CHINA MERCHANTS PORT GROUP CO., LTD.

ANNUAL REPORT 2025

Date of disclosure: 3 April 2026

Chairman's Statement

Dear Shareholders:

I hereby present you the annual report of China Merchants Port Group Co., Ltd. (the "Company" or "CMPort") and its subsidiaries for the year ended 31 December 2025. On behalf of the Board, I would like to express my sincere gratitude to all of you for your long-term support to the Company.

The Company, for China Merchants Group, is a core enterprise of the transportation and logistics sector, and also a key player in the goal of building a world-class enterprise. It has invested in and operated 51 ports across 26 countries and regions worldwide, playing a positive role in ensuring the smoothness of the international and domestic logistics supply chain, and is stepping toward the goal of becoming a "world-leading port service provider".

Based on the new development stage, CM Port implemented the new development concept with the construction of a new development pattern to drive high-quality development, with the aim of becoming a "world-leading port service provider". While accelerating the transition towards intelligent and green operations, the Company has established a modern integrated port service system characterised by "smart empowerment, green and low-carbon practices, chain-based services, and ecological synergy", continuously enhancing the service depth and value creation capabilities of the global port network, driving dynamic alignment between resource allocation and corporate strategic positioning, market demand, and profitability to achieve lean resource allocation. CM Port persistently focused on strategic port acquisition opportunities at key nodes, advancing the global network layout of ports, strengthening external and internal linked interaction with efforts to provide customers with more economical, high-quality and efficient service solutions as well as deeper strategic cooperation. More value and returns were brought to the Company and its Shareholders, coupled with a material contribution to ensuring safety, steadiness and smoothness of the supply chain.

During the "14th Five-Year" Plan period, under the background of a complex external environment characterized by the profound adjustment of the global trade landscape, the Company committed to

its goal of achieving "world-class", unwaveringly promoted the three major drivers of "Global Presence", "Lean Management", and "Innovative Transformation" to coordinate development and security, and deepen reform and innovation. Various key tasks were progressed steadily and rapidly with operating results repeatedly reaching new highs, and comprehensive strength achieving a leapfrog enhancement. Looking back at the past 5 years of hard work, the Company has delivered a high-quality development performance characterized by "synergy between scale and efficiency, balance between quality and speed, and simultaneous progress in domestic and overseas markets". Firstly, the scale of core business has reached a new level. The total container throughput surged from 122 million TEUs to more than 206 million TEUs at a compound annual growth rate (CAGR) of 11.1%. The bulk cargo volume increased from 454 million tonnes to 1,266 million tonnes with CAGR of 22.8%. With the resource aggregation and hub capacity significantly enhancing, and global competitiveness continuously leaping, CM Port was ranked among the global leading public port operators. Secondly, the overseas layout has been expanded in depth. CM Port successfully invested in the NPH in Indonesia, entered into a share purchase agreement for the Vast project in Brazil. HIPG in Sri Lanka commenced container business and achieved a capacity of one million TEUs. The quality and efficiency of the operation of existing projects were improved and the implementation of new projects was accelerated. The proportion of overseas revenue steadily increased to more than half, and global operational capabilities continued to strengthen. Thirdly, lean management has yielded significant results. CM Port has deepened the construction of the COE system, synergistically promoted the PMO and cost leadership strategies, and achieved outstanding results in cost reduction and efficiency enhancement across the entire chain. The total annual profit leapt to over RMB10 billion. Fourthly, the capital operation achieved remarkable results. The Company has brought in Zhejiang Seaport Group as a strategic shareholder. It participated in the non-public issuance of the shares of Ningbo Port and increased its shareholding of SPIG when appropriate, so as to further solidify its strategic presence in the Yangtze River Delta. The Company also completed its first share buyback and cancellation, thereby enhancing earnings per share and bolstering market confidence. Fifthly, the technological innovation demonstrated strong momentum. The Company successfully completed the pilot scheme of building a strong transportation network in China and the inspection and acceptance of the self-developed TOS

system. Mawan Smart Port was rated as the first batch of "Five-Star China's Smart Ports". The "CMCore" digital solutions were successfully implemented in overseas markets such as Africa and Europe, materializing the goal of "technology going global''. Sixthly, the sustainable development and system have been optimized continuously. The Company's ESG rating has improved significantly, with the rating assigned by Wind (萬得) from BBB to AAA. The rating for the Company ranked first in the transportation infrastructure industry.

Review for the year

In 2025, global economic development has demonstrated significant resilience. Driven by the accumulation of inventories of traded goods, increased risk appetite, expansion of artificial intelligence-related investments, and supply chain optimization and adjustments, coupled with the strong support of steady consumer spending and the continuous easing of inflationary pressures, the global economy exhibited better-than-expected resistance to external shocks, particularly the substantial tariff hikes by the US. In addition, the continued sluggishness of investment activities and limited fiscal space have exerted persistent pressure on economic momentum, and the global economy may enter a more prolonged period of low-speed growth. Under the ever-changing external environment, the Company steadfastly upheld the strategic goal of becoming a "world-leading port service provider". Driven by "Global Presence, Lean Management, Innovative Transformation", CM Port has reached all the performance indicators with steadily improving its management efficiency. These efforts have laid a solid foundation for a good start to the "15th Five-Year" Plan.

Financial performance: In 2025, the Company achieved operating income of RMB17.246 billion, up by 6.92% year-on-year. The net profit attributable to the parent company was RMB4.611 billion, up by 2.10% year-on-year.

Business performance: In terms of container business, the Company handled a total container throughput of 206.112 million TEUs in 2025, up by 5.6% year-on-year, of which the container throughput handled by mainland port projects was 161.929 million TEUs, up by 6.3% year-on-year; the container throughput handled by port projects in Hong Kong and Taiwan regions was 5.245 million TEUs, down by 12.9% year-on-year; the container throughput handled by overseas port

projects was 38.938 million TEUs, up by 5.7% year-on-year. In terms of bulk cargo business, the Company handled a bulk cargo volume of 1.27 billion tonnes in 2025, up by 0.3% year-on-year.

The Company focused on the following major aspects: Firstly, the construction of homebase ports was accelerated in an all-round way. The capacity enhancement of the West Shenzhen Port Zone has achieved phased results, with container throughput exceeding 16 million TEUs throughout the year, continuing to reach new highs and maintaining a leading market share of foreign trade containers in Shenzhen. The overseas homebase port in Sri Lanka deepened integrated operations, with CICT being awarded the title of "Best Container Terminal in Asia" for the ninth consecutive year. HIPG achieved capacity building for one million TEUs, with container throughput reaching 428 thousand TEUs during the year and RORO business volume hitting a record high. Secondly, overseas operations were improved in quality and efficiency. Business volume of TCP in Brazil, LCT in Togo, and Kumport in Turkey all reached record highs, demonstrating excellent international operation capabilities. CMPort, a subsidiary of the Company, has entered into a share purchase agreement for the Vast project in Brazil to continue its global presence to deepen. Thirdly, the performance of lean management was remarkable. Utilizing business coordination, the COE mechanism, financial control, and synergistic empowerment as key levers to enhance profitability and management quality, the Company established an innovative and integrated working mechanism to realize value empowerment. Fourthly, empowerment was driven through innovation and upgrading. The Group established the "Piercep" artificial intelligence brand, leading the construction of artificial intelligence in ports. Mawan Smart Port was awarded the "Five-Star China's Smart Port" accreditation. The total solution of CMCore CTOS + "CM ePort" was implemented at Kumport in Turkey. Fifthly, the green and low-carbon transformation accelerated. The West Shenzhen Port Zone completed the first ship-to-ship LNG bunkering operation, added new distributed photovoltaic and electrification equipment, constructed intelligent battery swap stations and charging piles, and deepened the application of green and low-carbon technologies. Sixthly, as for the ESG construction, outstanding achievements were made again. The Company continued to improve its ESG management system and promoted the implementation of new regulatory measures. Its ESG rating was assigned by Wind from AA to AAA. The rating for the Company ranked first among the transportation infrastructure industry; and the Company's

controlled subsidiary, China Merchants Port, has received a further upgrade in its MSCI ESG rating, from BBB to A according to the latest rating released by MSCI in March 2026, the highest rating among Hong Kong-listed industry peers.

