



XINGTONG SHIPPING CO., LTD.
Stock Code | 603209.SH

Steering Our Ambitions and Navigating the Blue



2023

XINGTONG SHIPPING CO., LTD.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) REPORT

CONTACT US

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ABOUT THIS REPORT

Reporting Period

This Report covers the period from January 1st to December 31st, 2023, and includes additional information beyond the stated reporting period.

Included Entities

This Report covers Xingtong Shipping Co., Ltd. and its subsidiaries. For ease of expression and reading, Xingtong Shipping Co., Ltd. is also 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 Cycle

This annual report is the second iteration of Environmental, Social, and Governance (ESG) Report released by the Company since its establishment.

Data Source

All the information and data included in this Report come from publicly disclosed materials and related statistics of Xingtong Shipping.

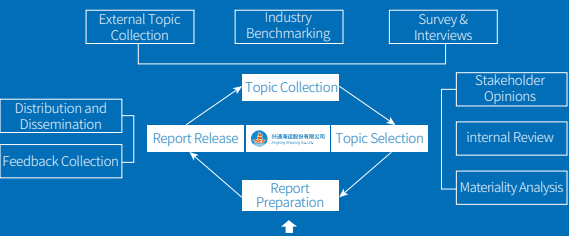
References

This Report is prepared with reference to the United Nations Sustainable Development Goals (SDGs), the Sustainability Accounting Standards Board (SASB) Standards, the *Guidelines No. 1 for the Application of Self-regulatory Rules of Companies Listed on the Shanghai Stock Exchange—Standardized Operation (Revised in December 2023)*, and the *Notice of the Shanghai Stock Exchange on Strengthening the Social Responsibility of Listed Companies*.

Reliability Assurance

The information presented in this Report is accurate, reliable, and adequately addresses the concerns which are relevant to our stakeholders. Furthermore, it provides an objective representation of our Company's social responsibility performance.

Report Compilation Process



Data Collection - Framework Planning - Compilation and Design - Internal Review - Revision and Improvement - Top Management Approval

The Forms of The Report

The Report is available in both Chinese and English versions. The Chinese version shall prevail in case of any misunderstandings caused by the translation and cultural or traditional differences. The authenticity of this report is tenable regardless of these misunderstandings.

The Report is released in print and digital formats. It is available for online query and downloads via the following link:<http://www.xtshipping.com/>

Contact Us

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GENERAL MANAGER'S MESSAGE

The petrochemical sector is a key economic pillar for China, essential for the country's transformation towards a manufacturer of quality, while the shipping of hazardous liquids is an integral part of the petrochemical supply chain logistics. On September 25th, 2023, President Xi Jinping highlighted in his congratulatory letter to the Global Sustainable Transport Forum that "Building a safe, convenient, efficient, green, economical, inclusive and resilient sustainable transportation system is an important step in supporting the high-quality development of the economy and society. It is also important in ensuring the easier movement of people and the smoother flow of goods." As a leading company in China's chemicals shipping sector, Xingtong Shipping has steadfastly held to its mission and original vision for 26 years. While focusing intensively on its core business, the Company has consistently refined its approach in market development, customer service, safety management, and capacity enhancement, always striving to lead and innovate in its field. Our vision is to "Become a leading integrated service provider for the chemicals supply chain, both domestically and internationally".

Expand Horizons Together: Tap into the Growth of the Blue Economy

Following the "1+2+1" development strategy, we made steady and substantial progress, resulting in an expansion of our fleet's carrying capacity in 2023. That was achieved through our strategic acquisition of XT-IMC in March, and our top-scoring performance in the Ministry of Transport's assessment of shipping companies for fleet carrying capacity control, which earned us approval for an additional 3.7 KDWT for our chemical tankers. Meanwhile, the fleet was further expanded by commissioning six newly constructed or acquired ships. By December 31st, 2023, we operated 33 bulk liquid chemical tankers, product tankers and LPG carriers (excluding ships under construction) with a total capacity of 384.9 KDWT. The volume of cargo we shipped annually exceeded ten million tonnes for the first time.

In 2023, we ventured into the international shipping sector, aligning our efforts with the broader goal of strengthening China's maritime capabilities. We established 14 wholly-owned subsidiaries, including Xingtong Hainan, Xingtong Hong Kong, and Xingtong Singapore. Within just a year since the launch of our international chemicals transportation service in November 2022, we have managed to offer both voyage and time charter services to global petrochemical clients. Our routes span from East Asia and the Middle East through the Mediterranean to the Atlantic and the Americas. By December 31st, 2023, we had six ships operating along international routes with a combined capacity of 97.2 KDWT, and five more such ships under construction with a combined capacity of 89.8 KDWT. We are committed to "Building a top-tier, large, and influential shipping fleet", poised to navigate the boundless opportunities of the deep blue ocean.

Benchmark Against the Best: Sharpen Competitive Edge in Safety Management

To facilitate the safe, green, healthy, and orderly development of the hazardous chemicals shipping sector, regulators have set strict standards for chemical logistics companies regarding service certifications, safety policies, and staffing. Our company consistently adheres to the highest standards and stringent requirements. Since our safety management system's launch in 2002, we have adopted key performance indicators and best practices from the Tanker Management and Self-Assessment (TMSA) program, aiming for continuous improvement of the system to align with international benchmarks, high criteria and standardization. We are dedicated to improving customer services and building a positive comprehensive social brand reputation through our excellent safety management capabilities and performance. We highly invested in safety and has achieved good safety performance as well. We have been awarded the "Business of Safety and Integrity" by the Maritime Safety Administration and has been effective for six consecutive years. Additionally, ten of our ships have been named "Ship of Safety and Integrity", and twelve captains have earned the title of "Captain of Safety and Integrity." This widespread recognition fuels our ongoing commitment to excellence in ship safety management.

As for international ship management, we are closely collaborating with top-tier ship management firms, OSM Thome and International Marine Carriers (IMC). We aim to excel in safety, quality, and technological innovation, thereby enhancing our service to global petrochemical clients. Continuous investment and upgrades in safety management have won us market recognition and first-class brand reputation.

Pioneer the Future: Advance Towards a Greener, Low-Carbon Fleet

In 2023, the International Maritime Organization (IMO) revised its *Strategy on Reduction of GHG Emissions from Ships*, with a goal of achieving net-zero emissions across the global shipping industry by around 2050. In an active response to the global emission reduction strategy and the national "dual carbon" policy, we have proactively expanded our fleet with younger, technologically advanced, and environmentally friendly ships.

We have actively collaborated with China Classification Society, design institutes, and main engine manufacturers, among others, to advance the design of our dual-fuel ships, and achieved significant results. In August, we signed contracts for the construction of two 25.9 KDWT methanol dual-fuel stainless steel chemical tankers. In October, "XING TONG 96" received the Green Eco-ship certification granted by the China Classification Society. By continuously enhancing the environmental performance of our ships and improving energy efficiency management, we strive to provide our customers with sustainable and low-carbon logistics solutions and contribute to China's ambitious "dual carbon" goal.

Talent-Driven Growth: Make Xingtong Shipping a Talent Magnet

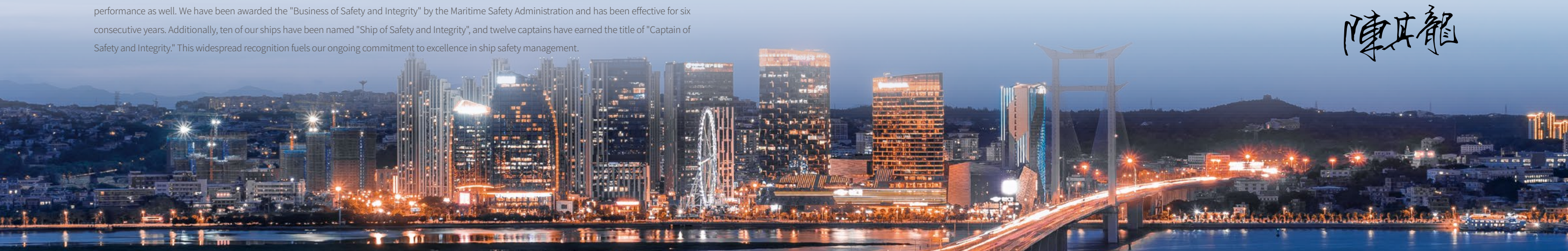
Throughout our development, employees stand as our most valuable asset. We recognize that our progress and achievements hinge on the dedication and innovation of every team member. Therefore, we are committed to nurturing talent, enhancing our systems, and enriching our corporate culture, making Xingtong Shipping a top talent magnet. We aim to create a work environment that is inclusive, supportive, and foster personal development, where every employee feels a profound sense of achievement and belonging.

Since its establishment, we have worked to deepen emotional connections with our crew members by extending care to their families, offering supportive policies, improving crew welfare and benefits, and cultivating a fleet culture. These approaches have consistently enhanced the crew's sense of identity and well-being. We believe that by focusing on the growth and well-being of our employees, we can not only attract and retain the best in the industry but also unlock our team's potential, propelling the Company towards even greater success.

The year 2023 was pivotal for the implementation of the "14th Five-Year Plan." It also marked the 10th anniversary of the "Belt and Road" Initiative, and a milestone of high-quality development for Xingtong Shipping. As we look to the future, our spirits are buoyed by confidence and anticipation. With a long journey ahead, it is time to seize opportunities and navigate towards our dreams. We will remain steadfast in sustainable development, constantly seeking and applying good practices and embracing global partners with open arms. Together, we will pave the way for a promising future for the chemicals logistics and shipping industry.

General Manager of Xingtong Shipping

陳其龍



ABOUT XINGTONG

SHIPPING



COMPANY PROFILE

Established in December 1997 with a registered capital of RMB 280 million, Xingtong Shipping specializes in the coastal and international shipping of liquid hazardous goods in bulk. Since March 24th, 2022, its shares have been listed on the main board of the Shanghai Stock Exchange under the stock code 603209. The Company ranks among the Top 3 shipping businesses in Fujian Province, and serves as Deputy Director of the China Shipowners' Association (CSA) Chemical Transport Committee, Vice President of the Dangerous Chemical Logistics Branch of China Federation of Logistics & Purchasing, Executive Director of China Petroleum Circulation Association, Vice President of Fujian Shipowners' Association, and President of Quanzhou Shipowners' Association.

Business Overview

After years of growth, Xingtong Shipping has established itself as a leading company in the coastal shipping of bulk liquid chemicals in China, playing an eminent role in the market segment. By December 31st, 2023, the Company operated 33 bulk liquid chemical tankers, product tankers and LPG carriers (excluding ships under construction), boasting a total capacity of 384.9 KDWT. Specifically, 27 ships with a capacity of 287.7 KDWT operated for domestic trade, and 6 ships with a capacity of 97.2 KDWT operated for international trade. In addition, 7 ships with a capacity of 101.0 KDWT were under construction. Among them, 2 ships with a capacity of 11.2 KDWT are for domestic routes, and 5 ships with a capacity of 89.8 KDWT are for international routes.

Our routes in China cover not only the coastal areas, but also the middle and lower reaches of the Yangtze River and the Pearl River, forming a transportation network that connects major domestic chemical industrial bases including Bohai Bay, Yangtze River Delta, Pearl River Delta and Beibu Gulf. We handle a variety of petrochemicals, including xylene, liquid alkali, methanol, ethanol, ethylene glycol, pure benzene, aviation kerosene, gasoline and diesel, butadiene, and butane. Our clients include petrochemical giants such as Sinopec, CNOOC, CA, PetroChina, ZPC, CSPC, Wanhua Chemical, and Shenghong Refining & Chemical. We have repeatedly won recognition and titles such as "Service Provider of Strategic Partnership", "Excellent Supplier", and "Excellent Service Provider" from our downstream customers.

Our international transport services cover regions including Northeast Asia, Southeast Asia, the Middle East, the Mediterranean, Northwest Europe, South America, and the Indian Ocean. We mainly ship cargoes such as ethylene glycol, phenol, diethylene glycol, styrene, palm oil, and base oil for our clients, including PETROBRAS, SABIC, RELIANCE, RAFFLES, ICOF, ENOC, PETRONAS, and SIPCHEM, etc.

Vision

To become a leading integrated service provider for the chemicals supply chain, both domestically and internationally, with first-rate fleet, services, management, team, and culture

Mission

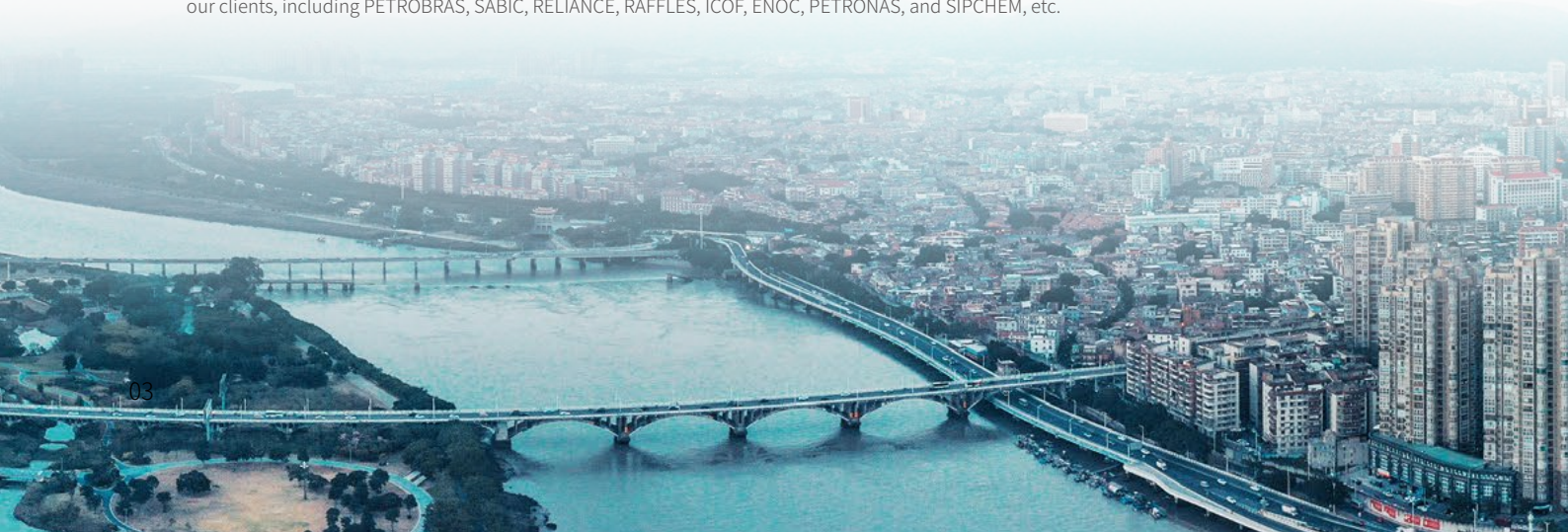
To create value for our customers, investors, employees, and society with safe, efficient and trustworthy services

Values

People centricity, innovation, value creation, and pursuit of excellence

Ten Tenets

Contribute to the national development through maritime business	Remain true to our original aspiration and uphold the principles of integrity, humility, solidarity, and hard work	Benchmark against the top players and work together to deliver first-rate services	Offer superior services by always putting customers first	Hold safety as the lifeblood of the business and pay close attention to details
Be pragmatic, productive, innovative, and responsible	Strive for continuous improvement through self-evaluation, instead of perfection	To forge iron, one must be strong	Concentration, commitment, professionalism, and expertise	Show reverence for responsibility, regulations, and life



BUSINESS DEVELOPMENT STRATEGY

In 2023, the Company continued our commitment to the "1+2+1" development strategy. We purchased and built ships to increase the capacity of our chemical tanker fleet in order to consolidate our leading position in the domestic transportation of bulk liquid chemicals by water, expanded our fleet of LPG carriers for domestic routes, and enhanced our capabilities to serve the international market. In the future, we will continue to develop our core business and increase our brand awareness.

