promotes the improvement of the management team's capabilities, and continuously improves employee satisfaction and sense of belonging.

During the Reporting Period

2024
Key Performance

the onshore employee satisfaction rate is

95.90%

and the satisfaction rate of crew members is

96.00%



Building of High-Quality Teams

Enhancement of Employee Training

Full-Process Management of Employee Training

The Company provides more comprehensive and systematic employee training. Particularly, the Company specifically formulated the SQMS Personnel Training Procedure, and implemented the annual training plan for onshore personnel, to provide various professional development training required for the duty fulfillment and career development of employees. Additionally, specialized training sessions on safety, management, risk, workplace etiquette and career development are offered to employees in different positions, assisting them in enhancing their professional skills and expertise.

Guided by the talent strategy goal of “building a first-class shipping team with professional spirit and specialized capabilities that help continual strategic improvement”, the Company has planned the following steps for short-term (1-2 years), medium-term (3-5 years), and long-term (over 5 years) strategies: improving the training system, establishing a talent pool, and creating a learning-oriented organizational culture. These steps aim to gradually build a high-quality team and provide strong support for the operations of the Company.

Construction of the Training System

Focusing on talent development and knowledge inheritance, the Company carefully plans the annual training program, and actively encourages managerial-level employees and some key personnel to create training materials based on their expertise, or share or trial-teach them within the department or to all employees. To meet employees' diverse learning needs, the Company continuously innovates training methods by using online learning and micro-classes, enriching learning paths and improving the effectiveness and efficiency of training.

To effectively improve the professional quality of shipping industry personnel, the Company uses the safety management system as the core framework, deeply aligning with the industry's risk prevention needs, and creating a “dynamically updated, precisely empowering” training mechanism. The Company establishes a “triple integration” implementation path: first, integrate the latest policies and regulations of national and local governments, IMO convention rules, and industry technical standards, to ensure that personnel stay up-to-date with cutting-edge standards; second, adopt a diversified training model, including theoretical lectures, hands-on drills, case study, and online learning, to meet differentiated learning needs; third, develop classified and tiered training plans tailored to different groups with job characteristics, such as crew members, shore-based management personnel, and staff of functional departments, to precisely match capability requirements of different jobs. This system, through standardized course development, regulated assessment and evaluation, and continuous effect tracking, comprehensively enhances the overall quality and professional skills of industry personnel, providing a solid talent guarantee for the high-quality development and safe operations of the Company.

During the Reporting Period

2024
Key Performance

the Company invested RMB

984.2 thousand in employee training.

The Company establishes a comprehensive training evaluation mechanism, collects feedback from employees regarding the training and continuously improves the content and methods of the training to increase training satisfaction and quality. For internal training, the Company assesses trainees' grasp of the training topics and key knowledge through assessments conducted by internal instructors. Simultaneously, employees are asked to provide feedback on the practicality of the training content, the instructor's teaching quality, and the effectiveness of the teaching methods through a satisfaction survey in the shipping knowledge database. For those who do not meet the required standards, re-exams or additional training are arranged. For external training, the effectiveness is evaluated through survey questionnaires.

Training on Safety Leadership and Systematic Safety Management Control in the Digital and Intelligent Age



Training Contents

Shore-Based Personnel

The annual training plan covers various aspects, such as safety, business knowledge, management skills, and laws and regulations, providing employees with comprehensive opportunities to enhance their knowledge and skills and improving ship-shore collaboration capabilities.

Crew Members

Building a safety training matrix that includes awareness, operations, and first aid, enhancing professional operational capabilities to ensure smooth ship operations.

◎ Support for Employee Development

Smooth Development Pathways

The Company has developed the Measures for Administration of Shore-Based Employee Job Grades and Development Paths to strengthen the scientific and systematic management of the Company's job level system, standardize the promotion and demotion mechanisms, broaden employees' career development space and job promotion paths, and regulate, improve, and optimize the human resources incentive and restraint mechanisms. Additionally, the Company has developed the Shore-Based Employee Transfer Management System to standardize its personnel transfer management process, create a fair, just, and open competitive mechanism, and rationally allocate the Company's human resources.

Promotion Paths

Vertical Development Path

The Company provides employees with a career growth path from low-level positions to middle and senior management positions based on work performance, ability improvement and professional quality. This path is like a "ladder of growth" within the Company, with each step representing higher responsibilities, greater growth, and increased rewards.