Outlook

Looking ahead to 2026, the global economy is expected to maintain a moderate growth trend. Although the easing of certain trade tensions constitutes a positive factor, the cumulative effect of tariff hike and intensified macroeconomic uncertainties is expected to become more pronounced. 2026 marks the commencement of the "15th Five-Year" Plan. With the deepened implementation of a new round of high-level opening-up measures, the effectiveness of regional and bilateral economic and trade cooperation mechanisms is increasingly becoming apparent, and the accelerated implementation of digital economy and green trade rules will further promote the efficient connectivity of cross-border logistics, capital flows, and information flows, stimulate the import and export vitality of high value-added products and emerging business formats, thus promoting the effective improvement in the quality of economy and trade through structural optimization, while driving the steady development of the port industry.

Building on solid achievements to compose a new chapter, the Company will forge ahead to embark on a new journey. Looking forward to the "15th Five-Year"Plan, the Group will accelerate, strengthen and intensify the strategic drivers of "Global Presence", "Lean Management", "Innovative Transformation", respectively, taking the deepening of reform and innovation as the fundamental path, actively cultivating and developing new quality productivity, and making every effort to promote high-quality development to a new level. Firstly, while capturing new opportunities for enhancing core competitiveness comprehensively, the Group shall steadfastly promote the overseas development strategy with global deployment strengthened so as to optimize and enhance its controlled terminals, consolidate and upgrade the core hub functions, as well as steadily extend the comprehensive port services chain. Secondly, the Group will stimulate new efficiency and fully tap into endogenous driving forces. Deepening the lean operation management mechanism, the Group will systematically tap into internal potential, and improve resource allocation efficiency and operation quality.

Appreciation

In 2025, CMPort focused on its primary responsibility and core business, achieving phased results in expanding its "Global Presence", reaching new heights in "Lean Management", and making progress in "Innovative Transformation", successfully concluding the "14th Five-Year" Plan with high-quality development. All could not be accomplished without the dedication of all employees and the support from the Shareholders and investors, business partners, and those in society who have taken to heart the Company's interest. For this, I would like to express my sincere gratitude and high respect to all employees who have devoted their hearts and efforts to the development of the Group, as well as to the Shareholders and investors, business partners, and those in society who have supported us for a long term.

Chairman

Feng Boming

Part I Important Notes, Table of Contents and Definitions

The Board of Directors (or the "Board") as well as the directors and senior managers of China Merchants Port Group Co., Ltd. (hereinafter referred to as the "Company") hereby guarantee the factuality, accuracy and completeness of the contents of this Report and its summary, and shall be jointly and severally liable for any misrepresentations, misleading statements or material omissions therein.

Xu Song, the Company's legal representative, Huang Zhenzhou, the Company's Chief Financial Officer, and Liu Shixia, the person-in-charge of the accounting organ hereby guarantee that the financial statements carried in this Report are factual, accurate and complete.

All the Company's directors have attended the Board meeting for the review of this Report and its summary.

Any forward-looking statements such as future plans or development strategies mentioned herein shall not be considered as the Company's promises to investors. And investors are reminded to exercise caution when making investment decisions. Possible risks faced by the Company and countermeasures have been explained in "Part III Management Discussion and Analysis" herein, which investors are kindly reminded to pay attention to.

Securities Times, *China Securities Journal*, *Shanghai Securities News*, and www.cninfo.com.cn have been designated by the Company for information disclosure. And all information about the Company shall be subject to what's disclosed on the aforesaid media. Investors are kindly reminded to pay attention to these media.

The Board has approved a final dividend plan as follows: based on the Company's total share capital at the record date of the dividend payout, a cash dividend of RMB7.99 (tax inclusive) per 10 shares is to be distributed to shareholders, with no bonus issue from either profit or capital reserves.

This Report and its summary have been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

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Documents Available for Reference

1. Financial Statements carrying the signatures and stamps of the Company Principal, the Chief Financial Officer and the person in charge of accounting firm;

2. The 2025 Auditor's Report stamped by the accounting firm and signed and stamped by registered accountants; and

3. Original copies of all documents and the announcements thereof disclosed in the Reporting Period on *Securities Times, China Securities Journal, Shanghai Securities News, Ta Kung Pao* (HK) and www.cninfo.com.cn.

Definitions

Term	Definition
The “Company”, “CMPort” or “we”	China Merchants Port Group Co., Ltd., formerly known as “Shenzhen Chiwan Wharf Holdings Limited”
CMG	China Merchants Group Limited
CMPort Holdings	China Merchants Port Holdings Company Limited (00144.HK)
CMPID	China Merchants Port Investment Development Company Limited
Broadford Global	Broadford Global Limited, a wholly-owned subsidiary of CMG Hong Kong
CSRC	China Securities Regulation Commission
TEU	Twenty Foot Equivalent Unit
Alphaliner	A shipping consultancy
ESG	Environmental, Social and Governance
SMP	Smart Management Platform
COE	Center of Excellence
CMIT	China Merchants International Technology Company Limited
CTOS	Container Terminal Operation System
CM ePort	CMPort’s homegrown unified customer service platform
West Shenzhen Port Zone	Including Mega Shekou Container Terminals Limited; Chiwan Container Terminal Co., Ltd.;Shenzhen Mawan Terminals Co., Ltd.; Shenzhen Mawan Wharf Co., Ltd.;Shenzhen Haixing Harbor Development Company Ltd.;China Merchants Port Services(Shenzhen) Company Limited; Shenzhen Chiwan Harbor Container Co. Ltd., etc.
Shunde New Port	Guangdong Yide Port Limited
Chu Kong River Terminal	Chu Kong River Trade Terminal Co., Limited
Dongguan Machong	Dongguan Chiwan Port Service Co., Ltd.
SIPG	Shanghai International Port (Group) Co., Ltd.
Ningbo Port	Ningbo Zhoushan Port Company Limited
Liaoning Port	Liaoning Port Co., Ltd.
Laizhou Port	Yantai Port Group Laizhou Port Co. LTD
QQCTU	Qingdao Qianwan United Container Terminal Co., Ltd.
QQTU	Qingdao Qianwan United Terminal Co., Ltd.
Qingdao Dongjiakou	Qingdao Port Dongjiakou Ore Terminal Co., Ltd.
Tianjin Port Container Terminal	Tianjin Port Container Terminal Co., Ltd.
Shantou Port	Shantou China Merchants Port Group Co., Ltd.
Zhangzhou Port	Zhangzhou China Merchants Port Co., Ltd.
Xia Men Bay Terminals	Xia Men Bay China Merchants Terminals Co., Ltd.
Zhanjiang Port	Zhanjiang Port (Group) Co., Ltd.
CMCS	China Merchants Container Services Limited
MTL	Modern Terminals Limited
Kao Ming Terminal	Kao Ming Container Terminal Corp.
CICT	Colombo International Container Terminals Limited
HIPG	Hambantota International Port Group (Private) Limited

TCP	TCP Participações S.A.
LCT	Lome Container Terminal S.A.
TICT	Tin-Can Island Container Terminal Ltd.
Kumport	Kumport Liman Hizmetleri ve Lojistik Sanayi ve Ticaret Anonim Sirketi
PDSA	Port de Djibouti S.A.
Terminal Link	Terminal Link SAS
NPH	PT Nusantara Pelabuhan Handal TBK
Vast	Vast Infraestrutura S.A.
The cninfo website	www.cninfo.com.cn
SZSE	Shenzhen Stock Exchange
The “Articles of Association”	The Articles of Association of China Merchants Port Group Co., Ltd.
KPMG Huazhen	KPMG Huazhen LLP
RMB RMB’0,000 RMB’00,000,000	Expressed in the Chinese currency of Renminbi Expressed in tens of thousands of Renminbi Expressed in hundreds of millions of Renminbi (unless otherwise specified)

Note: In this Report, certain total numbers may not be exactly equal to the summation of their sub-item numbers as a result of roundoff.