Under the guidance of the "Belt and Road" Initiative and the 14th Five-Year Plan for Water Transport Development, and driven by the vision of becoming a leading integrated service provider for the chemicals supply chain both domestically and internationally, Xingtong Shipping actively engages in the international hazardous chemicals shipping and strengthens its future-oriented customer service capabilities with our aim of growing into a globally competitive and renowned shipping company.

 1 Core

1

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

+

 New Field New Direction

2

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

+

 1 Platform

1

Create a digital platform for chemical supply chain logistics, consistently promoting digitalization and the application of technological innovation

▲ Xingtong Shipping's "1+2+1" Strategy



2023 HIGHLIGHTS



HONORS AND AWARDS

Recognition from government authorities and the industry



"Business of Safety and Integrity", recognized by the Maritime Safety Administration of the People's Republic of China (for six consecutive years)



Deputy Director of the Fourth China Shipowners' Association Chemical Transport Committee



"2023 China Chemical Logistics Industry 'Golden Tank Award' for ESG & Sustainability Management", presented by China Federation of Logistics & Purchasing



Role Model in 2022 Fujian Province **"Ankang Cup" Competition**, awarded jointly by the Fujian Federation of Trade Unions and the Fujian Provincial Department of Emergency Management



"Over RMB 100 million taxpayer in 2023", recognized by the CPC Committee of Quangang District and the People's Government of Quangang District

Recognition from clients



"2022 Service Provider of Strategic Partnership" awarded by Rongsheng Petrochemical Co., Ltd.



"Excellent Logistics Service Provider in 2022" presented by the South China Branch of Sinopec Chemical Commercial Holding Company Limited



"Excellent Carrier in 2023" granted by CNOOC South China Sales Co., Ltd.



"Excellent Supplier in 2022" recognized by Fujian Refining and Petrochemical Co., Ltd.

STRENGTHEN

GOVERNANCE TO LAY A SOLID FOUNDATION
FOR DEVELOPMENT

An efficient governance mechanism is fundamental for a company to achieve its operational goals and long-term vision. Xingtong Shipping rigorously adheres to the governance standards required of listed companies, and embraces a business philosophy centered on "integrity, compliance, and win-win cooperation." The Company is committed to continuously enhancing its governance framework to improve its governance capabilities and overall performance.

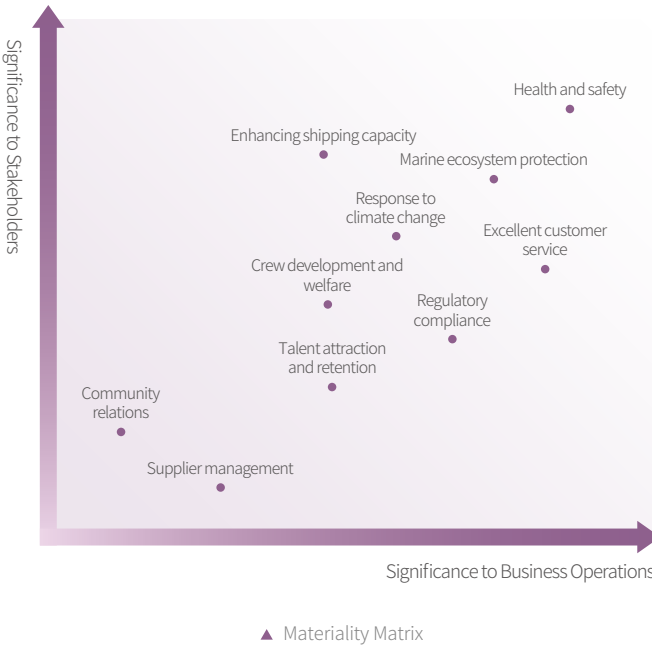


ESG GOVERNANCE AND MANAGEMENT

We operate in the highly specialized and risk-intensive transportation of liquid hazardous goods in bulk, which is characterized by significant entry barriers, stringent regulatory oversight, and exacting standards. The Board has instituted a Safety and Environmental Protection Committee, comprising three directors and further supported by a dedicated working group led by our Marine Safety Officer. This committee supervises our management practices in safety and environmental protection, offering crucial support for board-level decisions in these areas.

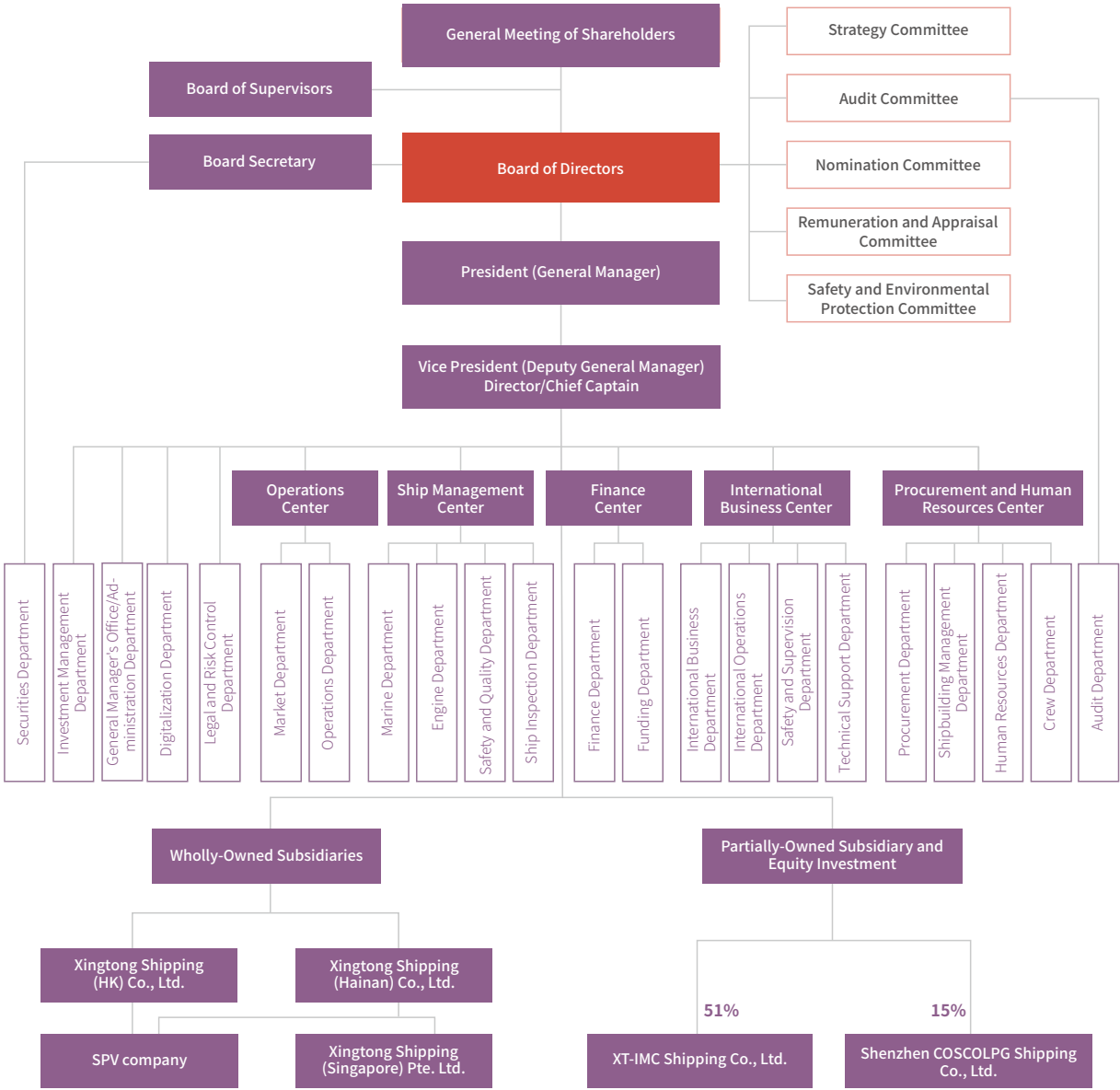
Material Topic Analysis and Updates

In June 2023, the International Sustainability Standards Board (ISSB) issued the *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information* and *IFRS S2 Climate-related Disclosures*. Xingtong Shipping pays close attention to the publication of international sustainability disclosure standards. We adhere to the definition of material topics in the *ESG Reporting Guide* issued by the Hong Kong Stock Exchange, and incorporate the key topics identified by the SASB Standards for the maritime transportation industry. This enables us to refine our materiality focus based on the foundational work conducted in 2022. Our goal is to more effectively meet external expectations and highlight the disclosure of these material topics in our Report.



Material Topics

Category	Topic	Category	Topic
G	Regulatory compliance	S	Excellent customer service
E	Response to climate change		Supplier management
S	Marine ecosystem protection		Talent attraction and retention
	Enhancing shipping capacity		Crew development and welfare
	Health and safety		Community relations



Key performance highlights:

In 2023

We held **5** general meetings of shareholders, **12** board meetings, and **11** supervisory board meetings. These sessions primarily focused on proposals such as major asset restructuring, refinancing, policy revisions, and ship construction. All resolutions were passed

Stakeholder Communication

We are dedicated to elevating our corporate responsibility governance and competitiveness. With a clear focus on crafting a compelling Xingtong Shipping narrative, highlighting our brand, increasing our visibility, and generating value, we proactively communicate and interact with key stakeholders, including governments, regulatory agencies, shareholders, and clients. Our goal is to enhance the transparency of our information sharing and response to concerns, fostering a path toward the sustainability of both our Company and the wider community.

Stakeholder	Main Concerns	Our Response
Government/ Regulatory bodies	Tax compliance Employment promotion Regulatory compliance	Enhance communication with governments/regulatory bodies Release regular reports and ESG reports Promote steady corporate growth
Shareholders	Regulatory compliance Business integrity management Risk management and internal control Business development strategy	Hold shareholder meetings Release regular reports and ESG reports
Employees	Basic rights protection Health and safety Career development Crew welfare	Host wage negotiation and communication sessions Ensure occupational health and safety Offer competitive payment and benefits Provide various employee training programs Establish a "Seafarers' Home"
Community	Community contribution	Invest in community development initiatives
Environment	Energy conservation and carbon emission reduction Waste discharge Marine ecosystem protection	Improve environmental management Implement energy-saving and emission-reduction initiatives Protect marine ecosystem Develop eco-friendly ships
Clients	Safe and reliable logistics services Excellent customer service	Enhance shipping capacity Ensure reliable and safe transportation Provide green, low-carbon shipping options
Suppliers	Fair, just, and open procurement	Provide equal opportunities Conduct responsible procurement
Peers/NGOs/ Industry organizations	Industry development	Participate in industry forums and meetings
Media	Transparent communication	Make timely release of reports and information

Key performance highlights

In 2023



We hosted **38** online forums, **46** in-person meetings and **3** performance briefings, enabling investors, the media, and others to gain a timely, comprehensive, and unbiased understanding of the Company’ s operations

RISK MANAGEMENT

Xingtong Shipping integrates the essentials of risk management into its corporate governance and operational workflows, establishing a "three lines of defense" approach to risk management.



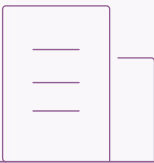
In 2023, the Company has updated the *Contract Management System* and its implementation requirements, and drafted the *Overseas Anti-Corruption Policy* and the *Anti-Money Laundering Statement*. Additionally, we undertook various risk management trainings, which included specialized trainings on topics of Signing and Executing International Charterparties, Legal Risk of Online Promotion, EU&IMO Shipping Regulations, and Navigation Safety ,and contract legal risk management training for all our shore-based employees.

BUSINESS ETHICS AND COMPLIANCE

Xingtong Shipping strictly adheres to the *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China* and other laws and regulations on anti-corruption, anti-fraud, anti-money laundering, and anti-sanctions. We consider integrity to be a key element of our competitive edge and a vital "intangible asset" for maintaining a positive public image. Accordingly, we have integrated this principle into our ten tenets. We have also woven compliance requirements into our strict internal control system, and enforced stringent regulations on the conduct of our board of directors, supervisory board, and senior management team.

Key performance highlights

In 2023



Xingtong Shipping experienced no ethics and compliance missteps, nor did it incur any financial losses due to legal actions related to bribery or corruption

CREATE

A WIN-WIN ECOSYSTEM JOINTLY

With our sights set on the sea, we aim to contribute to the national development through shipping business. Xingtong Shipping strives to become a leading integrated service provider for the chemicals supply chain, both domestically and internationally. Through scientific management, specialized operations, and extensive experience, we fully dedicate ourselves to the safety and stability of the chemicals supply chain, and work with diverse stakeholders to build an industry ecosystem that thrives on win-win collaboration.

3

GOOD HEALTH
AND WELL-BEING

7

AFFORDABLE AND
CLEAN ENERGY

8

DECENT WORK AND
ECONOMIC GROWTH

9

INDUSTRY, INNOVATION
AND INFRASTRUCTURE

17

PARTNERSHIPS
FOR THE GOALS

STRENGTHEN SHIPPING CAPACITY TO FACILITATE EFFICIENT CHEMICALS LOGISTICS

The Ministry of Transport unveiled the 14th Five-Year Development Plan for Water Transport in 2022. This blueprint advocates for a maritime fleet that is scalable, well-structured, technologically advanced, smart and eco-friendly, and encourages shipping enterprises to enhance their services. Under the guidance of industry policies, China's waterborne transport is growing in lockstep with the country's ascent as a maritime power, unlocking new opportunities for shipping companies. Amidst the complex and ever-changing international landscape, we tackle challenges head-on, seize market opportunities, and fully implement our "1+2+1" strategy to move faster towards sustainability, high quality, and green growth.

Boost Shipping Capacity

The ongoing growth of China's petrochemical sector has led to a stable expansion in the coastal transportation of liquid hazardous goods in bulk and a continued increase in shipping volume. Our established expertise and extensive experience in the maritime transportation of bulk liquid hazardous chemicals have allowed us to develop a strong shipping network that is perfectly aligned with the demands of the downstream industry.

Xingtong Shipping has a strong foothold in the domestic shipping industry. We navigate the length of China's coastlines, including strategic stretches into major rivers. This expansive network connects the key chemical industry hubs in the Bohai Bay, Yangtze River Delta, Pearl River Delta, and Beibu Gulf. Our operations cover China's major ports, from Liaoning, Hebei, and Tianjin in the north to Guangdong, Guangxi, and Hainan in the south.

In 2023, we expanded our fleet with six ships (84.4 KDWT in total), of which four were for international routes and two for domestic trade. Furthermore, our strategic acquisition of XT-IMC added six more chemical tankers, increasing our capacity by an additional 41.0 KDWT.