Horizontal Development Path

Employees if meeting the basic qualification requirements for horizontal transfer positions can transfer laterally across different sequences between channels based on work needs.

Support for Employee Growth

The Company places great importance on the continuous learning and development of employees, and provides them with a series of academic support. For employees willing to enhance their professional skills, the Company actively supports their participation in work-related training courses and learning activities. For certificates such as safety production and management ability certificates, company auditors (ISM), company security officers (CSO) and maritime engineering certificates, the Company supports employees by paying training costs, organizing professional training institutions to conduct training and exams, and providing comprehensive growth support for employees.

Dedication to Social Contribution

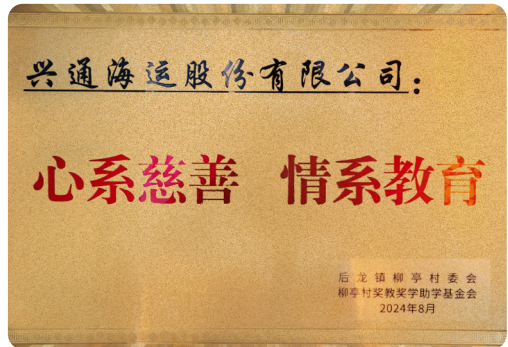
◎ Devotion to Social Welfare

The Company has always adhered to the principle of balancing corporate development and social responsibility. While strengthening the core business "hard power", we proactively give back to society, convert corporate development results into public welfare and charity actions, and continuously contribute to charitable causes such as educational support and targeted poverty alleviation.

An investment in knowledge pays the best interest. Since its establishment, the Company has set up teaching and scholarship awards in multiple schools in Quanzhou and invested in improving the school environment, benefiting over a hundred impoverished students. The Company continues to practice its corporate responsibility of "undertaking the mission of a strong nation and supporting the development of education".

In 2024, the Company donated RMB 2 million to the Quangang District Education Development Foundation to improve school conditions and support educational charity initiatives, such as granting scholarships and teaching awards. The Company received the honorary title of "Quanzhou Charitable Enterprise", which recognizes its long-standing practice of fulfilling social responsibility.

The Company actively fulfills social responsibility by organizing environmental public welfare activities, such as coastal garbage cleaning and tree planting, improving employees' environmental awareness, and contributing to the construction of a green ecological environment.



Honor for Charity

Case Study: Environmental Protection Activity Themed "Love One Home, Protect One Sea"



In March 2024, the Company organized the "Xingtong's Listing Day" event themed "caring for the ocean, protecting the blue, and ensuring harmony between humanity and nature". Employees from various departments, all wearing volunteer uniforms, formed a cycling team and cycled from the Company to the Hailang Bay section of Wulihai Beach. They organized group activities and beach cleanups, and promoted and strengthened environmental awareness, thus actively conveying corporate values to society through practical actions.



Case Study: Organization of Tree Planting Activities



On the Tree-planting Day of 2024, the Company, in collaboration with government departments, schools, and other forces, jointly held a tree-planting activity for public welfare, continuously supporting ecological development and safeguarding “lucid waters and lush mountains”.



◎ Support for Rural Revitalization

The Company actively responds to social needs and continues to uphold its corporate mission of “maximizing returns to society”. We actively participate in various social welfare activities, making greater contributions to rural revitalization and social development.

Case Study: Spring Outing to Support Agriculture



On March 28, 2024, the company organized a unique corporate activity themed 'Spring Agricultural Support Initiative'. Employees visited the Rongquan and Starfruit demonstration bases in Tuling Town to engage with rural development efforts and assist with seasonal harvesting tasks. The activity combined experiential learning about spring farming practices with practical support for addressing urgent starfruit harvesting needs at the base.