Part II Corporate Information and Key Financial Information

I Corporate Information

Stock name	CM Port Group/ CM Port Group B	Stock code	001872/201872
Stock exchange for stock listing	Shenzhen Stock Exchange		
Company name in Chinese	招商局港口集团股份有限公司		
Abbr.	招商港口		
Company name in English	China Merchants Port Group Co., Ltd.		
Abbr.	CMPort		
Legal representative	Xu Song		
Registered address	23-25/F, China Merchants Port Plaza, 1 Gongye 3rd Road, Zhaoshang Street, Nanshan, Shenzhen, PRC		
Zip code	518067		
Changes of registered address	On 14 December 2018, the Company completed the formalities with the competent industrial and commercial administration to change its registered address from “8/F, Chiwan Petroleum Plaza, Zhaoshang Street, Nanshan, Shenzhen, PRC” to “23-25/F, China Merchants Port Plaza, 1 Gongye 3rd Road, Zhaoshang Street, Nanshan, Shenzhen, PRC”.		
Office address	23-25/F, China Merchants Port Plaza, 1 Gongye 3rd Road, Zhaoshang Street, Nanshan, Shenzhen, PRC		
Zip code	518067		
Company website	http://www.cmp1872.com		
Email address	Cmpir@cmhk.com		

II Contact Information

	Board Secretary	Securities Representative
Name	Liu Libing	Hu Jingjing
Address	24/F, China Merchants Port Plaza, 1 Gongye 3rd Road, Zhaoshang Street, Nanshan, Shenzhen, PRC	24/F, China Merchants Port Plaza, 1 Gongye 3rd Road, Zhaoshang Street, Nanshan, Shenzhen, PRC
Tel.	+86 755 26828888	+86 755 26828888
Fax	+86 755 26828888	+86 755 26828888
Email address	Cmpir@cmhk.com	Cmpir@cmhk.com

III Media for Information Disclosure and Place where this Report Is Lodged

Stock exchange website where this Report is disclosed	http://www.szse.cn

Media and website where this Report is disclosed	*Securities Times, China Securities Journal, Shanghai Securities News,* and www.cninfo.com.cn
Place where this Report is lodged	Board Office

IV Change to Company Registered Information

Unified social credit code	91440300618832968J
Change to principal activity of the Company since going public (if any)	On 14 December 2018, the Company changed its business scope registered with the industrial and commercial administration. The new business scope includes: construction, management and operation of ports and wharves; bonded warehousing of various goods for import and export; development, construction and operation of supporting parks in ports; loading, unloading, transhipment, warehousing and transportation of international and domestic goods and processing of goods; devanning and LCL operations, cleaning, repairing, manufacturing and leasing of containers; international freight forwarding; vehicle and ship leasing; the provision of ship and port services including the provision of fuels, supplies and daily necessities for ships; ship towing (no operation using foreign ships); leasing and repair services of port facilities, equipment and machinery; import and export of various goods and technologies on a self-operation or agency basis, excluding the goods and technologies restricted or forbidden for import and export by the state; port logistics and port information technology consulting services; technical development and services in respect of modern logistics information systems; supply chain management and related services; design of logistics plans; engineering project management; development, research and consulting services in respect of port engineering technologies. (In respect of any operations that require approval according to law, the approval must be obtained before operation).
Every change of controlling shareholder since incorporation (if any)	1. On 8 June 2018, as the ownership of 209,687,067 Chiwan Wharf shares formerly held by CND Group and 161,190,933 Chiwan Wharf shares formerly held by Malai Storage was officially transferred to CMGD, CMGD, holding 57.52% of the Company's outstanding share capital, became the controlling shareholder of the Company. Meanwhile, CMG remains the actual controller of the Company. 2. On 26 December 2018, the Company issued RMB-denominated ordinary shares (A-shares) at RMB21.46/share to CMPID for the acquisition of the 1,313,541,560 CMPort Holdings ordinary shares that it held. Upon the Acquisition, the Company's total share capital has become 1,793,412,378 shares. Meanwhile, as Broadford Global controls an 87.81% aggregated voting right in the Company (direct interests and interests through CMPID and CMGD), it is the direct controlling shareholder of the Company. Meanwhile, CMG remains the actual controller of the Company. 3. Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd. subscribed for 576,709,537 shares of the Company offered in a non-

	public manner at RMB18.50 per share. The subscribed shares were floated on Shenzhen Stock Exchange on 12 October 2022. Upon the Acquisition, Broadford Global directly holds the Company's equity and controls an 63.02% aggregated voting right in the Company through controlling CMPID and CMGD. Broadford Global is the direct controlling shareholder of the Company. Meanwhile, CMG remains the actual controller of the Company. 4. On 12 December 2024, China Merchants Holdings (Hong Kong) Company Limited (hereinafter referred to as "China Merchants Hong Kong") and Broadford Global signed an agreement that Broadford Global would transfer its 74.66% shares in Rainbow Reflection Limited (hereinafter referred to as "Rainbow Reflection") to China Merchants Hong Kong, and China Merchants Hong Kong would entrust all the 74.66% shares in Rainbow Reflection to Broadford Global for management. The above-mentioned share transfer and share custody were completed in January 2025, which did not result in any change of the controlling shareholder and the actual controller of the Company. The controlling shareholder of the Company remains Broadford Global, and the actual controller of the Company remains China Merchants Group Limited.

V Other Information

The independent audit firm hired by the Company:

Name	KPMG Huazhen LLP
Office address	8th Floor, KPMG Tower, Oriental Plaza, 1 East Chang An Avenue, Beijing, China
Accountants writing signatures	Wu Huihuang, Li Dan

The independent sponsor hired by the Company to exercise constant supervision over the Company in the Reporting Period:

☐ Applicable √ Not applicable

The independent financial advisor hired by the Company to exercise constant supervision over the Company in the Reporting Period:

☐ Applicable √ Not applicable

VI Key Financial Information

Indicate by tick mark whether there is any retrospectively restated datum in the table below.

☐ Yes √ No

	2025	2024	2025-on-2024 change	2023
Total operating income (RMB)	17,246,382,527.85	16,130,778,028.24	6.92%	15,750,475,780.22
Net profit attributable to shareholders of the Company (RMB)	4,611,352,247.98	4,516,301,317.16	2.10%	3,571,800,762.16
Net profit attributable to shareholders of the Company after deducting non-recurring gains and losses (RMB)	4,437,547,391.42	4,047,031,601.71	9.65%	3,339,226,783.73
Net cash inflow from operating activities (RMB)	8,174,432,389.05	8,013,212,824.40	2.01%	6,579,606,635.17
Basic earnings per share (RMB/share)	1.85	1.81	2.21%	1.43
Diluted earnings per share (RMB/share)	1.85	1.81	2.21%	1.43
Weighted average return on equity (%)	7.35%	7.51%	-0.16%	6.35%
	31 December 2025	31 December 2024	Change of 31 December 2025 on 31 December 2024 (%)	31 December 2023
Total assets (RMB)	205,014,697,494.68	201,517,851,881.45	1.74%	198,557,296,667.26
Equity attributable to shareholders of the Company (RMB)	64,365,829,932.20	61,502,739,842.96	4.66%	58,847,592,947.55

Indicate by tick mark whether the lower of the net profit attributable to shareholders of the Company before and after deducting non-recurring gains and losses was negative for the last three accounting years, and the latest independent auditor's report indicated that there was uncertainty about the Company's ability to continue as a going concern.

☐ Yes √ No

Indicate by tick mark whether the lower of the net profit attributable to shareholders of the Company before and after deducting non-recurring gains and losses was negative.

☐ Yes √ No

The total share capital at the end of the last trading session before the disclosure of this Report:

Total share capital at the end of the last trading session before the disclosure of this Report (share)	2,481,897,185

Diluted earnings per share based on the latest total share capital above:

Diluted earnings per share based on the latest total share capital above (RMB/share)	1.8580

VII Accounting Data Differences under China's Accounting Standards for Business Enterprises (CAS) and International Financial Reporting Standards (IFRS) and Foreign Accounting Standards

1. Net Profit and Equity under CAS and IFRS

☐ Applicable √ Not applicable

No difference for the Reporting Period.