Key performance highlights

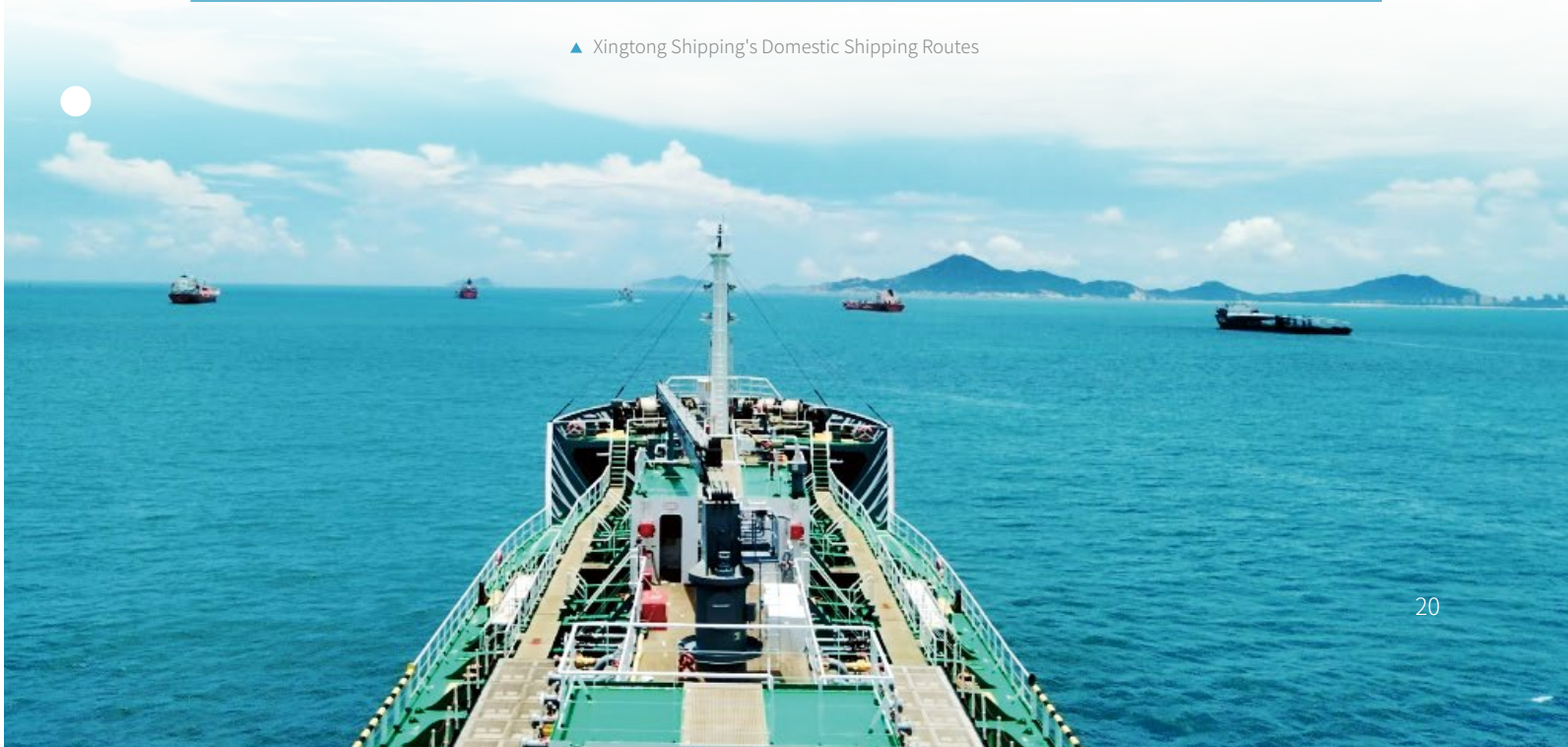
By December 31st, 2023

the Company (along with its subsidiaries) had **33** in-service ships,

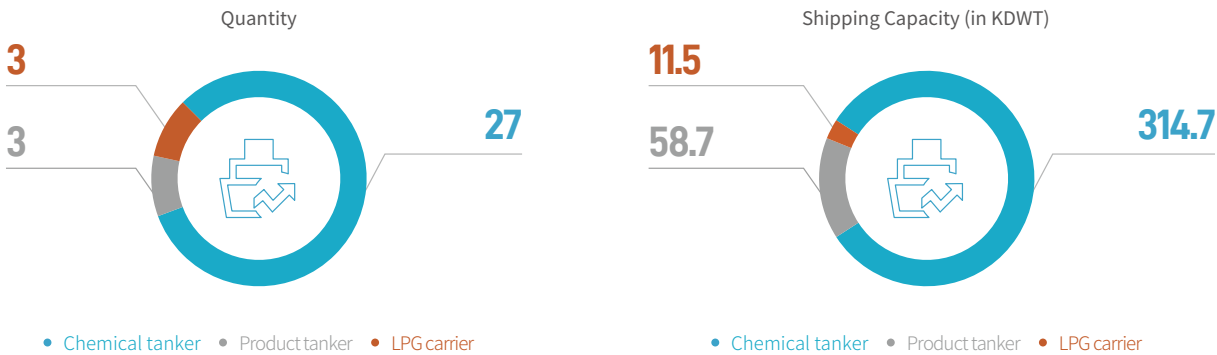
with a combined capacity of **384.9** KDWT



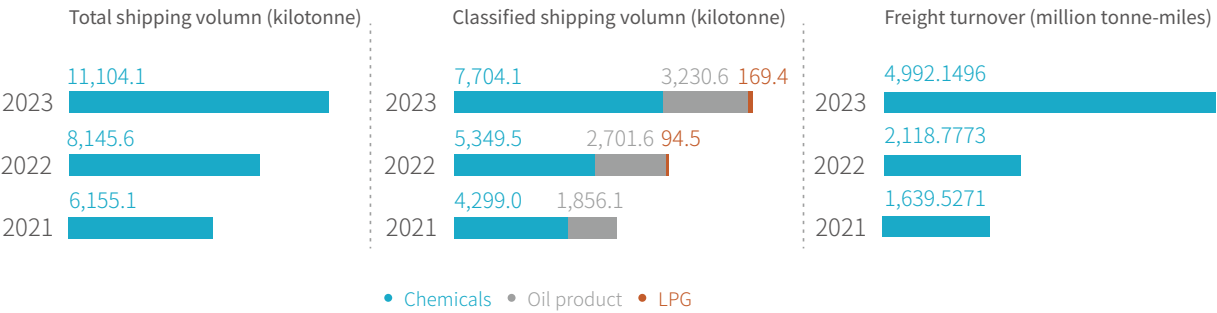
▲ Xingtong Shipping's Domestic Shipping Routes



Ship Quantity and Capacity by Type



Shipping Volume and Freight Turnover

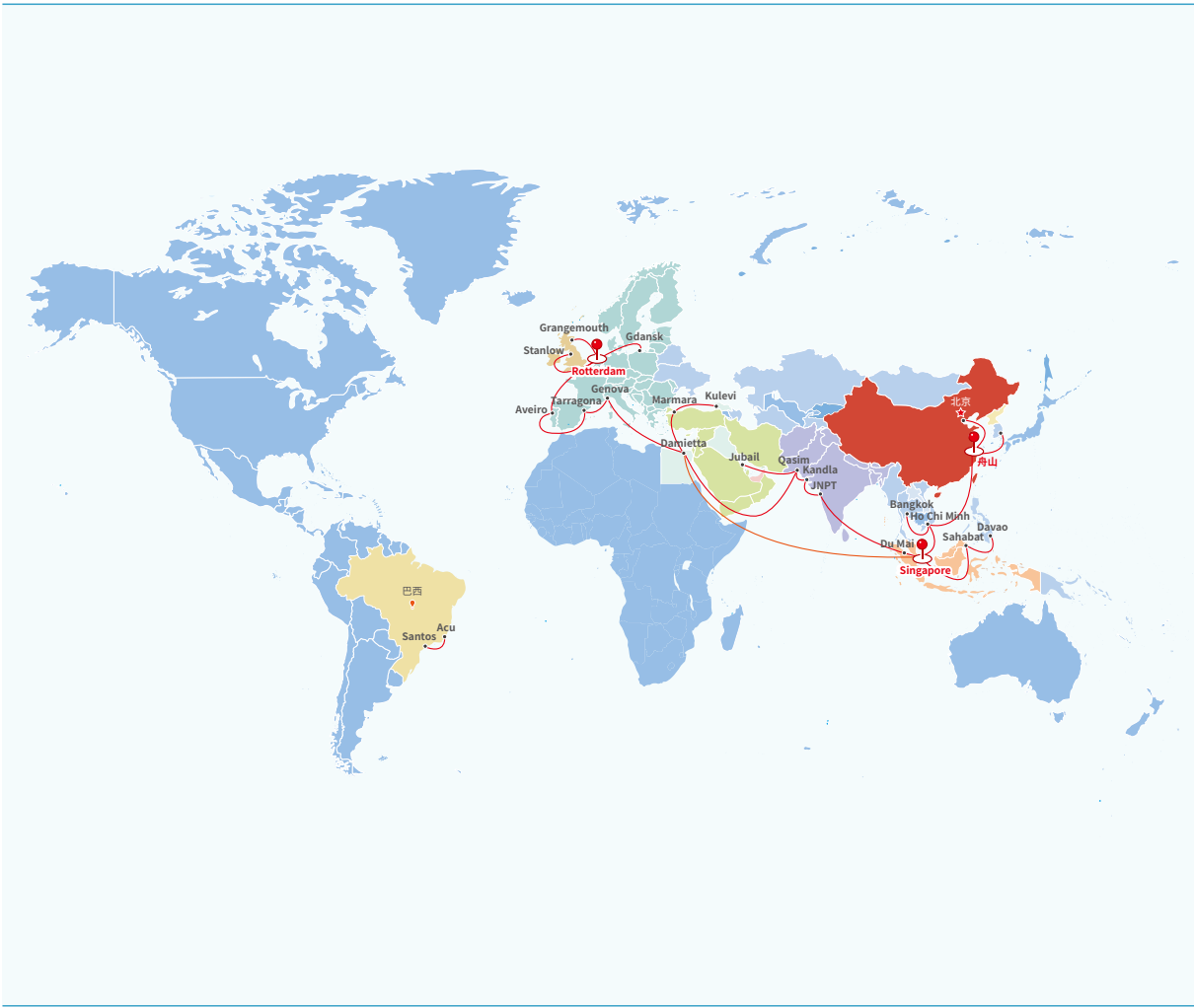


Notes: The shipping volume data includes freight statistics of self-owned ships under voyage charter or time charter, and leased ships under voyage charter.

Enhance Global Competitiveness

The demand for domestic chemicals shipping increases as numerous large integrated refining and chemical projects are progressively launched in China. Furthermore, the relocation of the global refining and chemical hub towards Asia, coupled with the global expansion of China's refining and chemical industry, is fueling a sustained increase in the demand for international chemicals shipping. As we continue to reinforce our leading position in domestic chemicals transportation, we have also fully embarked on international operations, aiming to provide our global clientele with efficient, safe and reliable shipping services.

Our services, which are provided on voyage charter and time charter, span from East Asia and the Middle East through the Mediterranean to the Atlantic, covering continents from Asia to Europe, Africa, and South America. By December 31st, 2023, we had six ships operating along international routes with a combined capacity of 97.2 KDWT, and five more such ships under construction with a combined capacity of 89.8 KDWT.



▲ Xingtong Shipping's International Shipping Routes



▲ "XT PROGRESS" Was Put into Operation in August



▲ "XT PROSPERITY" Was Successfully Launched in November



▲ "XT BRIGHTNESS" Was Successfully Launched in November



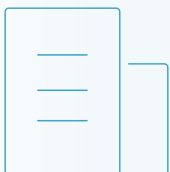
▲ "XT PEACE" Was Put into Operation in December



Deepen Transformation Toward Digital and Smart Systems

Key performance highlights

Our investment in research and development for the year 2023 amounted to RMB **15394** million



Digital Shipping



We have developed a comprehensive digital management platform that covers ship management, shipping logistics, materials procurement, and financial systems. This platform ensures complete tracking of ships and cargo, offering real-time, extensive information support. This has enabled efficient integration of port and shipping information, as well as visibility and control over the entire lifecycle of cargo transport to significantly improve the operational efficiency and safety of our ships

We have incorporated a proprietary 48-hour anchorage alert feature, derived from the Kingdee System. This feature keeps an eye on the anchoring status of ships and uses algorithms to issue prompt warnings about the length of anchorage, thereby boosting overall operational efficiency

Smart Ships



By integrating ship management systems, Automatic Identification Systems (AIS), and Electronic Chart Display and Information Systems (ECDIS), we are able to dynamically track geographical, weather, and navigational data to significantly improve the safety and reliability of maritime navigation

Business Intelligence Systems



Utilizing the data analysis and visualization capabilities of Business Intelligence (BI) systems, we can look into key data for "Operations, crew, fuel consumption, and market" to assess our business performance, operational efficiency, and customer satisfaction, while also identifying potential risks and tracking market dynamics. This allows us to fine-tune our operations, sharpen core competencies, and improve delicacy management practices

▲ Improve Resource Allocation Through Digital Applications

LEAD THE INDUSTRY WITH EXCEPTIONAL SERVICES

In response to the evolving trends for greener, lower-carbon, and smarter shipping operations, and ever stricter safety and environmental regulations, chemical companies are raising their expectations for the professional expertise and safety management skills of logistics carriers. At Xingtong Shipping, we "Put customers first and remain committed to innovation." Our service tenet is "Every employee strives to achieve service excellence and puts customer's needs as top priority." By identifying and addressing our customers' unique requirements, from reducing cargo damage and boosting port efficiency to offering fast emergency responses, we provide shipping services that excel in efficiency and quality.

Minimizing cargo losses

In view of the liquid hazardous goods characterized by flammability, volatility, and toxicity, we implement rigorous management of our ships' equipment, ensure optimal ship performance and constantly improve the professional skills of our crew, so that the Company's cargo loss rate is at a low level

Schedule management

Our schedule is underpinned by advanced ship scheduling, precise port arrival data analysis, efficient port operations, effective communication with customers, and seamless internal coordination, all of which align to fulfill our customers' shipping timelines

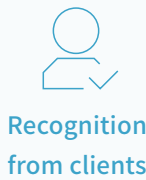
Emergency response

During maiden voyage projects for large refining and chemical businesses, we have provided prompt support for their emergency response plans, ensuring uninterrupted chemicals supply chain for our clients

In 2023, we further enhanced our services through the implementation of an internal control system designed for our shipping services. This system outlines clear service standards across all business activities, from market development and requirement verification to contract execution, order review, and shipment tracking. Leveraging delicacy management approaches and strategic scheduling, our professional teams maintained low cargo losses, offered rapid responses, and flexibly organized resources, promptly meeting our customers' unique requirements.



- "Service Provider of Strategic Partnership in 2022" by Rongsheng Petrochemical Co., Ltd.
- "Excellent Logistics Service Provider in 2022" by the South China Branch of Sinopec Chemical Commercial Holding Company Limited
- "Excellent Carrier in 2023" by CNOOC South China Sales Co., Ltd.
- "Excellent Supplier in 2022" by Fujian Refining and Petrochemical Co., Ltd.



We have designed effective customer satisfaction metrics that "Must accurately reflect needs, must be implementable, and must be measurable." These metrics focus on key areas such as shipping service quality, team service efficiency, and the handling and feedback of complaints. Every year, we send satisfaction surveys to our top 20 clients to get their feedback.