Afterword to this Report

/ ESG Key Performance Indicators /

Economic Performance ¹				
Key Indicators	Unit	2024	2023	2022
Operating Income	RMB million	1,514.74	1,237.27	784.77
Net Profit Attributable to Shareholders of the Listed Company	RMB million	350.42	252.20	206.25
Cash Dividend per Share	Yuan/Share	0.20	0.15	0.15
Total Cash Dividend (Including Tax)	RMB million	73.26	89.74	30
Proportion to Net Profit Attributable to Shareholders of the Listed Company	%	20.91	35.58	14.55

Governance Performance			
Key Indicators	Unit	2024	2023
Governance through the General Meeting of Shareholders, Board of Directors, and Board of Supervisors			
Total General Meeting of Shareholders Convened	Times	5	5
Proposals Reviewed and Approved	Item	19	50
Number of Members of the Board of Directors	Person	11	11
Meetings of the Board of Directors Convened	Times	10	12
Proposals Reviewed and Approved	Item	45	93
Meetings of Board of Supervisors Convened	Times	7	11
Proposals Reviewed and Approved	Item	26	70
Investor Relations Management			
Offline Surveys	Times	29	46
Online Communications Organized	Times	82	38
Performance Briefings	Times	4	3
Interactions with Investors on SSE E-Interactive	Times	17	16
Reply Rate to Investors' Questions	%	100	100

¹The cash dividend distribution for 2023 and 2024 includes the amount used for share repurchase in cash

Information Disclosure			
Regular Reports for Public Disclosure	Copies	4	4
Provisional Reports for Public Disclosure	Copies	85	125
Penalties for Violations in Information Disclosure	Times	0	0
Compliance Management			
Anti-corruption and Anti-Bribery Whistleblows	Times	0	0
Environmental Performance ²			
Key Indicators	Unit	2024	2023
Environmental Management			
Total Environmental Investment	RMB thousand	2,543.1	1,122.9
Violations of Laws and Regulations Concerning Environmental Protection	Case	0	/
Energy Management ³			
Total Fuel Consumption(Self-Owned Ships for Voyage Charter)	10,000 ton	4.14	3.44
Fuel Oil	10,000 ton	2.89	2.52
Diesel	10,000 tons	1.25	0.92
Fuel Consumption by Ships (Self-Owned Ships for Voyage Charter)	tce/RMB 1 Million (Operating Revenue)	38.51	42.94
Gasoline (Official Vehicles)	Liter	35,182.73	32,641.74
Total Electricity Consumption (Office)	kWh	242,211.37	216,862.00
Total Energy Consumption	tce	59,500.58	49,467.51
Response to Climate Change ⁴			
Total Emission of Greenhouse Gases(Scope 1 and Scope 2) ⁵	tCO ₂ e	130,138.52	108,170.42
Direct (Scope 1) GHG Emissions(Self-Owned Ships for Voyage Charter)	tCO ₂ e	129,922.25	107,976.95
Direct (Scope 1) GHG Emissions(Official Vehicles)	tCO ₂ e	78.14	69.79
Indirect (Scope 2) GHG Emissions(Purchased Electricity by Offices on Shore)	tCO ₂ e	138.13	123.68

² All indicators do not include the freight agency business of the Company.³The scope of statistics covers the business of own ships for voyage charter.

⁴The scope of statistics covers the business of own ships for voyage charter.

⁵The data of the year 2023 was adjusted retrospectively based on the 2014 Guidelines on Calculation Methods for Energy Efficiency Design Index (EEDI) for New Ships and others regulations.

Direct (Scope 1) GHG Emissions per Million Yuan of Operating Revenue	tCO ₂ e /RMB 1 Million (Operating Revenue)	121.06	134.87
Water resource utilization ⁶			
Total Water Consumption	m ³	131,784.32	98,302.08
Water Consumption by Offices	m ³	1,835.30	1,685.38
Water Consumption by Ships	m ³	129,949.02	96,616.70
Water Use Density (Ships)	m ³ /RMB 1 Million (Operating Revenue)	88.28	86.03
Wastewater ⁷			
Total Wastewater Discharges from Ships(Wastewater Discharged into Sea + Wastewater Collected on Shore)	m ³	123,860.87	96,616.70
Wastewater Discharged into Sea(Discharged water that complies with relevant regulations can be discharged into the sea directly or after treatment)	m ³	116,439.78	94,596.08
Wastewater Collected and Treated Onshore	m ³	7,421.08	2,020.62
Including: Domestic Sewage	m ³	35.00	/
Sewage from Engine Room	m ³	231.13	162.35
Sewage from Shampoos Room	m ³	7,154.95	1,858.27
Wastewater Discharge Intensity	m ³ /RMB 1 Million(Operating Revenue)	81.77	78.09
Exhaust Air ⁸			
Nitrogen Oxide (NO _x)	Ton	2,899.76	2,435.41
NOx Emission per Million Yuan of Operating Revenue	kg/RMB 1 Million (Operating Revenue)	19.70	21.69
Sulfur Oxides (SO _x)	Ton	306.83	247.19
SOX Emission per Million Yuan of Operating Revenue	kg/RMB 1 Million (Operating Revenue)	208.43	220.10
Waste ⁹			
Volume of Garbage and Waste Treated	m ³	871.64	760.81
Including: Waste Discharged under MARPOL Annex V(Food Waste)	m ³	91.88	63.12
Volume Burned in Incinerator	m ³	8.18	/
Volume Discharged into Receiving Facilities	m ³	771.59	697.69
Waste Disposal Compliance Rate	%	100	100
Volume of Non-Hazardous Waste Generated	m ³	352.80	245.80