2. Net Profit and Equity under CAS and Foreign Accounting Standards

☐ Applicable √ Not applicable

No difference for the Reporting Period.

3. Reasons for Accounting Data Differences between Domestics and Foreign Accounting Standards

☐ Applicable √ Not applicable

VIII Key Financial Information by Quarter

Unit: RMB

	Q1	Q2	Q3	Q4
Total operating income	4,214,355,369.19	4,254,136,006.89	4,293,227,201.61	4,484,663,950.16
Net profit attributable to shareholders of the Company	1,090,726,175.19	1,535,912,024.28	1,179,988,081.33	804,725,967.18
Net profit attributable to shareholders of the Company after deducting non-recurring gains and losses	1,059,858,307.79	1,458,827,728.41	1,156,020,137.95	762,841,217.27
Net cash inflow from operating activities	1,172,302,133.44	1,836,391,183.35	2,324,751,317.95	2,840,987,754.31

Indicate by tick mark whether any of the quarterly financial data in the table above or their summations differs materially from what have been disclosed in the Company's quarterly or semi-yearly reports.

☐ Yes √ No

IX Non-recurring Gains and Losses

Unit: RMB

Item	2025	2024	2023	Note
Gains or losses on disposal of non-current assets, including those charged off for which provision for impairment of assets has been made	-18,117,060.19	20,221,030.12	231,205,985.85	-
Government grants recognized in profit or loss (excluding those closely related to the Company's ordinary business operations, in line with the national regulations, enjoyed under established standards and have a continuous impact on the Company's profit or loss)	118,986,220.93	131,947,787.92	149,238,503.34	-
Gains or losses from changes in fair value of financial assets and financial liabilities held by non-financial enterprises, and gains or losses from disposal of financial assets and financial liabilities, other than effective hedging operation relating to the Company's ordinary business operations	126,067,007.70	449,311,363.27	73,352,800.52	-
Income earned from lending funds to non-financial institutions and recognized in profit or loss	94,696,529.90	88,262,169.90	194,897,544.80	-

Reversal of provision for accounts receivable that are tested for impairment individually	11,455,120.96	380,331,461.37	52,962,785.14	-
Gains or losses on non-monetary asset swaps	3,320,297.91	-	-	-
One-off costs incurred by the Company as a result of discontinued operations, such as expenses for employee arrangements	-14,869,617.41	-	-	-
Other non-operating income or expenses excluding the above items	37,794,746.74	2,607,919.22	12,810,280.19	-
Other gains and losses that meet the definition of non-recurring gains and losses	3,856,538.50	-	-	-
Less: Income tax effects	41,848,650.46	125,198,868.45	145,340,260.29	-
Effects of non-controlling interests (after tax)	147,536,278.02	478,213,147.90	336,553,661.12	-
Total	173,804,856.56	469,269,715.45	232,573,978.43	--

Other gains and losses that meet the definition of non-recurring gain/loss:

☐ Applicable √ Not applicable

No such cases.

Explanation of the situation where the non-recurring gains and losses items listed in Interpretative Announcement No. 1 of Companies Issuing Publicly Traded Securities - Non-Recurring Gains and Losses are classified as recurring gains and losses items:

☐ Applicable √ Not applicable

During the Reporting Period, the Company did not classify any gain or loss item listed in

Interpretative Announcement No. 1 of Companies Issuing Publicly Traded Securities - Non-Recurring Gains and Losses as a recurring gain or loss item.

Part III Management Discussion and Analysis

I. Industry Overview of the Company during the reporting period

1. External environment analysis

(1) Macroeconomic environment

In 2025, the global economy continued to show adaptability and resilience, exhibiting unexpectedly strong resistance against multiple headwinds including volatile trade policies, geopolitical tensions, and fiscal pressures. Economies and businesses worldwide have gradually adjusted to the somewhat relaxed U.S. tariffs, while the surge in artificial intelligence investments has boosted asset wealth and fueled rising productivity expectations. According to the "World Economic Outlook" report published by the International Monetary Fund (IMF) in January 2026, the global economy was expected to increase by 3.3% year-on-year in 2025, representing a flat year-on-year growth. Among them, the developed economies were expected to grow by 1.7%, down by 0.1 percentage point year-on-year. Of which, the US was projected to grow by 2.1%, down by 0.7 percentage point year-on-year, and the European Union was expected to grow by 1.5%, up by 0.3 percentage point year-on-year. The emerging and developing economies were expected to grow by 4.4%, up by 0.1 percentage point year-on-year. Of which, the Southeast Asian markets showed particularly strong growth, with Vietnam, Indonesia, and Malaysia projected to grow by 6.5%, 5.0%, and 4.6%, respectively. In terms of trade, the IMF forecasted that global trade volume grew by 4.1% year-on-year in 2025, the developed economies' trade volume grew by 3.0%, and the emerging and developing economies grew by 5.7%.

2025 was the concluding year of the "14th Five-year" Plan. According to data from the National Bureau of Statistics of the People's Republic of China, China's GDP grew by 5.0% year-on-year, and the main development goals and tasks were successfully achieved and successfully completed. Facing the complex internal and external situations, China has taken the promotion of high-quality development as its theme, adhered to the principle of seeking progress while maintaining stability and improving quality and efficiency, and implemented more proactive and promising macro policies to stabilize employment, businesses, the market, and expectations, thereby stabilizing the

economic fundamentals. By adopting multiple measures to stabilize foreign trade and commencing new progress in opening up, the economy has consistently operated within a reasonable range. China's economy has demonstrated a commendable certainty of high-quality development, continuing to be a major contributor and a stabilizing anchor for world economic growth. According to the statistics of the General Administration of Customs of the People's Republic of China, the total value of import and export trade for 2025 amounted to RMB45.47 trillion, up by 3.8% year-on-year, marking another record high in terms of scale. Among which, the value of total exports grew by 6.1% year-on-year to RMB26.99 trillion, while the value of total imports grew by 0.5% year-on-year to RMB18.48 trillion. In the same year, China's total value of import and export volume with "Belt and Road Initiative" partner countries reached RMB23.60 trillion, representing a year-on-year increase of 6.3%, which was 2.5 percentage points higher than the overall growth rate of China's foreign trade. The proportion of "Belt and Road Initiative" partner countries accounted for more than half of China's overall foreign trade, with the proportion reaching 51.9% in 2025.

Global industrial chains were characterized by friendshoring, regionalization, and nearshoring, with strategic deployment shifting from a singular "efficiency-first" principle to the principle of "emphasis on both efficiency and safety". China's proactive development of regional economic cooperation has yielded significant results. Since its entry into force four years ago, the Regional Comprehensive Economic Partnership (RCEP) has effectively invigorated regional collaboration, injecting sustained momentum into Asia-Pacific economic recovery and global free trade. According to the data of the General Administration of Customs of the People's Republic of China, import and export trade value in RMB denominated between China and member countries including Singapore, Thailand, and Indonesia recorded an increase of 8.1%, 15.1% and 14.0% year-on-year in 2025 respectively. Technological innovation and industrial integration have been driving industrial upgrading. Technologies such as the internet, big data, cloud computing, artificial intelligence, and blockchain were accelerating innovation. The digital economy was developing at an unprecedented pace, with an unparalleled scope of influence and impact. It was emerging as a key force in restructuring global resources, reshaping the global economic landscape, and altering the global competitive environment. The gradual advancement and improvement of the platform-based trade

ecosystem would further improve the utilization rate of production factors and trade operation efficiency.

Looking ahead to 2026, the global economy is expected to maintain its moderate growth trend. Even though the easing of certain trade tensions constitutes a positive factor, macroeconomic uncertainties and tariff hike trigger certain negative factors. IMF expects the global economy to grow by 3.3% in 2026, remaining flat with 2025. As the front-loading effect of trade weakens, global trade in goods and services is expected to grow by 2.6% in 2026, down by 1.5 percentage points compared with 2025. Global inflationary pressure continues to decline, with the global Consumer Price Index (CPI) expected to be approximately 3.8% in 2026, down by 0.3 percentage point compared with 2025.