Key performance highlights

In 2023

we received **20** satisfaction survey responses, which yielded a customer satisfaction rate of **98.69%**

No customer complaints were reported throughout 2023



RESPONSIBLE SOURCING FOR MUTUAL BENEFITS

While continuously improving our management systems, Xingtong Shipping fully considers and evaluates our suppliers' ESG performance at the stage of identification evaluation, and offboarding, including safety, environment protection, labour, etc..

We champion sustainability in our procurement practices. With regard to critical materials like fuel oil, ship supplies, and ship repair materials, we prefer products that are energy-efficient, have a longer lifespan, and produce minimal waste. Whenever possible, we opt for products marked with the class notation for ecological protection (G-ECO). For international ship management and marine crew services, we require our suppliers to present certifications that detail the labor rights and special operation permits, among others, to ensure compliance with regulations on labor benefits, occupational health and safety, and welfare protection. In our fight against corruption, we mandate that suppliers sign an Integrity Cooperation Agreement, strictly prohibiting all forms of bribery. In 2023, we introduced internal control systems for newbuilding supervision and fuel procurement.

Supplier Selection

We select top-tier suppliers based on their certifications, industry recognition, and management expertise, and share them with our peers to help mitigate ESG risks at the source of the supply chain

Supplier Approval

Before approving a supplier, we require them to provide certifications for quality, safety, environmental protection and labor rights, as well as special operation permits, to ensure the quality of materials and the protection of labor rights

Supplier Evaluation

Based on the Supplier Scoring Standards and the New Supplier Assessment Form, we conduct annual checks and evaluations of our suppliers' qualifications. Our assessment covers their performance in quality, health, safety, and environmental management, along with the certification and implementation of the related systems and the energy efficiency of their products. These constitute the basis for updating our list of qualified suppliers

▲ Supplier Management

Key performance highlights

KPI	2023	2022
Total number of suppliers	131	107
Range of supplier evaluation (%)	100	100
Range of core suppliers signing the Integrity Cooperation Agreement (%)	100	100
Range of core suppliers receiving on-site inspection (%)	52.9	29.2

JOINTLY BUILD A ROBUST ECOSYSTEM THROUGH COLLABORATION

We believe that building a sustainable industry ecosystem requires synergy among all stakeholders involved. Positioned as a leading player in China's coastal shipping market of bulk liquid chemicals, Xingtong Shipping proactively seeks out opportunities for deep engagement and exchange with industry associations, regulatory bodies, and fellow companies to contribute to a vibrant industry ecosystem.



March 2nd, 2023

We attended the parallel forum of the 9th National Chemical Logistics Industry Annual Conference, on the theme of "Focusing on Smart Logistics and Forecasting Future Trends"

September 25th, 2023

We received a visit from the China Shipowners' Association, and presented an overview of our fleet, crew development, and advantages in safety management. Together, we engaged in discussions about chemical transportation

November 23rd, 2023

We participated in the "Safe and Green Chemicals Logistics in China" event organized by the China Federation of Logistics & Purchasing Hazardous Chemicals Logistics Branch. We delved into topics such as carbon emission policies, China's energy structure, shipping business and ship safety management

May 25th, 2023

We shared our perspectives on the future of the chemicals shipping market at the Enmore Maritime Conference

September 26th, 2023

We engaged in reporting and discussions with the Fujian Maritime Safety Administration, Quanzhou Maritime Safety Administration and Quangang Maritime Safety Bureau about our special campaign for "Major hazard identification and correction", along with safety work during the Mid-Autumn Festival and National Day holidays

December 20th, 2023

We attended the shipping sub-forum at the 2023 Logistics Service Provider Conference held by the South China Chemical Sales Branch of PetroChina Company Limited

PRIORITIZE

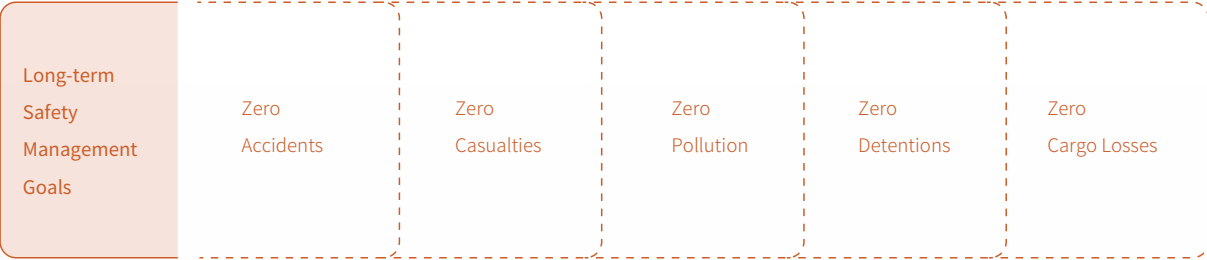
SAFETY FOR LONG-TERM SUSTAINABILITY

Safety is the foundation upon which the hazardous materials shipping industry thrives and evolves. Without safety, we would not be able to provide superior shipping services, let alone maintain our competitive edge for sustainable growth. In every aspect of our shipping operations, safety comes first. At Xingtong Shipping, safety for ships, cargo, crew and their families is a shared value for all.



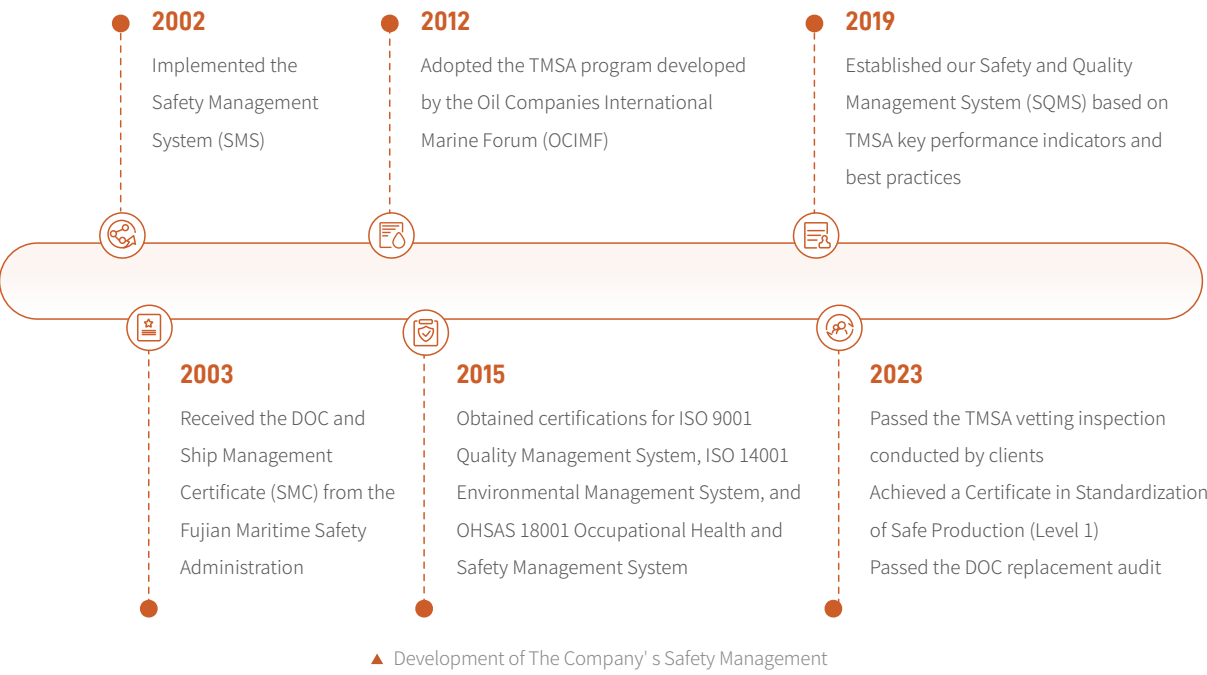
IMPROVE THE SAFETY MANAGEMENT SYSTEM

We believe that our international, rigorous, and standardized safety management system gives us a competitive edge in offering secure, eco-friendly, and superior shipping services to our customers. Xingtong Shipping rigorously adheres to relevant international and domestic laws, regulations, and conventions. We ensure our management philosophy and patterns are on a par with those of top global chemical shipping companies, conduct in-depth exchanges and cooperation in ship safety management with the world's leading ship management companies, and incorporate international standards and the world's leading safety management experiences to continuously improve our safety management system.



The Safety and Environmental Protection Committee is set up under the Board of Directors. The General Manager assumes primary responsibility for workplace safety, aligning safety goals and primary tasks with the corporate policy. The management team sets safety objectives and strategies to ensure these objectives are achieved. The Marine Department and Engine Department manage and implement safety metrics and continuously enhance the safety skills of our entire workforce.

Additionally, we have incorporated the TMSA—a safety management tool widely recognized in the international shipping market. This has elevated and standardized our safety management, environmental stewardship, emergency preparedness and response, as well as reliability and maintenance planning. Our ships have passed inspections by large domestic and international oil companies , including SHELL, BP, PETRON, CNOOC, Sinopec and PetroChina in the Ship Inspection Report Program (SIRE) , and by the Chemical Distribution Institute (CDI).



Safety Management Certification

Name	Issuing Authority	Validity Period
International DOC interim audit	Fujian Maritime Safety Administration	September 1st, 2023 - August 31st, 2024
Domestic DOC replacement audit	Fujian Maritime Safety Administration	May 5th, 2023 - May 24th, 2028
Annual assessment of standardization for safety management in transportation and logistics enterprises	China Classification Society	April 28th, 2022 - April 27th, 2025
Quality management system certificate	Southeast Standard Certification Center	February 6th, 2024 - February 5th, 2027
Occupational health and safety management system certificate	Southeast Standard Certification Center	February 11th, 2022 - January 29th, 2025
Environmental management system certificate	Southeast Standard Certification Center	February 11th, 2022 - January 29th, 2025



DEVELOP SAFETY CULTURE AND PRACTICES

Safety is a universal language for everyone at Xingtong Shipping. We encourage our employees to draw on their experience to develop a safety culture. "Holding safety as the lifeblood of the business and pay close attention to details" has become one of our top ten tenets. Our safety slogans can be found in every nook and cranny of each ship, reminding all employees to always maintain a sense of safety and vigilance.

We believe that prevention is better than cure. Safety training is pivotal in boosting our employees' safety awareness and skills. Knowing this, we have put in place monthly safety and quality management protocols, conducted specialized training sessions analyzing common accidents, and offered learning opportunities in various formats, such as micro-classes and vacation training programs. Additionally, by adopting the 5S methodology for on-site management, we have enhanced our safety management efficiency for shipboard operations.



▲ It refers to five words beginning with the Roman phonetic "S" of the Japanese words



▲ Emergency Drill Onboard

Case

"Safety & Emergency Preparedness is Everyone's Responsibility" National Safety Month Activity

In the 22nd National Safety Month, Xingtong Shipping adopted the theme that "Safety & Emergency Preparedness is Everyone's Responsibility" and engaged all employees in online knowledge contests, specialized training, and more. To effectively improve safety awareness and skills among shore-based employees, the Company invited the fire rescue team of Quangang District to provide emergency training in fire safety and evacuation.



IMPLEMENT SAFETY MEASURES

Transporting hazardous liquids by sea entails high risks, as ships may encounter maritime accidents due to collisions, running aground, fires, or explosions. There is also a chance of safety incidents resulting from improper handling during tank cleaning, cargo operations and other procedures. Recognizing that risk identification and control is a vital approach to avoiding accidents, we have implemented a comprehensive risk management strategy that involves pre-voyage risk assessments, real-time monitoring throughout the voyage, and post-voyage reviews, ensuring that risks are well kept in check.

We have set up and continually improved the dual warning procedure that encompasses hierarchical risk management and hazard identification and correction. In 2023, we launched the *2023 Special Action Plan for Major Hazard Identification and Correction*, and revised our standards on the two-faceted approach to risk prevention (hierarchical risk management and hazard detection and resolution), and on the identification, evaluation, and operational control of occupational health hazards. Furthermore, in response to the requirements for international shipping, we updated our policies on navigation, occupational health, and equipment operation.

1

Improve Hierarchical Risk Control

- Systematically identify, categorize, and manage risk sources, and periodically review the *Risk Management Handbook* to promptly update mitigation strategies for newly identified hazards
- In 2023, we introduced risk assessment for operations involving phenol and for new international shipping routes, and established targeted risk management measures
- Updated the *International Ship Cargo Handling Manual*

2

Minimize Safety Hazards

- Update the *Risk List* and the *Risk Assessment and Control Manual*
- Ensure all risks are effectively managed and continuous improvement is made through various approaches, including requiring shore-based managers to make ship visits or join voyages and conducting ship self-inspections

3

Carry Out Specialized Safety Inspections

- Establish a steering group for major accidents prevention activities, consisting of the General Manager (head), Deputy General Manager and the Chief Captain (deputy heads), and heads of all functional areas (members)
- Perform risk screening for 7 major hazards, such as those concerning crew allocation, significant unauthorized ship alterations, and navigation under extreme weather or adverse sea conditions

4

Enhance Emergency Response

- Establish an emergency management system consisting of emergency management protocols, contingency plans, and the *Emergency Manual*
- Revise the *Annual Ship-Shore Drill Plan* based on the *Five-Year Plan for Ship-Shore Drills* to include all emergencies identified by the Company over the past five years
- In 2023, four ship-shore drills were conducted

5

Strengthen Safety Management Through Digital Applications

- Leverage digital solutions to enhance risk management during sea voyages. This includes employing weather navigation systems (SPOS, WNI), onboard surveillance system, HiFleet tracking system and other digital platforms for real-time monitoring, weather guidance, and risk alerts

▲ Implement Safety Measures

Key performance highlights



Key performance highlights

KPI	Unit	2023	2022
Safety incidents that create significant liability	/	0	0
Safety incidents that create major liability	/	0	0
Safety incidents that create minor liability	/	0	0
Minor accidents	/	0	0
Work-related fatalities	Person	0	0
Work-related fatality rate	%	0	0
Days lost to work-related injuries	Day	0	0
Lost time injury frequency rate per million working hours	Incident/million working hours	0	0
Investment in work safety	million RMB	11.808	10.3084

- On September 26th, 2023, Xingtong Shipping was awarded the "Business of Safety and Integrity" title by the Maritime Safety Administration, for the sixth consecutive year
- Five of its ships, XING TONG 66, XING TONG 16, XING TONG 19, XING TONG 56, and XING TONG 6, were recognized as "Ship of Safety and Integrity" by the Maritime Safety Administration
- Six captains were honored as "Captain of Safety and Integrity" by the Maritime Safety Administration
- Xingtong Shipping was named a Role Model in 2022 Fujian Province "Ankang Cup" Competition, awarded jointly by the Fujian Federation of Trade Unions, the Fujian Provincial Department of Emergency Management and the Health Commission of Fujian Province