⁶The scope of statistics covers the business of all own ships (for voyage charter and time charter).

⁷The scope of statistics covers the business of all own ships (for voyage charter and time charter).

⁸The scope of statistics covers the business of own ships for voyage charter.

⁹The scope of statistics covers the business of all own ships (for voyage charter and time charter).

Volume of Non-Hazardous Waste Generated per Million Yuan of Operating Revenue	m ³ /RMB 1 Million (Operating Revenue)	0.24	0.22
Volume of Hazardous Waste Generated	m ³	518.84	481.74
Volume of Hazardous Waste Generated per Million Yuan of Operating Revenue	m ³ /RMB 1 Million (Operating Revenue)	0.35	0.43
Biodiversity conservation			
Percentage of Applicable Ships Implementing Ballast Water Exchange/Treatment in the Fleet	%	100	/
Social Performance			
Key Indicators	Unit	2024	2023
Labor Relations Management			
—Shore-based Employee			
Percentage of Contract Workers	%	100	100
Number of Shore-Based Employee	Person	136	128
Number of Shore-based Employees (by Gender)			
Female	Person	59	51
Male	Person	77	77
Number of Shore-based Employees (by Employee Level) ¹⁰			
Senior Management	Person	6	6
Middle Management	Person	37	37
Low-level Management	Person	30	36
Grassroots employees	Person	63	49
Number of Shore-based Employees (by Age)			
Under 30 years old	Person	29	27
31-45 years old	Person	70	66
46-55 years old	Person	30	25
56 years old or above	Person	7	10
Number of New Employees	Person	21	23
Employee Turnover	Person	7	11
Employee Turnover Rate	%	5.15	8.59
—Own Crew Members			
Percentage of Contract Workers	%	100	100
Total Number of Crew Members	Person	595	551

¹⁰The data of the year 2023 was adjusted retrospectively based on refined classification standards of job levels.

Number of Self-Owned Crew Members (by Job Level)			
Captain	Person	32	26
Senior Crew Members	Person	240	210
Regular Crew Members	Person	323	315
Number of Self-Owned Crew Members (by Age)			
Under 25 years old	Person	16	15
26-35 years old	Person	133	122
36-45 years old	Person	253	230
46-55 years old	Person	159	156
56 years old or above	Person	34	28
Number of New Employees	Person	189	178
Number of Employees Resigned	Person	86	121
Employee Turnover Rate	%	14.45	21.96
Compensation and Benefits			
—Shore-based Employee			
Social Insurance Coverage Rate ¹¹	%	97.79	/
Return Rate of Employees on Maternity Leave	%	100	/
Return Rate of Employees on Parental Leave	%	100	/
Percentage of Employees Regularly Undergoing Performance Assessment and Career Development Evaluations	%	95.59	/
—Self-Owned Crew Members			
Social Insurance Coverage Rate	%	100	100
Number of Crew Families Visited	Family	59	40
Development and Training			
—Shore-based Employee			
Investment in Employee Training	RMB thousand	232.0	/
Total Number of Persons Trained	Person	130.00	119.00
Coverage of Employee Training	%	95.59	92.97
Average Training Hours per Employee per Year	Hour/person	30.62	24.76

¹¹The Company rehires some retired employees, who are not required to pay for social insurance.