In 2026, the profound changes in the external environment will continue to bring impacts and opportunities. Adhering to the principle of seeking progress while maintaining stability, improving quality and enhancing efficiency, China will further expand high-level opening-up to the outside world, deepen cooperation with various countries in trade, investment, finance and other areas, implement more proactive and effective macro policies, continuously expand domestic demand and optimize supply, improve incremental quality and revitalize existing stock, develop new quality productive forces according to local conditions, and further advance the construction of a unified national market, in a bid to allow both qualitative improvements and reasonable quantitative growth for its economy.

(2) Market environment of the port and shipping industry

The international port and shipping market environment underwent significant new changes due to multi-interwoven factors. Firstly, under the impact of the global economy and international trade, trade frictions and geopolitical conflicts continuously exposed the vulnerability of the global industrial chain and supply chain, prompting the developed countries to intervene strongly with the aim of transforming the industrial chain and supply chain towards friendshoring, regionalization and nearshoring. Secondly, changes in the situation at key maritime transport nodes also posed serious challenges to the global supply chain. The Red Sea route’s detour around Africa’s Cape of Good Hope has become routine, with most vessels continuing to choose this route while only a few

shipping companies conduct tentative resumption of direct voyages. This detour has driven adjustments to the global maritime network, causing congestion at key hubs in certain regions. Thirdly, under the influence of the shipping alliance pattern, the restructuring of shipping alliances has significantly altered port calling patterns. Differentiated strategies among alliances have compelled ports to adjust their facilities, triggering localized short-term fluctuations in freight rates. Competition along global trade routes has intensified, increasing instability in global shipping and supply chain.

In 2025, due to fluctuations in supply and demand, freight rates in the global container shipping market exhibited an overall “W-shaped” volatility. This volatility was driven by the overlapping resonance of four major factors: the pace of U.S. tariff policies, the global supply and demand landscape, seasonal demand, and shipping companies’ capacity regulation, among which tariff expectations and the pace of implementation were particularly critical, significantly amplifying the magnitude of market fluctuations. On the demand side, the container shipping market continued its high-speed growth. According to the forecast of Drewry, global container throughput would grow by 5.5% in 2025. On the supply side, the data from Alphaliner showed that the global container fleet capacity grew by 7.2% in 2025 with additional shipping capacity of 2.19 million TEUs, bringing the total global capacity to 33.69 million TEUs as of 2025. Based on the structure of supply and demand, the shipping capacity continued to expand, while the supply continued to exceed demand. However, due to the re-routing around the Suez Canal and congestion at major ports in Asia and Europe, effective capacity has tightened in the short term, driving an upward trend in container freight rates. Shipping companies have accelerated the integration and transformation of greening and intelligence. Leading shipping companies have intensively placed orders for new energy vessels such as LNG dual-fueled vessels, and have laid out technical reserves for ammonia/methanol fuels to adapt to new global environmental regulations. The application of technologies such as artificial intelligence and blockchain were deepened to bridge the intelligent interconnection between ships and shore, optimizing capacity deployment and operational processes, as well as enhancing the operation efficiency of the entire chain through digitalization and intelligence.

Driven by the recovery of the global economy and trade, as well as the upward trend in the international maritime market, throughput at major global hub ports increased to varying degrees. According to the forecast of Drewry, the container throughput of ports across regions showed varying degrees of growth in 2025. Among which, the ports in Asia handled a container throughput of 548 million TEUs, representing an increase of 5.5% year-on-year; the ports in South Asia handled a container throughput of 42.10 million TEUs, representing an increase of 8.6% year-on-year; the ports in Europe and North America handled a container throughput of 151 million TEUs and 79.40 million TEUs respectively, representing increases of 6.3% and 2.5% year-on-year; the ports in Africa and Latin America handled a container throughput of 43.10 million TEUs and 62.30 million TEUs respectively, representing increases of 6.2% and 5.7% year-on-year; and the ports in the Middle East handled a container throughput of 46.10 million TEUs, representing an increase of 6.6% year-on-year. Thanks to the overall upturn in China's economic performance and the continuous economy-driven trade effect, foreign trade imports and exports was steadily improved and the port business in Mainland China maintained its leading position in global growth. According to the data published by the Ministry of Transport of the People's Republic of China, the accumulated container throughput handled by ports in Mainland China achieved 354 million TEUs, representing an increase of 6.8% year-on-year. Of which, the accumulated container throughput handled by coastal ports achieved 312 million TEUs, representing a year-on-year increase of 7.0%.

(3) The Company's industry position

The Company ranks among the global leading public port operators and is committed to developing as a worldclass comprehensive port service provider. In terms of scale, as at the end of the reporting period, the Company has established a relatively complete port network at major hub locations along coastal China, with its presence in 51 ports in 26 countries and regions including Asia, Africa, Europe, Oceania, South and North America. According to the statistics of Drewry, in 2024, the Company's equity throughput of containers reached 61.20 million TEUs, ranking among the top global port operators. In terms of quality, the master terminals controlled by the Company have occupied various market and regional leading positions. Leveraging on the good ground of port technology and based on the CTOS system self-developed by CMPort, the Company has worked out the worldwide first full-case, full-time, all-regime and multifactor traditional container terminal

upgrading solution, and has built the trade facilitation platform for the Guangdong-Hong Kong-Macao Greater Bay Area through blockchain technology, which has been extended to 34 terminals to help enhance the trade facilitation level in the Greater Bay Area. In addition, the Company continued to promote ESG construction, and strived to create an ESG port benchmark in the industry. In terms of performance, the Company has continually promoted high-quality development and has been an industry leader in terms of net profit margin and overall labour productivity and other indicators.

II Principal Activities of the Company during the Reporting Period

The Company's core business includes port investment, port operation, port logistics and smart technology.

The Company has established a comprehensive port network across the hub locations along coastal China, and the terminals which the Company invested in or invested in and managed are located in hub locations across Hong Kong, Taiwan, Shenzhen, Ningbo, Shanghai, Qingdao, Tianjin, Dalian, Zhangzhou, Zhanjiang, and Shantou, as well as in Asia, Africa, Europe, Oceania, South and North America, amongst others. Port investment includes oversea and domestic port investments. The Company puts emphasis on its presence in global major hub locations, gateway ports and regions with huge market potential, rapid economic growth and promising development, in order to capture investment opportunities in ports, logistics and related infrastructure and further improve the global port network. Port operation mainly includes containers and bulk cargo handling and warehousing services. The Company focuses on the construction and management of leading port and the improvement of service, so as to provide clients with higher-quality port services.

In terms of port logistics, the Company leverages innovative park business models and services to deeply explore the synergistic value between ports and parks. It provides customers with diversified value-added services within key zones such as the Shenzhen Qianhai Comprehensive Bonded Zone, Qingdao Qianwan Comprehensive Bonded Zone, Tianjin Dongjiang Comprehensive Bonded Zone, Djibouti International Free Trade Zone, Hambantota Industrial Park. These services include warehousing leasing, customs clearance, division or merger of cargoes, documentation services, and more. The Company is driving growth in port tugboat service, tallying operations, and engineering

supervision and management business. It also focuses on port-related business innovation and supply chain logistics. By integrating port ecosystem service resources and fostering collaboration across the upstream and downstream of the port logistics value chain, the Company prioritizes resource openness and sharing. This integrated approach facilitates smoother trade flows and enhances the efficiency of logistics, information, and capital flows within the port service chain, ultimately helping customers reduce costs and improve efficiency.

The smart technology business focuses on the application of new generation of information technology, such as big data, Internet of Things (IoT) and artificial intelligence, promotes “digital intelligence” and “green” upgrades, and continues to empower the core businesses, such as the production, management, services and ecology of the port. Smart technology injects new momentum into the development of the port enterprises.