Honors and Awards

CHAMPION

GREEN DEVELOPMENT FOR A SUSTAINABLE
FUTURE

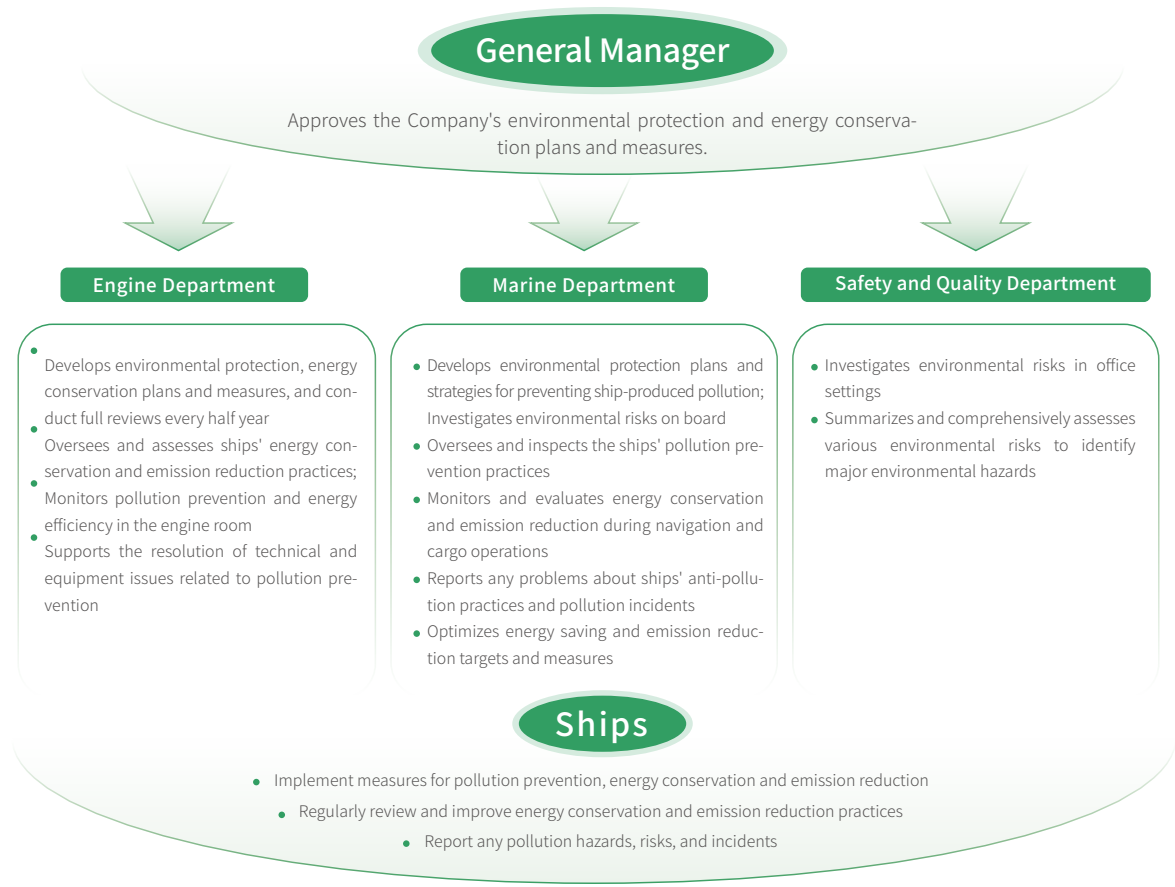
The shipping industry, which hinges on the oceans, is shifting towards more sustainable practices. Xingtong Shipping actively supports the *IMO Strategy on Reduction of GHG Emissions from Ships*, pioneering innovative environmental management and developing energy-efficient and low-carbon technologies to minimize the maritime footprint of its operations and throughout its value chain. Xingtong Shipping is dedicated to the protection of marine ecosystems, moving towards a greener, low-carbon and sustainable future.



STRENGTHEN ENVIRONMENTAL MANAGEMENT

Xingtong Shipping aligns its operations with international and national environmental standards, including *The International Convention for the Prevention of Pollution from Ships (MARPOL)*, *Marine Environment Protection Law of the People's Republic of China*, *Regulations of the People's Republic of China on the Prevention and Control of Marine Pollution from Ships*, *Administrative Provisions of the People's Republic of China on the Prevention and Control of Marine Environmental Pollution by Ships and Their Operations*, and *Administrative Measures on Ship Energy Consumption Data and Carbon Intensity*. The Company remains steadfast in refining its environmental management system and sets robust management indicators and objectives to continuously monitor and enhance its environmental performance in day-to-day operations. Within the reporting period, Xingtong Shipping and its subsidiary, XT-IMC, have both obtained the ISO 14001: 2015 Environmental Management System Certification.

The Safety and Environmental Protection Committee under the Board of Directors supervises our management practices in safety and environmental protection. The General Manager assumes primary responsibility for environmental management affairs, ensuring that environmental considerations are effectively woven into the fabric of the Company's routine operations and business development process.



▲ Environmental Management Organizational Structure And Duties

To enhance the energy efficiency and reduce carbon emissions of our fleet, we have established an *Energy Conservation and Emission Reduction Management Procedure*. The document specifies the departments that take ownership of these efforts and outlines the management processes. The General Manager is responsible for approving all energy-saving and emission-reduction plans and measures company-wide. The Engine Department develops the *Ship Energy Efficiency Management Plan* and provides related guidance and monitoring throughout the process. This includes ensuring that ships collect and submit energy efficiency data every month and perform a comprehensive assessment of their energy-saving and emission-reduction efforts every half year. The Marine Department analyzes the performance of ships in energy conservation and emission reduction and, based on the results, optimizes the annual targets and measures for the next year.

Manage Environmental Risks

- Systematically identify and continuously monitor various pollutants on ships
- Perform thorough analyses of potential environmental hazards associated with different operations and establish specific control measures
- Develop emergency protocols for various pollution events
- Conduct regular testing and maintenance of anti-pollution equipment

Implement Environmental Responsibilities

- Ensure all employees are fully aware of the company's environmental protection policies, goals, procedures, and their individual responsibilities
- Keep accurate records and promptly review all worksheets related to anti-pollution and energy management efforts
- Oversee the pollution control of ships through onboard inspections, remote checks, and third-party audits
- Incorporate environmental KPIs into the metrics for managerial staff assessment

Enhance Management

- Annually reassess and update environmental protection and energy conservation plans, and regularly review, analyze, and revise environmental management indicators and targets
- Provide all employees with comprehensive training and instruction regarding the Company's environmental targets and strategies
- Launch "mini-lessons" to enhance crew members' knowledge and skills through regulatory training and case study discussions



RESPOND TO CLIMATE CHANGE

The EU Emission Trading System (EU ETS) is the European Union's strategy to reduce emission in response to climate change, and also the world's largest multinational GHG emissions trading scheme. From January 1st, 2024, the shipping sector is formally incorporated into the EU ETS. This inclusion mandates that shipping companies purchase a percentage of carbon allowances, a figure that is set to rise year by year. To better understand and comply with regional policy requirements related to our international operations, we have hosted a specialized training session on "EU & IMO Green Shipping Policies." This session provided detailed background information and specific requirements, ensuring the smooth operation of our international businesses.

Climate-related Risks and Opportunities

Climate change response is one of the most significant material topics for shipping companies. Identifying risks and opportunities is the foundation for developing climate change strategies. To this end, by combining the development trends of the shipping industry with our actual conditions, we have systematically identified the transition risks, physical risks, and opportunities, along with their potential impacts that our operations and value chain may face in the short term (2024-2025), medium term (2026-2030), and long term (2031-2050).



Climate-Related Risks

Risk Category	Risk Description	Affected Areas	Time Frame	Potential Financial Impact +/-
Policy and legal risks	■ Mandatory regulation and pricing mechanisms for GHG emissions from ships The IMO Strategy on Reduction of GHG Emissions from Ships was updated in July 2023 at the 80th session of the Marine Environment Protection Committee, setting ambitious targets to reduce the GHG emission intensity of the global shipping sector by at least 40% by 2030 and the total GHG emissions by at least 70%, or ideally 80%, by 2040, all based on the 2008 levels. Regulations on ship GHG emissions are becoming increasingly strict. Ships will be obligated to quantify their GHG emissions and pay for an increasing percentage of these emissions over time. For instance, the EU ETS applies to the shipping industry from January 1st, 2024. It mandates that allowances equivalent to 40% of the emissions falling under the EU ETS must be surrendered for 2024. This number increases to 70% for 2025, and then to 100% the following year and thereafter.	Operations/ Downstream	Short term/ Medium term/ Long term	- Increase in operational costs (e.g., higher costs of purchasing carbon credits and cleaner fuels) - Decrease in business income (e.g., decrease in international shipping orders due to the requirement for shippers to cover EU ETS surcharges)
	■ Mandatory regulation on ship energy efficiency and carbon intensity The amendments to MARPOL Annex VI establish the Energy Efficiency Existing Ship Index (EEXI) and mandate that maritime authorities regularly evaluate the annual Carbon Intensity Indicator (CII) ratings of ships. These regulations also stipulate a continuous decrease in the annual operational CII. In November 2022, China Maritime Safety Administration issued the Administrative Measures on Ship Energy Consumption Data and Carbon Intensity, requiring ships to regularly record and report their energy consumption data. Additionally, it requires the periodic assessment of the annual operational CII ratings for ships engaged in the international shipping business. This suggests a trend of increasingly tight regulations on ship energy efficiency and carbon intensity. Ships that fail to comply with the EEXI and CII regulations are required to make additional investments to cover assessments, retrofitting, and other improvements.	Upstream/ Operations/ Downstream	Short term/ Medium term/ Long term	- Increase in construction costs (e.g., higher ship retrofitting costs) - Increase in operational costs (e.g., higher costs of ship maintenance and training for managerial and operational staff) - Impairment of fixed assets (e.g., premature scrapping of ships that do not meet CII requirements)
Technical risks	■ R&D investment in ship energy-saving technologies The R&D and application of direct or indirect energy-saving technologies, such as drag reduction, engine efficiency upgrades, and route optimization, will become mandatory requirements.	Upstream/ Operations	Short term/ Medium term	- Increase in construction costs (e.g., higher cost of installing energy-saving devices on ships) - Increase in R&D costs (e.g., higher cost of developing new energy-saving technologies and systems) - Increase in operational costs (e.g., higher cost of deploying new systems and training managerial and operational staff)

Risk Category	Risk Description	Affected Areas	Time Frame	Potential Financial Impact +/-
Market risks	■ Investment in clean fuel-powered ships Achieving net-zero emissions in the shipping industry hinges on transitioning ship fuels to zero-carbon alternatives. Significant investment and extensive research are urgently needed to promote the use of clean fuel-powered ships and enable a gradual transition towards a green fleet.	Upstream/ Operations	Medium term/ Long term	- Increase in construction costs (e.g., higher cost of purchasing clean fuel-powered ships) - Increase in R&D costs (e.g., higher cost of developing systems adapted to clean fuel-powered ships) - Increase in operational costs (e.g., higher cost of deploying new systems and training managerial and operational staff)
	■ Diminishing demand for chemicals shipping The demand and shipment volumes for chemical raw materials may gradually decrease as resource utilization efficiency improves, leading to reduced market demand for chemicals shipping.	Downstream	Long term	- Decrease in business income (e.g., decrease in shipping orders for chemical products from China's coastal regions)
	■ Change in customer behavior Customers may show a preference for green, low-carbon, and even zero-carbon logistics services.	Operations/ Downstream	Long term	- Increase in operational costs (e.g., higher cost of purchasing cleaner fuels) - Decrease in business income (e.g., decrease in international shipping orders due to inability to provide zero-carbon logistics services)
	■ Rising ship fuel costs The price of fuel may soar as a result of carbon taxation and the adoption of technologies to greener fuel technologies.	Operations	Medium term	- Increase in operational costs (e.g., higher cost of fuel purchases)
Reputation risks	■ Damaged reputation of the shipping industry The damages of high emissions from the shipping industry result in negative influence to marine ecosystems and climate, making it hard to attract and retain stakeholders, such as investors, banks, clients, suppliers, and employees.	Upstream/ Operations/ Downstream	Short term/ Medium term/ Long term	- Decrease in available capital (e.g., less bank lending to the shipping industry) - Increase in operational costs (e.g., higher cost of attracting and retaining staff) - Decrease in business income (e.g., decrease in international shipping orders)
	■ Tightened oversight and supervision in the chemical sector The environmental oversight of the chemical sector tightens, alongside growing environmental awareness among customers and consumers. Companies may face significant risks in business operations if their emission reduction and energy efficiency measures fall short.	Operations/ Downstream	Long term	- Increase in operational costs (e.g., higher cost of expanding international routes) - Decrease in business income (e.g., decrease in shipping orders for chemical products from China's coastal regions)

Risk Category	Risk Description	Affected Areas	Time Frame	Potential Financial Impact +/-
Short-term physical risks	■ Asset damages caused by extreme weather events An uptick in the frequency and severity of extreme weather events, such as typhoons and tropical storms, may lead to significant damage to ships, equipment, and cargo.	Upstream/ Operations/ Downstream	Long term	- Increase in construction costs (e.g., higher cost of ship maintenance and repairs) - Increase in insurance costs (e.g., higher cost to cover ship and cargo transit insurance) - Decrease in business income (e.g., contract breaches due to high cargo damage rates) - Impairment of fixed assets (e.g., premature scrapping of severely damaged ships and equipment)
	■ Increased difficulty in navigating ships due to extreme weather events Frequent extreme weather events at sea complicate ship scheduling and route planning, cause damages to port facilities, lead to long turnaround times and low utilization rates of ships, interrupt transport activities on some routes, and heighten the risk of contractual defaults.	Operations/ Downstream	Long term	- Increase in operational costs (e.g., higher cost to ensure ship operational efficiency) - Decrease in business income (e.g., contract breaches due to delivery delays)
	■ Impact of prolonged high temperatures on crew members' well-being Extended periods of high temperatures take a toll on the physical and psychological conditions of crew members, undermining their health, efficiency, and operational safety on board.	Operations	Medium term/ Long term	- Increase in operational costs (e.g., higher spending on crew members' safety, psychological health, and hygiene management).
Long-term physical risks	■ Impact of rising sea levels on ship unloading and berthing operations Rising sea levels disrupts unloading activities and berthing operations at existing ports and leads to a decreasing number of usable ports.	Operations/ Downstream	Long term	- Increase in operational costs (e.g., higher spending on fast ship navigation through ports); - Decrease in business income (e.g., contract breaches due to delivery delays)
	■ Impact of wind speed variability on ship navigation and on-board operations Fluctuating winds affect a ship's resistance and speed, adding to the difficulty of navigation and route planning. This variability also poses potential safety risks to operations on board.	Operations/ Downstream	Long term	- Increase in operational costs (e.g., higher spending on ship operational efficiency and crew safety); - Decrease in business income (e.g., contract breaches due to delivery delays)