—Self-Owned Crew Members			
Investment in Crew Training	RMB thousand	752.2	440.8
Total Number of Persons Trained	Number	595	/
Training Coverage Rate in Crew Members	%	100	100
Average Training Hours per Crew Member per Year	Hour/person	101.11	89.91
Democratic Governance and Employee Satisfaction			
Satisfaction of Shore-Based Employees	%	95.90	/
Satisfaction of Crew Members	%	96.00	/
Proportion of Trade Labor Members in Existing Employees	%	100	/
Safety and Health			
Investment in Safety Production	RMB thousand	15,784.5	11,808.0
Number of Joint Safety and Emergency Drills Between Ships and Shores	Session	6	4
Investment in Security Education and Training	Session	956	/
Total Hours of Safety Training	Hour	3,732	/
Total Hours of Safety Training	Hour	5	/
Coverage Rate of Security Education and Training	%	100	/
Investment in Work-Related Injury Insurance	RMB thousand	400.6	371.9
Coverage Rate of Work-Related Injury Insurance	%	100	/
Coverage Rate of Health Checkups Among Employees	%	100	/
Detection Rate of Occupational Hazard Factors	%	100	/
Qualification Rate in Detection of Occupational Hazard Factors	%	100	/
Number of Safety Incidents ¹²	Case	0	0
Major Safety Incidents	Case	0	0
Number of Work-related Deaths	Person	0	0
Rate of Work-Related Fatalities	%	0	0
Total Number of Work-related Injuries	Person	0	/
Number of working days lost due to work-related injuries	Working Days	0	/
Number of PSC Ship Inspections	Ship • time	27	17
Number of PSC Ship Detentions	Ship • time	0	0
Number of FSC Ship Inspections	Ship • time	38	45

¹²Including (responsibility for major and particularly major production safety accidents, responsibility for significant production safety accidents, responsibility for general safety production accidents, occurrence of minor accidents)

Number of FSC Ship Detentions	Ship • time	0	0
Number of SIRE Inspections	Ship • time	64	44
SIRE Inspection Pass Rate	%	100	100
Number of CDI Inspections	Ship • time	6	7
CDI Inspection Pass Rate	%	100	100
R&D and Innovation			
Investment in R&D	RMB thousand	1,496.7	1,539.4
Total Number of Authorized Patents	Item	27	26
Total Number of Software Copyrights	Item	18	18
Total Number of Trademarks	Item	18	12
Supply Chain Management			
Supplier Review Coverage Rate	%	100	100
Signing Rate of Integrity Cooperation Agreement by Core Suppliers	%	100	100
Data Security and Customer Privacy Protection			
Number of Data Security Violation Incidents	times	0	0
Specific Amount Involved in Data Security Incidents	RMB thousand	0	0
Number of Incidents Involving Leakage of Customer Information	Case	0	/
Customers' Rights and Interests			
Customer Satisfaction	%	96.93	98.69
Contribution to Society			
Total Investment in Social Welfare	RMB thousand	2,000	2,022.8
Number of Volunteer Activities	Person-times	130	100
Number of Volunteer Activities	Times	5	5
Investment in Rural Revitalization	RMB thousand	17.4	/

/ Terms and Definitions /

Acronyms	Definition
IMO	International Maritime Organization is a specialized agency of the United Nations responsible for maritime safety and preventing ship-generated marine pollution. Its purpose is to promote technical cooperation among countries in the shipping industry, encourage countries to adopt unified standards in promoting maritime safety, improving ship navigation efficiency, and preventing and controlling ship pollution to the oceans, and to carry out related activities.
MARPOL	International Convention for the Prevention of Pollution from Ships is an international convention established by the International Maritime Organization that sets safety regulations regarding the prevention and limitation of ship discharges of oil and other harmful substances that pollute the oceans.
International Convention for the Control and Management of Ships' Ballast Water and Sediments	According to IMO requirements, existing ships need to meet the D-2 standard for ballast water discharge at the first IOPP renewal inspection after September 8, 2017; new ships delivered on or after September 8, 2017, should meet at least the D-2 discharge standard at the time of delivery. MEPC71 approved the amendment to Article B-3 of the Ballast Water Convention. New ships should be equipped with a BWMS at the time of delivery to meet the D-2 discharge standard. Existing ships should be equipped with a Ballast Water Management System (BWMS) during their first IOPP certificate renewal inspection on or after September 8, 2019.
EU ETS	European Union Emissions Trading System is a carbon emissions trading mechanism established by the EU to achieve greenhouse gas reduction targets. By setting an overall carbon emissions cap, carbon emission quotas are allocated to businesses, allowing the trading of carbon emission rights between companies, using market methods to encourage businesses to reduce carbon emissions.
EEEXI	Energy Efficiency Existing Ship Index is a requirement for the energy efficiency and carbon dioxide emissions per ton-mile of existing ships.
CII	Carbon Intensity Index measures the carbon dioxide emissions during the shipping process and reflects the carbon emissions generated per unit of cargo transported. This index was introduced by the IMO to address climate change and reduce greenhouse gas emissions. It aims to encourage ship operators to adopt more energy-efficient and environmentally friendly operational methods to reduce carbon emissions.
PSC	Port State Control refers to the supervision and control conducted by the maritime authority of the port state on foreign ships entering its ports, in accordance with relevant international conventions.
FSC	Flag State Control refers to the supervision and inspection conducted by the maritime authority of the flag state on ships registered under its flag.
SIRE	Ship Inspection Report Programme is an industry-wide ship inspection and reporting system aimed at improving the safety and anti-pollution standards of oil tankers and chemical tankers. Through unified inspection standards and reporting formats, it provides references for ship operation, chartering, and other related activities.
CDI	Chemical Distribution Institute is an international industry organization dedicated to developing and promoting safety, environmental protection, and operational standards for the transportation of chemicals by ships.
DOC	Document of Compliance is a document issued to a shipping company or ship management company as proof of compliance with the International Safety Management (ISM) Code. It indicates that the Company has an effective safety management system in place to ensure safe ship operations and prevent pollution.
SMC	Safety Management Certificate is a certificate issued to a ship by the competent authority or an accredited organization after the ship has established and operated a safety management system in compliance with the ISM Code and passed an audit, certifying that the ship is capable of safe operations and preventing pollution.