The main business segments of the Company are as follows:

	Business content
Port investment	The Company puts emphasis on its presence in global major hub locations, gateway ports and regions with huge market potential, rapid economic growth and promising development, in order to capture investment opportunities in ports, logistics and related infrastructure, and further improve the global port network.
Port operation	Containers: The Company provides ship berthing, loading and unloading services to ship companies, offers container storage service to ship companies and cargo owners and provides overhead box services to tractor companies. The Company also engages in the businesses of division or merger of cargoes in containers, container leasing and container maintenance; Bulk cargoes: The Company is engaged in bulk cargo handling and transportation in port zones, as well as storage services in yards. The major types of cargoes handled include ores, grain forage, oil and coal.
Port logistics	The Company provides various services, including warehouse/yard leasing, loading and unloading in warehouses/yards, customs clearance and division or merger of cargoes at terminals, intermodal transportation, logistics, transportation and value-added warehousing services for clients (including logistics companies, trading companies or cargo owners). Relying on the port-surrounding land resources, the Company conducts the comprehensive development to enhance the land value. The Company enhances the value of commercial properties and provides its customers with quality property leasing and other related services. The Company provides port tugboat service, tallying, engineering supervision and management business.
Smart technology	The Company focuses on the application of a new generation of information technologies, such as big data, Internet of Things (IoT) and artificial intelligence. It drives “digital and intelligent transformation” and “greening initiatives”, continuing

	to empower the port's core businesses such as the production, management, services and ecology of the port. Smart technology injects new momentum into the development of the port enterprises.

III Analysis of Core Competitiveness

1. Strong shareholder background and resource integration capability

The Company's ultimate controlling shareholder, China Merchants Group, is a century-old centrally administered state-owned enterprise that originated from the port and shipping logistics sector, and enjoys an outstanding industry reputation together with extensive business resources.

Founded in 1872, China Merchants Group is a key state-owned backbone enterprise directly administered by the central government. It is also one of the earliest Chinese-funded enterprises established and operated in Hong Kong. As a century-old SOE, a comprehensive central enterprise, and a central enterprise based in Hong Kong, China Merchants Group primarily focuses on four major business segments: transportation and logistics, integrated finance, property and industrial parks, and technology and innovation industries. At present, the Group is committed to becoming an innovation-driven, international and comprehensive world-class enterprise. It is advancing both the transformation and upgrading of traditional industries and the cultivation and expansion of strategic emerging industries, while building a "Smile Curve" that climbs toward the higher end of the industrial chain and a sustainable "Malik Curve". Through these initiatives, the Group is comprehensively accelerating its "third entrepreneurship" strategy and leading high-quality development to a new level.

The transportation and logistics segment of China Merchants Group covers ports, shipping, logistics, shipbuilding and ship repair, as well as highways, providing extensive opportunities for coordinated services across the industrial chain. As the Group continues to accelerate its international expansion and improve its global logistics network, it effectively supports China Merchants Port in developing into a port investment and operation platform with an international perspective and global expansion capability, as well as an interconnected international port integrated service system.

2. Professional and efficient global port investment capability

The Company focuses on port investment, capturing global industrial trends and local market opportunities, while achieving full-process and full-cycle management throughout the investment lifecycle.

As an important platform for domestic and overseas port investment and operation under China Merchants Group, China Merchants Port has accumulated more than 25 years of experience in port investment and over 15 years of experience in overseas investment. The Company has established a scientific and professional investment management system and built a specialized global investment research team with extensive experience in policy research, industry analysis, risk control, capital raising and post-investment management. The Company continuously conducts in-depth research on the development trends of global industrial and supply chains, focusing resources on its global footprint. By closely aligning with major national strategic opportunities and dynamic overseas investment prospects, the Company makes well-planned investments in strategically significant hub ports and gateway ports around the world.

The Company strives to maintain a balanced distribution of its port investment portfolio across both regions and lifecycle stages. In its overseas operations, the Company adheres to the principle of "extensive consultation, joint contribution and shared benefits," embedding itself in local communities and actively fostering a community of shared interests. Building upon strengthened connectivity and cooperation, the Company continues to expand new avenues for international collaboration, significantly enhancing its resilience in responding to industry fluctuations, trade frictions and unexpected events.

3. Increasingly sophisticated integrated port management capability

The Company has developed deep expertise in port operations and continues to enhance its integrated management capability through digitalization and platform-based management.

Leveraging its self-developed SMP platform, the Company is comprehensively advancing the digital transformation of business processes and implementing holistic management and control across its operations. While balancing safety and development, the Company adheres to lean operations and maintains a strong focus on its core business, thereby establishing an industry-leading management system. Through the implementation of cost leadership and the COE operating mechanism, the Company continues to deepen the integration of business and finance, optimize resource allocation, and effectively promote cost reduction and efficiency improvement. At the same time, by focusing on quality and efficiency enhancement, the Company institutionalizes best practices and continuously strengthens its profitability. The Company's long-standing accumulation of integrated port management expertise has earned widespread recognition and a strong reputation within the industry.

4. Continuously optimized value chain integrated service capability

The Company is committed to creating value along the regional and logistics chains centered on ports and is advancing toward its vision of becoming a "world-leading port service provider".

In response to the shipping industry's increasing demand for network efficiency and collaborative resilience, the Company actively promotes the integration of port assets both domestically and internationally. Relying on its well-established global port network, the Company works in close synergy with the resource strengths of China Merchants Group in maritime transport, land transport, warehousing, logistics and trade. It is dedicated to providing customers with integrated port logistics service solutions, continuously enhancing corporate value and reinforcing its distinctive competitive advantage in the market.

5. Independent innovation capability in smart port development

The Company undertakes its industry responsibility by promoting the upgrading of traditional industries and leading the development of smart ports.

The Company is accelerating its digital and intelligent transformation, promoting the integrated development of technological innovation and industrial innovation, and introducing distinctive integrated smart port solutions within the industry. In terms of core port production operating systems, CMIT, a technology enterprise under the Company, has independently developed a new-generation CTOS product with strong global market competitiveness. In the construction of industrial internet platforms, the Company has upgraded and developed the "CM ePort" integrated service platform, providing one-stop comprehensive port services for the port, shipping and logistics industries. With the arrival of the artificial intelligence era, the Company has launched the "Piercep" artificial intelligence brand to lead the development of intelligent port ecosystem agents and related products. The Company's Mawan Smart Port, located in the Guangdong-Hong Kong-Macao Greater Bay Area, is the region's first 5G-enabled smart port and has been awarded the designation of "China Five-Star Smart Port", demonstrating the Company's outstanding achievements in digitalization, intelligentization and green development.

IV Analysis of Principal Businesses

1. Review of port business

(1) Overall overview of port business

In 2025, the container business maintained a steady growth momentum and delivered solid performance overall. The bulk cargo business stabilized its core operations amid a downward market environment, maintaining stable cargo volumes. The Company's port projects handled a total container throughput of 206.112 million TEUs, representing a year-on-year increase of 5.6%; bulk cargo throughput reached 1.27 billion tonnes, representing a year-on-year increase of 0.3%. For the container business, port projects in Mainland China handled 161.929 million TEUs, representing a year-on-year increase of 6.3%. Ports in Hong Kong and Taiwan recorded a combined throughput of 5.245 million TEUs, representing a year-on-year decrease of 12.9%. Overseas port projects handled 38.938 million TEUs, representing a year-on-year increase of 5.7%. For the bulk

cargo business, port projects in Mainland China handled 1.26 billion tonnes, representing a year-on-year increase of 0.2%, while overseas ports handled 10.264 million tonnes, representing a year-on-year increase of 10.9%.

Table 3-1 Company Throughput and Changes in 2025

Item	2025	2024	Change
Container throughput (0,000 TEUs)	20,611.2	19,515.9	5.6%
of which: Mainland China	16,192.9	15,230.1	6.3%
Hong Kong and Taiwan	524.5	602.3	-12.9%
Overseas	3,893.8	3,683.5	5.7%
Bulk cargo throughput (0,000 TEUs)	126,620.0	126,223.0	0.3%
of which: Mainland China	125,593.6	125,297.6	0.2%
Overseas	1,026.4	925.4	10.9%

Note: 1. The above statistics represent the total throughput of the Company's subsidiaries, associates and joint ventures.