Climate-related Opportunities

Opportunity Category	Opportunity Description	Affected Areas	Time Frame	Potential Financial Impact +/-
Resource efficiency	Enhancing ships' operational efficiency Through R&D and the deployment of intelligent ship management systems, we can optimize routes to cut the turnaround time of ships for greater efficiency.	Operations/ Downstream	Short term/ Medium term	+ Decrease in operational costs (e.g., lower spending on maintaining ships' operational efficiency) + Increase in business income (e.g., shortening ships' turnaround time and completing more orders)
	Improving ships' energy efficiency We can raise our ships' energy efficiency through retrofits and the R&D and use of intelligent ship management systems.	Operations	Short term/ Medium term	+ Decrease in operational costs (e.g., less spending on fuel purchases)
Energy source	Adopting low-carbon energy We can introduce dual-fuel ships that run on low-carbon sources such as methanol and LNG, and gradually increase the use of cleaner energy.	Upstream/ Operations/ Downstream	Medium term/ Long term	+ Increase in available capital (e.g., increased bank loans to support the green transformation of the shipping industry) + Decrease in operational costs (e.g., spending cuts on waste gas treatment and carbon credits) + Increase in business income (e.g., customers' preference for low-carbon shipping services)
	Providing zero-carbon logistics We can cater to the increasing demand for zero-carbon logistics by running ships powered by zero-carbon fuels.	Upstream/ Operations/ Downstream	Medium term/ Long term	+ Increase in available capital (e.g., increased bank loans to support the green transformation of the shipping industry) + Decrease in operational costs (e.g., spending cuts on waste gas treatment and carbon credits) + Increase in business income (e.g., customers' preference for zero-carbon shipping services)
Market	Rising demand for clean energy and chemicals shipping The manufacturing industry needs to undergo a green transformation and industrial upgrading, leading to an increased demand for clean energy and chemicals shipping.	Downstream	Medium term/ Long term	+ Increase in business income (e.g., increase in clean energy and chemicals shipping orders)
Resilience	Diversifying operations We can expedite the expansion of international routes and clean energy shipping services, effectively addressing the challenges posed by the relocation of chemical supply chains and aligning with the shift towards clean energy transformation.	Upstream/ Operations/ Downstream	Medium term/ Long term	+ Increase in available capital (e.g., increased bank loans to support the green energy transportation) + Increase in business income (e.g., increase in clean energy shipping orders and international shipping orders)

Develop A Green Fleet

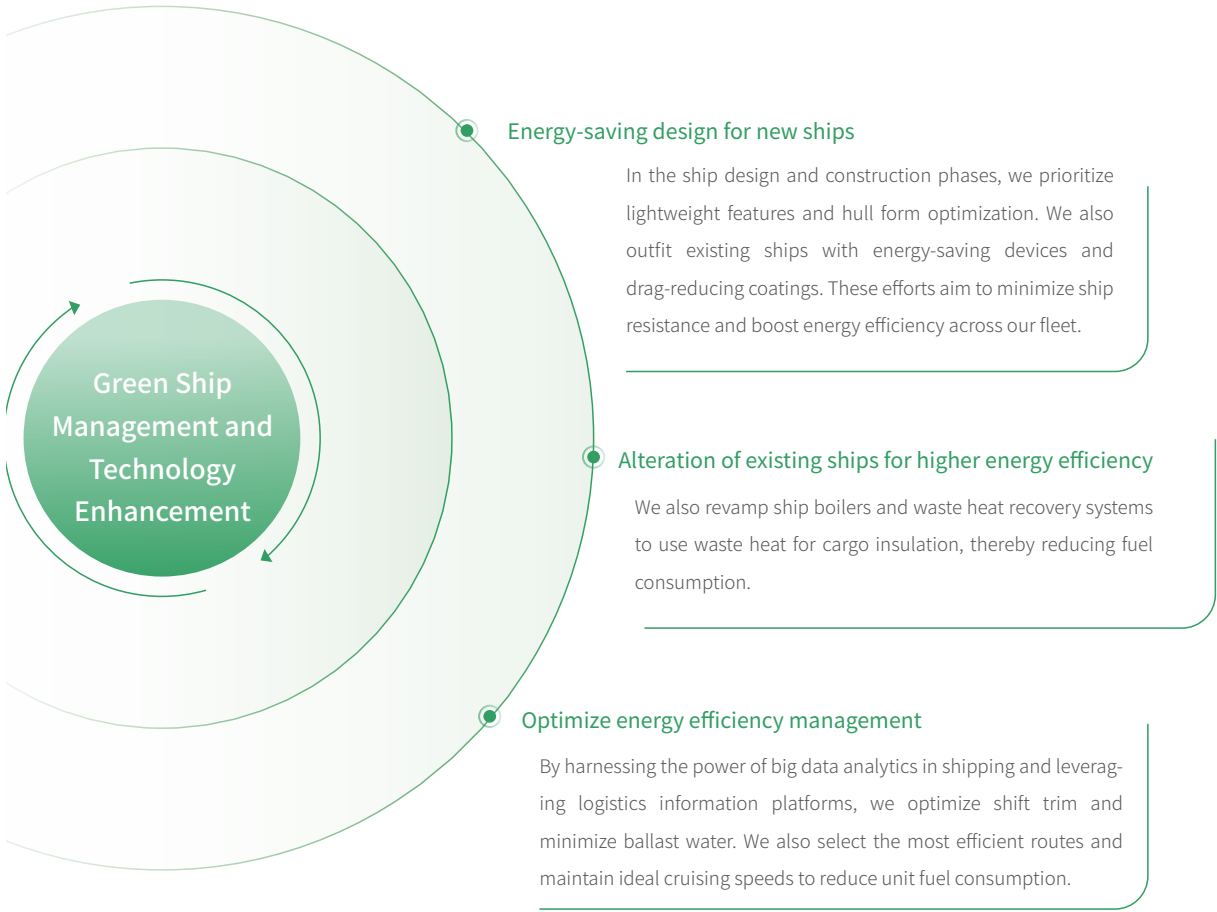
Decarbonization is posing a grave challenge to the shipping industry. We closely monitor the latest technological advancements and trends in energy efficiency, environmental protection, and renewable energy development and application. By thoroughly analyzing climate-related risks and opportunities, we are setting a path for improvements in energy management and a gradual transition to clean energy adoption. Our aim is to build a green fleet step by step.

The key to reducing emissions in the shipping sector lies in the production and supply of alternative fuels, specifically the use of clean fuels. In the future, the selection of ship fuel will become a new and critical factor on business development. In 2023, Xingtong Shipping signed ship building contracts with Wuchang Shipbuilding Industry Group Co., Ltd. and China Shipbuilding Trading Co., Ltd. for two 25.9 KDWT methanol dual-fuel stainless steel chemical tankers, an effort to advance the transition to green fleets.



▲ The Signing Ceremony For The Methanol Dual-fuel Stainless Steel Chemical Tankers





Case

"XING TONG 96" Receives Green Eco-ship Certification

On October 19th, 2023, the 8,795 DWT duplex stainless steel chemical tanker "XING TONG 96" was awarded the Green Eco-ship Certification by the China Classification Society. This certification includes the G-EP (SC, VCS) environmental mark for exceeding MARPOL standards in controlling domestic wastewater and VOC emissions, and the G-ECO (CD11, BWM(T)) ecological mark for surpassing MARPOL ballast water management standards and achieving an Energy Efficiency Design Index (EEDI) 11% lower than MARPOL requirements.



Key performance highlights



KPI	Unit	2023	2022
Total energy consumption	MWh	402,750.67	126,006.23
Total fuel consumption	kilotonne	34.4	10.8
Fuel oil	kilotonne	25.2	10.8
Diesel oil	kilotonne	9.2	/
Unit fuel consumption	kg/1,000 tonne-miles	8.90	10.13
Gasoline (corporate vehicles)	liter	32,641.74	34,563.01
Total electricity consumption (office use)	kWh	216,862.00	138,240.80
Total GHG emissions	tonnes of CO2	108,046.74	70,816.81
Scope 1 (proprietary ships)	tonnes of CO2	107,976.95	34,054.92
Scope 1 (corporate vehicles)	tonnes of CO2	69.79	73.89
Scope 2 (electricity purchased for onshore offices)	tonnes of CO2	123.68	78.84
Scope 3 (ships on time charter)	tonnes of CO2	42,252.96	36,683.05
Scope 1 unit turnover emissions	kg of CO2/1,000 tonne-miles	27.95	31.94
Scope 3 unit turnover emissions	kg of CO2/1,000 tonne-miles	38.91	34.85

Note:

The formula and coefficients used to calculate ship GHG emissions are based on the IMO's 2014 Guidelines on the Method of Calculation of the Attained EEDI for New Ships;

For Scope 1 (corporate vehicles), we calculate GHG emissions based on gasoline consumption, as outlined in the Provincial Guidance on the Compilation of Greenhouse Gas Inventories (Trial). These emissions are factored into our overall GHG calculations;

For Scope 1 per unit of turnover, we only consider CO2 emissions from our proprietary ships and corporate vehicles;

For Scope 2 (electricity purchased for onshore offices), we calculate GHG emissions using an emission factor of 0.5703 tCO2/MWh, which is derived from electricity grid data published by the Ministry of Ecology and Environment;

XT-IMC was incorporated into our consolidated financial statements from March 2023 and the relevant data covers the period from March to December 2023.

CONSERVE MARINE ECOLOGY

The ocean, our blue haven, is vital for human survival and prosperity. At Xingtong Shipping, we are deeply committed to marine ecological preservation. Minimizing our impact on the marine environment has always been a priority of our sustainability initiatives. We pledge to conduct our operations in an environmentally friendly manner, implement strict pollution controls, and spare no effort to protect the marine ecosystem.

Taking seriously the environmental impacts of our products and services throughout their lifecycle, we integrate environmental considerations right from the planning and design phases. Our priority is to select ships and equipment that are energy-efficient and safe. During the operation of these ships, we effectively manage pollutants like wastewater and waste, aiming to either prevent or lessen the amount and harm of these pollutants right from the start. We enhance our control over how pollutants are produced to reduce their emissions or concentration levels, and apply rigorous end-of-pipe treatment to make sure that pollutants are emitted in line with environmental standards.

Preserve Biodiversity

The biodiversity in the oceans is a treasure to our global ecosystem. We take a methodical approach to identifying and evaluating the impacts of our shipping operations and business activities on marine biodiversity, and managing associated risks to prevent any damage or disruption to marine life.



◀ In celebration of the 13th "Day of the Seafarer", a series of events themed around "How Seafarers Protect the Marine Environment" were held to spread the message of marine environmental protection, energy conservation and emission reduction.



Route planning

In our route planning, we utilize the Electronic Chart Display and Information System (ECDIS) and its automatic route check feature to identify Particularly Sensitive Sea Areas (PSSAs) and Key Biodiversity Areas (KBAs) as no-go zones. This ensures that our ships avoid these critical regions during navigation



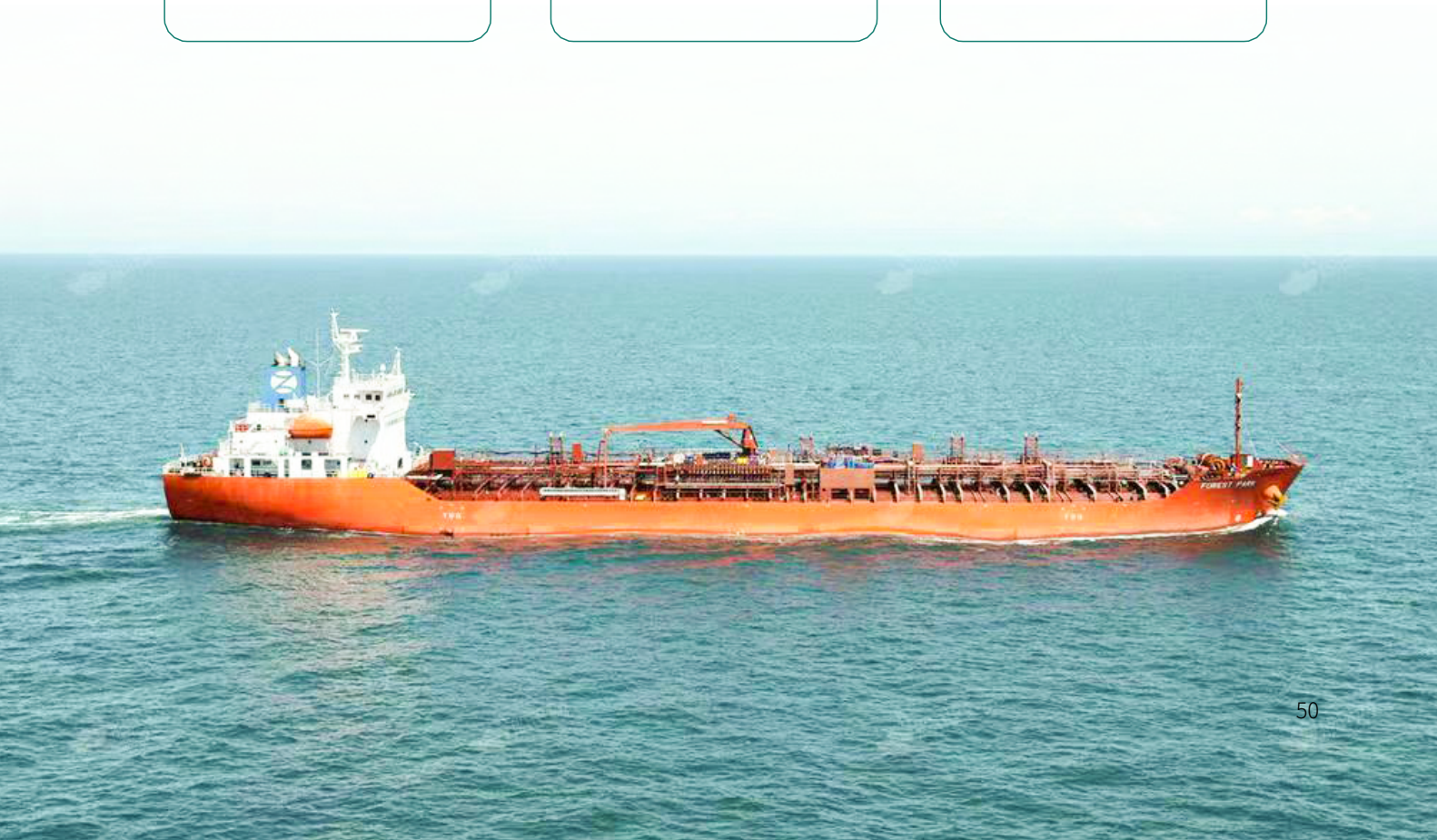
Ballast water management

Complying with the *International Convention for the Control and Management of Ships' Ballast Water and Sediments*, we equip ships with Ballast Water Management Systems (BWMS) and standardize ballast water treatment procedures to prevent unnatural migration of marine species. All our proprietary ships engaged in international trade have implemented ballast water treatment measures



Noise management

Noise reduction is a key consideration in our ship design and construction efforts. We employ low-noise equipment and reduce our speed when navigating near PSSAs and KBAs to minimize noise pollution



Prevent Pollution and Reduce Emissions

We set our sights higher than the MARPOL standards and China Maritime Safety Administration's maritime regulations. We have established effective management processes and tools for potential pollutants such as oil, bulk hazardous liquid substances, domestic wastewater, waste, gaseous pollutants, and ballast water. Through comprehensive controls, we continuously optimize environmental performance.