/ Indexes /

Corresponding Section		Shanghai Stock Exchange Self-Regulatory Supervision Guidelines for Listed Companies No. 14 - Sustainability Report (for Trial Implementation)	Guide to Corporate Social Responsibility Reporting in China (CASS-CSR 6.0)	Global Reporting Initiative "Sustainability Reporting Standards" (GRI Standards)
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	Assurance of Safety and Health	Articles 49 and 50	S4.2	403-6/403-7/403-10
	Construction of Safety Culture	Articles 49 and 50	S4.2	403-4/403-5

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United Cooperation: Building Sustainable Development Together	Enhancement of Development Resilience	Article 47	S3.3	416-1/416-2
	Construction of Digital and Intelligent Shipping	Article 41 and 42	S2.1	/
	Joint Promotion of Industry Development	/	/	/
	Sustainable Supply Chains	Articles 44-46	S3.1/S3.2	308-1/414-1
	Protection of Information Security	Article 48	S3.4	418-1
Shared Responsibility: Seeking Collaborative Growth and Mutual Prosperity	Protection of Employees' Rights and Interests	Articles 49 and 50	S4.1	405-1
	Optimization of Remuneration and Benefits	Articles 49 and 50	S4.1	415-1
	Employee Care and Support	/	/	/
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Feedback

Thank you for reading this report. To improve Xingtong Shipping's performance in environment, society, and governance, further enhance its sustainable development capabilities and levels, and strengthen communication with all sectors of society, we sincerely hope that you will provide valuable feedback and suggestions on our work and report amidst your busy schedule.

Your Information

Name:

Tel.:

Unit :

Email:

Multiple Choice (Please check √ in the appropriate box)

1. Your overall assessment of Xingtong Shipping's 2024 Environmental, Social, and Governance (ESG) Report:

☐ Good

☐ Average

☐ Needing Improvement

☐ I don't know

2. How do you think Xingtong Shipping has performed in terms of customer service?

☐ Good

☐ Average

☐ Needing Improvement

☐ I don't know

3. How do you think Xingtong Shipping has performed in terms of technological innovation?

☐ Good

☐ Average

☐ Needing Improvement

☐ I don't know

4. How do you think Xingtong Shipping has performed in terms of corporate governance?

☐ Good

☐ Average

☐ Needing Improvement

☐ I don't know

5. How do you think Xingtong Shipping has performed in terms of team building?

☐ Good

☐ Average

☐ Needing Improvement

☐ I don't know

6. How do you think Xingtong Shipping has performed in terms of social welfare?

☐ Good

☐ Average

☐ Needing Improvement

☐ I don't know

7. How do you think Xingtong Shipping has performed in terms of sustainable supply chains?

☐ Good

☐ Average

☐ Needing Improvement

☐ I don't know

8. Do you have any comments on Xingtong Shipping's performance in sustainable development?

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