(2) Regional operating performance of port business

Table 3-2 Company Container Throughput and Changes in 2025 (0,000 TEUs)

Region and Port Company			2025	2024	Change
Pearl River Delta	Controlled	West Shenzhen Port Zone	1,663.1	1,599.1	4.0%
		Shunde New Port	38.6	46.8	-17.5%
	Associate	CKRTT	80.3	80.8	-0.6%
Yangtze River Delta	Associate	SIPG	5,506.3	5,150.6	6.9%
	Associate	Ningbo Port	5,298.0	4,764.0	11.2%
Bohai Rim	Associate	Liaoning Port	1,126.4	1,231.5	-8.5%
		QQCTU	1,285.9	1,171.3	9.8%
		Tianjin Port Container Terminal	855.9	844.2	1.4%
Southeast Region	Controlled	Shantou Port	170.2	167.9	1.4%
		Zhangzhou Port	45.9	41.9	9.5%

Southwest Region	Controlled	Zhanjiang Port	122.3	132.0	-7.3%
Hong Kong and Taiwan	Controlled/Associate	CMCS/MTL	394.3	428.9	-8.1%
	Associate	KMCT	130.2	173.4	-24.9%
Overseas	Controlled	CICT	329.3	339.4	-3.0%
		HIPG	42.8	5.3	707.5%
		NPH	78.8	41.7	89.0%
		LCT	196.1	166.3	17.9%
		TCP	166.2	155.8	6.7%
	Associate	Kumport	154.7	126.0	22.8%
		PDSA	113.4	131.2	-13.6%
		TICT	36.7	28.5	28.8%
		Terminal Link	2,775.8	2,689.3	3.2%
Total			**20,611.2**	**19,515.9**	**5.6%**

Note: The Company's controlled subsidiary completed the acquisition of 51% equity interest in the NPH project in Indonesia, and since July 2024 the throughput of NPH has been included in the Company's statistical scope.

Table 3-3 Company Bulk Cargo Throughput and Changes in 2025 (0,000 tonnes)

Region and Port Company			2025	2024	Change
Pearl River Delta	Controlled	West Shenzhen Port Zone	1,573.1	1,674.3	-6.0%
		Dongguan Mayong	1,756.9	1,678.2	4.7%
		Shunde New Port	532.5	564.1	-5.6%
	Associate	CKRTT	456.8	471.9	-3.2%
Yangtze River Delta	Associate	SIPG	8,051.0	8,552.0	-5.9%
	Associate	Ningbo Port	69,020.0	65,741.0	5.0%
Bohai Rim	Associate	Liaoning Port	23,363.2	25,154.0	-7.1%
		Laizhou Port	1,510.3	1,485.5	1.7%
		QQTU	1,303.5	1,499.4	-13.1%
		Qingdao Dongjiakou	8,277.0	7,756.5	6.7%
Southeast Region	Controlled	Shantou Port	416.8	405.9	2.7%
		Zhangzhou Port	1,205.6	942.0	28.0%
		Xia Men Bay Terminals	497.4	545.9	-8.9%

Southwest Region	Controlled	Zhanjiang Port	7,629.5	8,826.9	-13.6%
Overseas	Controlled	HIPG	280.8	229.8	22.2%
	Associate	Kumport	14.8	47.2	-68.6%
		PDSA	541.2	457.7	18.2%
		Terminal Link	189.6	190.7	-0.6%
Total			**126,620.0**	**126,223.0**	**0.3%**

Pearl River Delta region

West Shenzhen Port Zone handled a total container throughput of 16.631 million TEUs, representing a year-on-year increase of 4.0%, mainly benefiting from increased cargo volumes from emerging markets such as Southeast Asia. Bulk cargo throughput reached 15.731 million tonnes, representing a year-on-year decrease of 6.0%, primarily due to market factors. Shunde New Port handled container throughput of 0.386 million TEUs, representing a year-on-year decrease of 17.5%, mainly due to a reduction in empty container volumes. Bulk cargo throughput amounted to 5.325 million tonnes, representing a year-on-year decrease of 5.6%, also mainly affected by market factors. Dongguan Mayong handled bulk cargo throughput of 17.569 million tonnes, representing a year-on-year increase of 4.7%. CKRTT handled container throughput of 0.803 million TEUs, representing a year-on-year decrease of 0.6%, while bulk cargo throughput reached 4.568 million tonnes, representing a year-on-year decrease of 3.2%.

Yangtze River Delta region

SIPG handled container throughput of 55.063 million TEUs, representing a year-on-year increase of 6.9%, while bulk cargo throughput reached 80.510 million tonnes, representing a year-on-year decrease of 5.9%. Ningbo Port handled container throughput of 52.980 million TEUs, representing a year-on-year increase of 11.2%, while bulk cargo throughput reached 690.200 million tonnes, representing a year-on-year increase of 5.0%.

Bohai Rim region

Liaoning Port handled container throughput of 11.264 million TEUs, representing a year-on-year decrease of 8.5%, while bulk cargo throughput reached 233.632 million tonnes, representing a year-on-year decrease of 7.1%. Laizhou Port handled bulk cargo throughput of 15.103 million tonnes, representing a year-on-year increase of 1.7%. Owing to the addition of new foreign trade routes and

the growth of laden containers business, QQCTU handled container throughput of 12.859 million TEUs, representing a year-on-year increase of 9.8%. QQTU handled bulk cargo throughput of 13.035 million tonnes, representing a year-on-year decrease of 13.1%, primarily due to market factors. Qingdao Dongjiakou handled bulk cargo throughput of 82.770 million tonnes, representing a year-on-year increase of 6.7%, mainly benefiting from market expansion. Tianjin Port Container Terminal handled container throughput of 8.559 million TEUs, representing a year-on-year increase of 1.4%.

Southeast region

Shantou Port handled container throughput of 1.702 million TEUs, representing a year-on-year increase of 1.4%, while bulk cargo throughput reached 4.168 million tonnes, representing a year-on-year increase of 2.7%. Zhangzhou Port handled container throughput of 0.459 million TEUs, representing a year-on-year increase of 9.5%, mainly benefiting from the development of new shipping routes. Bulk cargo throughput reached 12.056 million tonnes, representing a year-on-year increase of 28%, which was mainly attributable to the market expansion and the optimization of cargo category structure. Xiamen Bay Terminals handled bulk cargo throughput of 4.974 million tonnes, representing a year-on-year decrease of 8.9%, mainly due to a decline in the cargo volume of sandstone.

Southwest region

Zhanjiang Port handled container throughput of 1.223 million TEUs, representing a year-on-year decrease of 7.3%, while bulk cargo throughput reached 76.295 million tonnes, representing a year-on-year decrease of 13.6%, mainly affected by a decline in local cargo sources.

Hong Kong and Taiwan region

CMCS and MTL in Hong Kong handled a combined container throughput of 3.943 million TEUs, representing a year-on-year decrease of 8.1%, mainly due to market factors. KMCT in Taiwan handled container throughput of 1.302 million TEUs, representing a year-on-year decrease of 24.9%, also mainly affected by market factors.

Overseas region

In 2025, the Company's overseas port projects generally recorded a growth trend. CICT in Sri Lanka handled container throughput of 3.293 million TEUs, representing a year-on-year decrease of 3.0%. HIPG in Sri Lanka commenced its container business in the first half of 2024 and handled container throughput of 0.428 million TEUs in 2025, representing a year-on-year increase of 707.5%. Its bulk cargo throughput reached 2.808 million tonnes, representing a year-on-year increase of 22.2%, which was mainly benefitted from the volume increase in RORO business. NPH in Indonesia completed its acquisition in the first half of 2024 and handled container throughput of 0.788 million TEUs in 2025, representing a year-on-year increase of 89.0%. LCT in Togo handled container throughput of 1.961 million TEUs, which was mainly benefitted from the enhancement of port capacity and the increase of international transshipment volumes. TCP in Brazil handled container throughput of 1.662 million TEUs, representing a year-on-year increase of 6.7%, which was mainly benefitted from the increase in reefer container business volume. Kumport in Türkiye handled container throughput of 1.547 million TEUs, representing a year-on-year increase of 22.8%, which was mainly benefitted from successfully securing long-term service contracts with shipping lines. Its bulk cargo throughput reached 0.148 million tonnes, representing a year-on-year decrease of 68.6%, which was mainly due to actively pursuing business transformation. PDSA in Djibouti handled container throughput of 1.134 million TEUs, representing a year-on-year decrease of 13.6%, which was mainly due to a decline in international transshipment cargoes. Its bulk cargo throughput reached 5.412 million tonnes, representing a year-on-year increase of 18.2%, which was mainly due to the increase in import demand in economic hinterland. Terminal Link, a portfolio of ports investment, handled container throughput of 27.758 million TEUs, representing a year-on-year increase of 3.2%.