Pollution prevention and emission reduction measures



Prevent Oil Spills

- Effectively handle oil spill emergencies, and ensure all operational vessels are certified and have valid oil pollution prevention certificates
- Implement rigorous operating procedures to mitigate risks of spills from ballast water discharge and deck operations, and conducted regular drills to ensure "No spill" operations



Prevent Toxic and Hazardous Substance Spills

- Designate specialized teams to regularly inspect and maintain our pollution prevention equipment and test our pollution monitoring systems, so as to ensure that our equipment and protocols are always effective and reliable
- Before conducting any potentially polluting activities such as tank cleaning, ballast water discharge, or painting within port areas, always seek prior approvals from the competent authorities to effectively manage environmental risks associated with these operations



Manage Wastewater and Garbage

- Prioritize onshore treatment and keep refining the procedures and facilities for the production, collection, storage, and recycling of shipboard wastewater and garbage
- Make sure our discharge operations fully comply with international conventions and regulations, aiming to progressively reduce the amount of waste produced and discharged from our ships



Cut Emissions of Gaseous Pollutants

- Tackle emissions head-on by adopting low-emission, energy-efficient equipment and clean fuels for our ships. Ensure our fleet is outfitted with Volatile Organic Compounds (VOCs) collection systems, and our new ships come with Selective Catalytic Reduction (SCR) units for effective denitrification
- Ensure rigorous protocols for the operation, maintenance, and inspection of our equipment and systems are in place to prevent gas leaks during these operations, and reduce emissions of nitrogen oxides, sulfur dioxide, particulate matter, and VOCs



Conserve Water Resources

- Adopt efficient waste reduction technologies and practices, for example, switching from dual-nozzle to single-nozzle tank cleaning machines to save the water needed for tank cleaning
- Champion the recycling of the dirty water from tank cleaning to improve our water efficiency

Key performance highlights

KPI	Unit	2023	2022
NOx emissions	tonne	2,435.41	732.95
Unit turnover NOx emissions	kg/1,000 tonne-miles	0.63	0.69
SOx emissions	tonne	247.19	325.00
Unit turnover SOx emissions	kg/1,000 tonne-miles	0.06	0.30
Hazardous waste generated	m³	481.74	589.37
Unit turnover emissions of hazardous waste	m³/1,000 tonne-miles	0.00012	0.00055
Non-hazardous waste generated	m³	245.80	27.12
Unit turnover emissions of non-hazardous waste	m³/1,000 tonne-miles	0.00006	0.00003
Volume of waste disposed of	m³	753.17	/
Waste discharged under MARPOL Annex V	m³	63.12	/
Waste handled by third parties	m³	697.69	/
Total water consumption	m³	98,305.08	41,872.10
Use of water on ships	m³	96,616.70	40,258.70
Water use intensity of ships	m³/1,000 tonne-miles	0.25	0.04
Office water use	m³	1,685.38	1,614.00
Volume of treated water discharged	m³	41,325.94	/
Volume of treated ship domestic wastewater up to discharge standards	m³	8,489.30	/
Volume of treated oily wastewater up to discharge standards	m³	191.78	/
Volume of treated chemical tanker cleaning water up to discharge standards	m³	32,644.86	/
Volume of chemical tanker cleaning water disposed	m³	2,020.62	/

Notes:

Hazardous waste on our ships includes leftover oil from oil-water separators, slop oil, residual oil, ash from incinerators, oil-soaked and chemically contaminated rags, e-waste, and spent dry-cell batteries. It is important to note a shift in how these materials were accounted for in 2023;

Non-hazardous waste includes the everyday waste produced by our operational ships, such as leftover food, waste paper, used plastics, rags, broken glass, scrap metal, and discarded ceramics;

The formulas and coefficients we use to calculate NOx and SOx emissions are based on the IMO's 2014 *Guidelines on the Method of Calculation of the Attained EEDI for New Ships*.

XT-IMC was incorporated into our consolidated financial statements from March 2023 and the relevant data covers the period from March to December 2023.

SHARE

SUCCESS WITH EMPLOYEES

Xingtong Shipping highly values every employee. We are committed to nurturing talent, enhancing our systems, and creating a robust corporate culture. Our goal is to make Xingtong Shipping a "talent magnet" through competitive employee benefits and share our success with all employees.

3

GOOD HEALTH AND WELL-BEING

4

QUALITY EDUCATION

5

GENDER EQUALITY

8

DECENT WORK AND ECONOMIC GROWTH



PROTECT BASIC RIGHTS

We strictly adhere to national and industry-specific laws and regulations. Under our *Shore-Based Recruitment Management System*, we firmly prohibit forced labor and child labor, reject all forms of employment discrimination based on gender, region, ethnicity, or otherwise, and adopt a zero-tolerance stance towards discrimination and harassment. We strive to provide our employees with a diverse and inclusive workplace, along with competitive compensation, address their concerns and encourage their participation in company governance.

In our approach to compensation management, we uphold the principles of "Internal equity, market competitiveness, and performance-based incentives". This allows us to establish a well-researched, fair, and competitive compensation system. Through our *Shore-Based Employee Compensation Management System*, we aim to foster a culture of innovation and creativity.

We have also developed the *Shore-Based Employee Mobility Management System*, which defines the criteria for promotions, advancements, transfers, demotions, and downgrades. The aim is to create a fair, equitable, and transparent competitive environment.

We champion participative management. By improving our approaches to collective bargaining, we strive to meet employees' expectations for equitable and fair pay. Moreover, we regularly organize forums in which our employees are encouraged to voice their opinions and proposals, and closely follow up on issue resolution and provide timely responses.

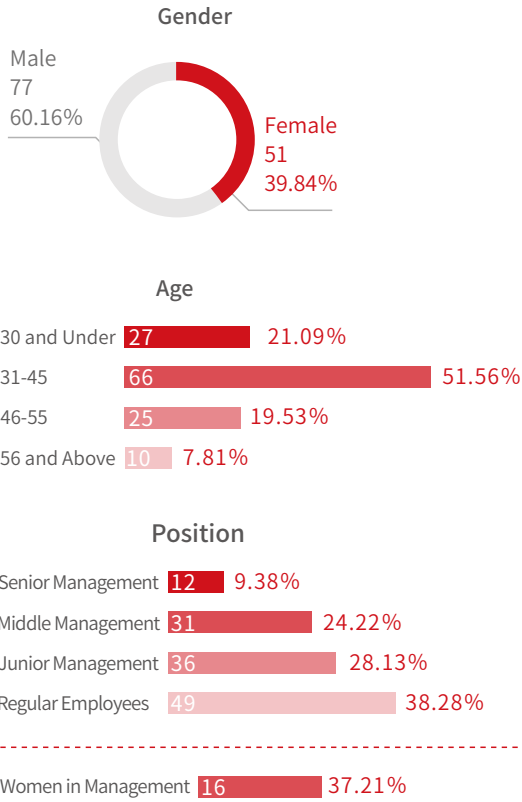
Key performance highlights

By December 31st, 2023

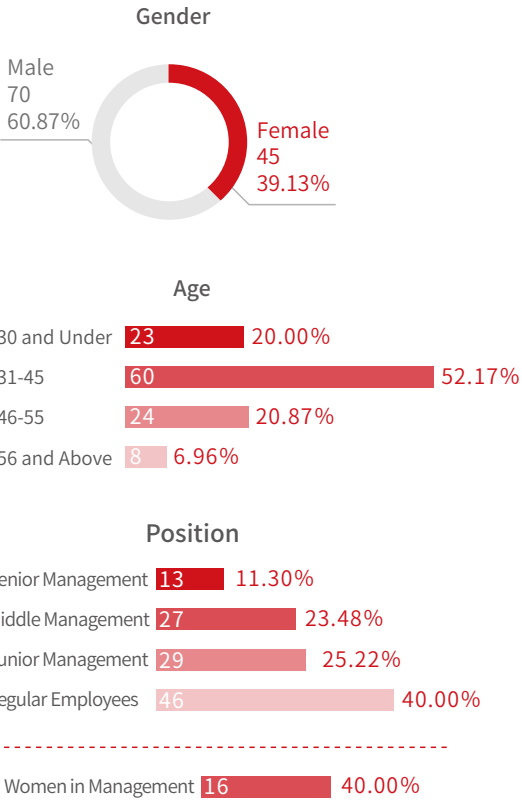
the Company consisted of **679** employees, of whom **128** serve shore-based roles and **551** are crew members

Shore-based Employee Structure

2023

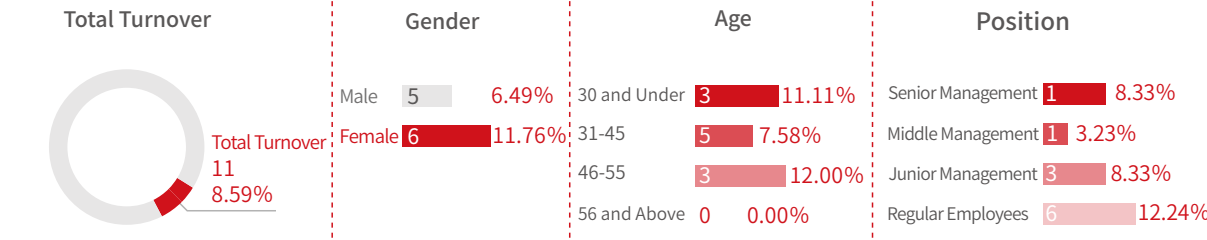


2022



Notes: Employee percentage by category = Number of employees in that category / Total number of employees
Women in management include female employees in middle and senior management roles

Shore-based Employee Turnover in 2023



Notes: Total turnover rate = Total number of employees who have left / Total number of employees
Turnover rate by category = Number of employees who have left in that category / Number of employees in that category
Notice of executive resignation: Mr. Ouyang Guang requested to resign from his position as the Company's Board Secretary for personal reasons

TALENT ATTRACTION AND DEVELOPMENT

The development of the talent echelon serves as a perpetual driving force that steadily propels our "1+2+1" strategy forward. A broad-minded and experienced workforce helps a company navigate the swiftly shifting terrain of the industry with their forward-thinking strategies and plans. To that end, we have devised a strategy aimed at enhancing our customer service and forming a top talent team, positioning ourselves as a supportive platform for our employees' growth and career advancement.

One of our approaches is the early recruitment of high-caliber talent endowed with global perspectives and strategic insight. In 2023, we introduced the *High-level Talent Evaluation Scheme*. Rooted in transparency, equity, and fairness, the scheme incorporates a holistic evaluation system that assesses character, knowledge, abilities, and performance. Furthermore, we offer incentives such as rewards and financial support to top-tier talents, which promotes the construction of a high-level team including management, professional and technical talents.

To offer comprehensive and systematic employee training, we have rolled out the *2023 New Employee Training Schedule* and the *Annual Training Plan for Shore-based Personnel*, aimed at providing specialized training tailored to their roles and career aspirations. Additionally, we offer specialized training resources in safety, management, risk, workplace etiquette, and career development for employees across different positions and specialties.

Key performance highlights

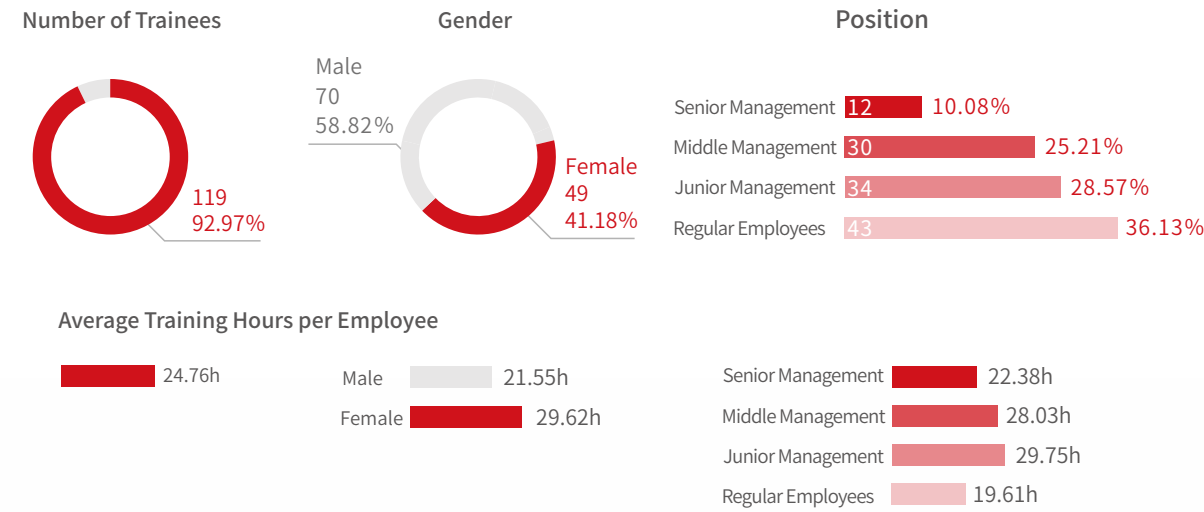


By December 31st, 2023

Number of new shore-based employees: **23**

Training expense per employee: approximately RMB **2,300**

Shore-based Employee Training in 2023



Notes: Percentage of employees trained by category = Number of employees trained in that category / Total number of employees trained

Average training hours per person by category = Total training hours for employees in that category / Number of employees in that category

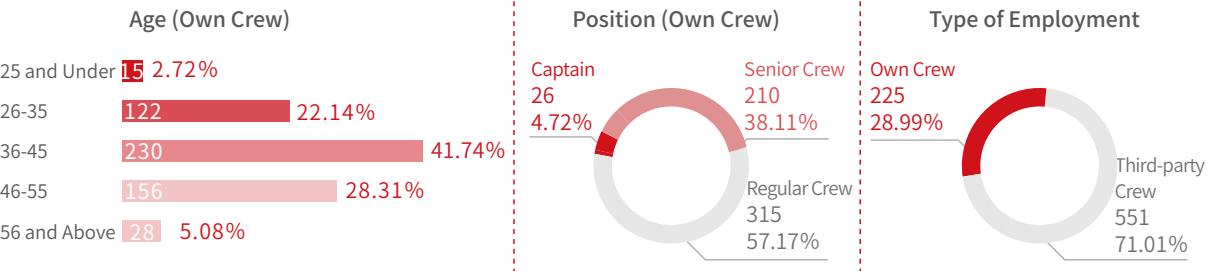
BUILD A HIGH-CALIBER CREW

The expertise and proficiency of our crew members are vital to the safety and quality of our liquid hazardous goods shipping services. A competent and reliable crew also underpins the improvement of our safety management and services. Upholding people centricity, innovation, value creation, and the pursuit of excellence, we are determined to build a crew distinguished not only by their expertise but also by a profound sense of belonging and identification with our Company.

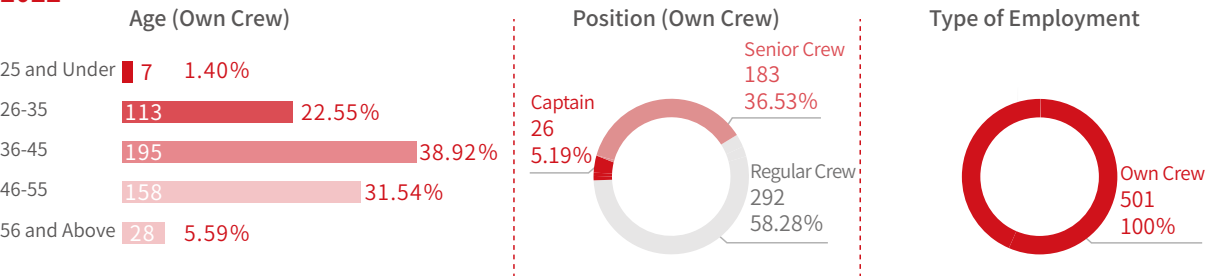
In preparation for the expansion of our international operations, we develop a strong talent pool of highly qualified seafarers and managers. By offering competitive employee benefits, diverse recruitment channels, and clear career progression pathways, we draw in exceptional talent. Our recruitment is strategically aligned with our crew development plan, and based on the comprehensive assessment of each candidate. For international routes, we review the qualifications of crew members sourced from third-party agencies, and carry out in-depth interviews for pivotal positions such as Captain, Chief Officer, Chief Engineer, and Second Engineer to ensure every crew member meets our international business requirements.

Crew Structure

2023



2022



Note: Crew percentage by category = Number of crew members in that category / Total number of crew members

Key performance highlights

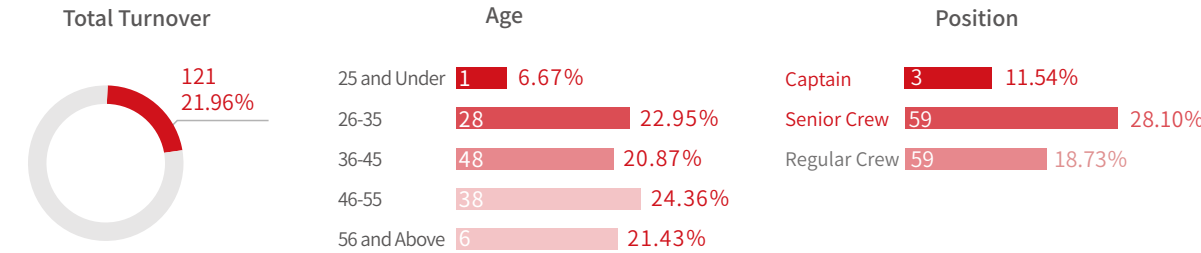
By December 31st, 2023

we added 178 new members to our crew roster.



▲ Xingtong Shipping's international crew

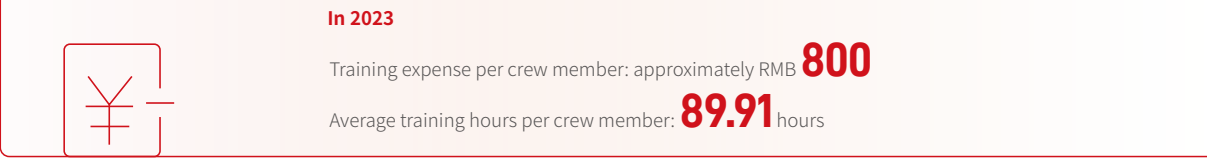
Own Crew Turnover in 2023



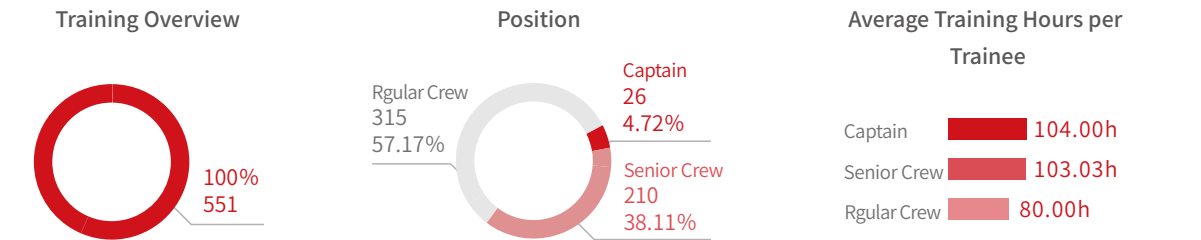
Notes: Total crew turnover rate = Total number of crew members who have left / Total number of crew members
Crew turnover rate by category = Number of crew members who have left in that category / Number of crew members in that category

We value the operational and skill training for our crew members, and continually refine our crew training programs. We have issued the SQMS Personnel Training Procedures, outlining training plans for crew members across various positions. In recognition of the unique demands of our industry, we have established a comprehensive training matrix that covers safety awareness, operational skills, and first aid. By December 31st, 2023, all our crew members had received training.

Key performance highlights



Crew Training in 2023



Notes: Percentage of crew trained by category = Number of crew members trained in that category / Total number of crew members trained
Average training hours per person by category = Total training hours for crew members in that category / Number of crew members in that category

To enhance crew retention, the Company has introduced the *Crew Salary Management System*, aiming to establish a fair pay structure complemented by a robust performance assessment system. Meanwhile, we have updated our *Crew Management System* to refine the rules and procedures for promotions, providing crew members with a transparent career advancement pathway and broader development opportunities.

Case

"Third Officer and Fourth Engineer" Training Program

As pivotal roles onboard, Third Officers are responsible for life-saving and firefighting tasks, while Fourth Engineers manage engine room equipment. To cultivate a highly skilled crew and promote structured talent development, Xingtong Shipping launched the "Third Officer and Fourth Engineer" training program in 2021. This program motivates qualified crew members to partake in maritime academy training that covers both foundational knowledge and role-specific skills, with the promise of tuition reimbursement upon successful completion of their exams. By December 31st, 2023, the program has successfully trained 16 Third Officers and 15 Fourth Engineers, significantly expanding our talent pool and supporting the sustained development of our crew.

Case

Career Progression at Xingtong Shipping:
The Path to Captain

Xiao Zhurong's journey with Xingtong Shipping began in August 2010, progressing from a sailor to Third Officer, Second Officer, Chief Officer, and finally to Captain. He was awarded the "Outstanding Captain of the Year" in 2021 and assumed the position of Shore-based Maritime Supervisor on June 1st, 2023.

We provide all the training resources needed for our employees' career progression. At the early stage, he was provided with training on essential navigational skills such as ship operation, weather navigation, maritime safety, and ship upkeep. As he ascended through the ranks, the training emphasis shifted towards ship management and leadership skills. This included safety protocols, cargo handling, crew management, and client relationships. These targeted training sharpened his leadership and decision-making skills. The unwavering quest for excellence is in our DNA, passed down through generations. Xiao's growth is one of the many personal success stories at Xingtong Shipping.



FOSTER A SUPPORTIVE WORK ENVIRONMENT

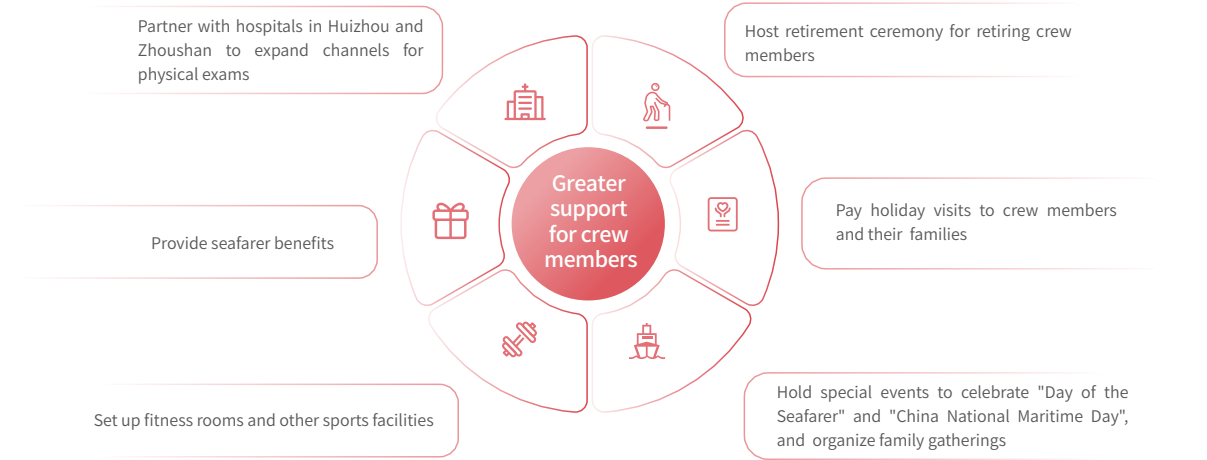
Our commitment runs deep in fostering a warm, cohesive, and family-like atmosphere at Xingtong Shipping. Beyond providing comprehensive support to our employees, we extend the perks and benefits to their families.

Physical Health	• Regular occupational health check-ups; group accident insurance; access to various sports facilities and competition events
Family Support	• Financial aid to employees undergoing financial difficulties; the "Xingtong Scholarship" program for our employees' children who attend college
Support for Female Employees	• Flexible work schedules for working mothers; protection of women's legitimate rights during pregnancy and maternity; organization of International Women's Day celebrations

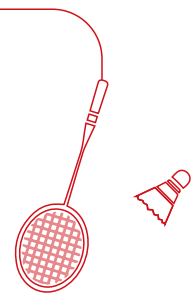
Key performance highlights

	In 2023 all female employees who had taken maternity leave returned to work
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Given the unique challenges of their work environment, job demands, and working hours, our crew members are more vulnerable to physical and mental health issues. Therefore, we are committed to upgrading their living and working conditions at sea and striking a good balance between work, rest, and recreation for the health and well-being of every crew member.



Organize Our Employees to Visit to The Quanzhou Maritime Museum ▶



◀ Badminton Tournament

General Manager's Visit to Crew Members ▶



▲ Retirement Ceremony for Retiring Crew Members



▲ Crew Members' Children in Educational Activities on China National Maritime Day



▲ Family Gathering Event at The Quanzhou Museum in 2023



Case

Extending Care to Crew Families

It is difficult for seafarers to properly care for their families due to long hours away from home. Acknowledging this, Xingtong Shipping has introduced a special family-friendly policy for crew members to foster their family bond.

By conducting monthly visits to 3-4 crew families, we learn about their lives, understand their specific needs, and offer them targeted support. The core values of our corporate culture are also conveyed and exemplified through these connections. More importantly, these visits extend beyond mere care which provide support and motivation for our crew members, so that they can stay focused and achieve a peace of mind at work. In the year 2023, we extended our support to 40 crew families.

CONTRIBUTE

TO COMMUNITY DEVELOPMENT
CONTINUOUSLY

We are well aware that communities are the fertile ground on which businesses grow. Leveraging our strengths in technology and talent, we have launched a variety of programs to bolster local education, nurture future talents in port and shipping sectors, and support community building. We motivate our employees to partake in community volunteer services, give back to society and nourish our roots through concrete actions.

1 NO POVERTY

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION





Support Local Education

We made contributions to the Quangang District Education Development Foundation, set up scholarships and awards at Haicheng Experimental Primary School, Quangang District No.1 Middle School, and Quangang District Sanchuan Middle School. Our efforts aim at helping the needy, motivated and ambitious students realize their dreams and improving the quality of local education



Cultivate Maritime Professionals

We engaged in exchanges and collaborations with Shanghai Maritime University on crew training and the digitalization of logistics. Additionally, we participated in the first seminar on maritime education, training and employment at Quanzhou Ocean Institute, where we signed agreements to nurture port and maritime professionals



Support Community Development

We planted trees, cleared typhoon aftermath, and assisted in agricultural harvests, contributing to community development and shouldering our corporate responsibility with concrete actions



Case

"Rural Revitalization Through Collaboration" Fruit Harvesting Activity

The summer typhoon season unfolded in July 2023. In order to help orchard farmers win the race against time to complete fruit picking and put the fresh fruits onto the market, our employees participated in the "Rural Revitalization Through Collaboration" initiative to support the Quangang Jinchuan Rural Cooperative and to minimize farmers' losses from potential disasters.



Key performance highlights

In 2023

Number of volunteers engaged: **100**

Number of volunteering activities: **5**

Total donations: RMB **2.0228** million

"Over RMB **100** million taxpayer in 2023", recognized by the CPC Committee of Quangang District and the People's Government of Quangang District



OUTLOOK

The updates to the IMO's emission reduction strategy and the release of the ISSB standards pose higher demands on the safety, green management, and sustainability disclosure for hazardous chemicals shipping companies. This brings both challenges and opportunities. In response, we will keep forging ahead with our "1+2+1" strategy, prioritizing safety and our customers above all else. We will firmly implement rigorous and scientific management practices, leverage digital technology, and boost compliance. Remaining true to value creation and shared success, we strive for even greater accomplishments through dedication and hard work.

Streamline chemical logistics and embark on a new voyage

The secure and stable supply of chemical raw materials is crucial for the sustained and robust development of the economy and society. We remain committed to facilitating the smooth shipping of chemicals. We will accelerate efforts to optimize our fleet's capacity, expand our shipping network, implement technological and equipment upgrades, and strengthen operational management. Furthermore, we will steadfastly uphold our commitment to service excellence and a customer-centric approach, always putting our customers' needs first. By refining our management practices, we can continuously improve our customer service capabilities and fuel the efficient operation of the chemical supply chain.

Prioritize safety and create green value

Safety management is the bedrock of the maritime industry, while green transformation is our collective imperative. We will thoroughly implement the strategic directives of the CPC Central Committee, seamlessly weaving sustainability into our overarching strategy. This commitment extends beyond our efforts to improve energy efficiency and environmental stewardship; we will also proactively seek out the latest clean technology advancements within the maritime sector. Concurrently, we will embed safety management into every aspect of our shipping services. With proven risk identification, prevention, and control measures in place, we can adeptly address potential environmental and safety risks, and ensure up-to-standard, effective, and comprehensive ship management.

Develop talent and give back to community

At Xingtong Shipping, we regard employees as the most valuable asset for our growth, and are deeply committed to building community relationships. We will fast-track our talent development initiatives to provide our employees with more opportunities to fulfill their potential. Meanwhile, we will play an active role in community governance, working more closely with the community to build a better future together.

Great achievements come from grand ambitions and unwavering diligence. In the future, we will keep pace with the green and low-carbon trends in the shipping industry, moving decisively towards our goal of being a top-tier chemical supply chain service provider both internationally and domestically. This is how we contribute to a shared destiny between humanity and marine life.



Feedback Form

Dear Stakeholders,

Thank you for taking the time to read the *2023 Environmental, Social, and Governance (ESG) Report* of Xingtong Shipping Co., Ltd. As we release our second ESG report, we are keen to hear your thoughts on our corporate social responsibility efforts and explore ways to foster sustainability. Your feedback and suggestions are not just welcome but also invaluable to us.

1. Please identify your relationship with Xingtong Shipping:

- ☐Government or regulatory agency
- ☐Investor
- ☐Customer
- ☐Employee
- ☐Supplier
- ☐Industry peer
- ☐Social organization
- ☐Community member
- ☐Media
- ☐Other (please specify) _____

2. How would you rate the representation of your interests and concerns in this report?

- ☐Excellent
- ☐Good
- ☐Fair
- ☐Poor

3. To what extent do you believe this report accurately reflects Xingtong Shipping's social responsibility practices?

- ☐Excellent
- ☐Good
- ☐Fair
- ☐Poor

4. How easy is it for you to find the information you are looking for in this report?

- ☐Excellent
- ☐Good
- ☐Fair
- ☐Poor

5. How would you rate Xingtong Shipping's performance in ensuring transport capacity?

- ☐Excellent
- ☐Good
- ☐Fair
- ☐Poor

6. How would you rate Xingtong Shipping's customer service?

- ☐Excellent
- ☐Good
- ☐Fair
- ☐Poor

7. How would you rate Xingtong Shipping's safety management?

- ☐Excellent
- ☐Good
- ☐Fair
- ☐Poor

8. How would you rate Xingtong Shipping's performance in green development?

- ☐Excellent
- ☐Good
- ☐Fair
- ☐Poor

9. How would you rate Xingtong Shipping's responsibilities towards employees?

- ☐Excellent
- ☐Good
- ☐Fair
- ☐Poor

10. How would you rate Xingtong Shipping's responsibilities towards the community?

- ☐Excellent
- ☐Good
- ☐Fair
- ☐Poor

11.Do you have any feedback or suggestions about

Xingtong Shipping's ESG Report?

12. Do you have any feedback or suggestions about

Xingtong Shipping's social responsibility practices?

CONTACT US

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