2. Implementation of operating plan during the reporting period

During the reporting period, the Company adhered to the general principle of seeking progress while maintaining stability. Aiming at the goal of becoming a "world-leading port service provider", the Company made every effort to grasp reform, foster innovation, and promote development. The overall operational performance demonstrated a robust momentum characterized by progressing while maintaining stability, improving quality while advancing.

(1) Consolidated the homebase port infrastructure and focused on strengthening core advantages. The container throughput of the West Shenzhen Port Zone exceeded 16 million TEUs, hitting a record high again, and its foreign trade market share continued to lead in the Guangdong-Hong Kong-Macao Greater Bay Area. The bulk cargo business actively expanded into new commodity categories to secure its cargo volume foundation, while maintaining market-leading positions in its core commodity segments. CICT in Sri Lanka persistently strengthened its local market position, achieving steady improvement in profitability. HIPG's container business capabilities were significantly enhanced as its volume has experienced leapfrog growth and its RORO business volume achieved record high. With steady improvement in operational indicators, the Group achieved milestone results in the progress of building world-leading port.

(2) Overseas expansion progressed steadily, and the performance of existing projects was outstanding. The China Merchants Port, the Company's controlled subsidiary, signed the share purchase agreement for the Vast project in Brazil to expand its presence in the Latin America. Container throughput of several overseas projects reached record high, among which TCP in Brazil improved efficiency to break through capacity bottlenecks, with container throughput exceeding 1.66 million TEUs. LCT in Togo became the first terminal in Africa to normalize the handling of 24,000 TEU container vessels, further consolidating its position as a transshipment hub in West Africa, with container throughput increasing by 17.9% year-on-year. Kumport in Turkey successfully secured long-term service contracts, with container throughput increasing by 22.8% year-on-year, fully demonstrating the synergistic advantages of the Company's global layout and its high-level international operation and management capabilities.

(3) Lean management continued to deepen, with significant results achieved in enhancing quality and efficiency. The Company systematically promoted lean management, enhancing resource efficiency and operating effectiveness through mechanism optimization and process control. By deepening the COE mechanism and promoting optimization experience, the engineering management system is improved to save costs and drive project progress. Commercial coordination and centralized procurement were strengthened to enhance value creation capabilities, and the refined cost control system was continuously improved. The said initiatives have achieved solid

results in areas such as process optimization, cost control, and asset returns, laying a solid foundation for the improvement of overall operational quality and efficiency.

(4) The construction of digital and intelligent ports has accelerated, empowering the core business to improve quality and efficiency. The “CMCore” CTOS terminal operating system was successfully implemented in key overseas projects in countries such as Brazil, Italy, and Turkey. The West Shenzhen Port Zone steadily promoted the pilot application of SMP, achieving data-driven empowerment for lean cost analysis and supporting refined operational decision-making. The operational service model of the “CM ePort” service platform was reconstructed to develop value-added services for the logistics supply chain. The Company officially launched the “Piercept” artificial intelligence brand and rolled out intelligent agents for six high-value scenarios, including equipment operation and maintenance, promoting the deep application of artificial intelligence technology in core production stages.

(5) The green and low-carbon transition has accelerated, and carbon efficiency levels have improved significantly. We achieved a breakthrough in its clean energy bunkering service capacity, with the first ship-to-ship LNG bunkering operation completed in the West Shenzhen Port Zone. The Group has consolidated its green energy supply foundation by adding distributed photovoltaic and electrified equipment to reduce fuel consumption and exhaust emissions; improved green infrastructure supporting facilities by constructing intelligent battery swapping stations and charging piles and initially establishing an integrated “swapping + charging” energy replenishment network; and deepened the application of green and low-carbon technologies by researching, developing, and promoting hoisting potential energy recovery and permanent magnet motor technologies, among others.

(6) Consolidated achievements as a "Double Hundred" benchmark enterprise, systematically unlocking reform efficiencies. Having secured top-tier "Double Hundred Action" benchmark status with reform outcomes receiving authoritative recognition, the Company advanced comprehensive reforms downward to the grassroots level throughout the year. At the governance level, the modern corporate governance system was continuously refined, with the Board's functions in "setting strategy, making decisions, and preventing risks" comprehensively

strengthened, and the authorization mechanism with clear powers and responsibilities and standardized processes, as well as the whole-process closed loop supervision, operating efficiently. At the mechanism level, core systems including market-oriented talent selection and differentiated compensation incentives have permeated to the grassroots level, resulting in a comprehensive enhancement of organizational vitality and operational efficiency.

(7) Advanced the implementation of new ESG regulations, achieving renewed rating excellence. Closely aligning with ESG policy requirements promulgated by national and local authorities in recent years, the Company continuously deepened ESG management integration, tightly coupling new ESG regulations with our daily operation and management. During the year, the Company focused on promoting the implementation and deepening of material issues such as climate change, biodiversity and supply chain management, and continued to develop ESG information systems to ensure information security. In terms of ratings, the Company's Wind ESG rating was upgraded from AA to AAA, ranking first in the industry. The Company received honors including "Wind 2025 Best ESG Practice Top 100 Chinese Listed Companies" and "CMG China ESG Pioneer 100 Central SOEs." The Company's controlled subsidiary, China Merchants Port, has seen its MSCI ESG rating upgraded from BBB to A, the highest rating among Hong Kong-listed industry peers.

3. Income and Cost Analysis

(1) Breakdown of Operating Income

Unit: RMB

	2025		2024		Change (%)
	Operating income	As % of total operating income (%)	Operating income	As % of total operating income (%)	
Total	17,246,382,527.85	100%	16,130,778,028.24	100%	6.92%
By operating division					
Ports operation	16,427,245,729.85	95.25%	15,362,612,360.49	95.24%	6.93%
Bonded logistics operation	644,652,943.44	3.74%	581,135,985.94	3.60%	10.93%
Property development and investment	174,483,854.56	1.01%	187,029,681.81	1.16%	-6.71%

By operating segment					
Mainland China, Hong Kong and Taiwan	10,736,243,512.23	62.25%	10,621,214,882.76	65.84%	1.08%
Other countries and regions	6,510,139,015.62	37.75%	5,509,563,145.48	34.16%	18.16%

(2) Operating Division, Product Category, Operating Segment or Sales Model Contributing over 10% of Operating Income or Operating Profit

Unit: RMB

	Operating income	Operating costs	Gross profit margin	YoY change in operating income (%)	YoY change in operating costs (%)	YoY change in gross profit margin (%)
By operating division						
Ports operation	16,427,245,729.85	9,098,935,746.48	44.61%	6.93%	5.19%	0.92%
By operating segment						
Mainland China, Hong Kong and Taiwan	10,736,243,512.23	6,881,253,410.57	35.91%	1.08%	2.32%	-0.77%
Other countries and regions	6,510,139,015.62	2,774,933,837.71	57.38%	18.16%	12.32%	2.22%

Core business data of the prior year restated according to the changed statistical caliber for the Reporting Period:

☐ Applicable √ Not applicable

(3) Whether Revenue from Physical Sales Is Higher than Service Revenue

☐ Yes √ No

(4) Execution Progress of Major Signed Sales and Purchase Contracts in the Reporting Period

☐ Applicable √ Not applicable

(5) Breakdown of Operating costs

Unit: RMB

Operating	Item	2025	2024	Change

division		Operating costs	As % of total operating costs (%)	Operating costs	As % of total operating costs (%)	(%)
Ports operation	Loading and unloading services	9,098,935,746.48	94.23%	8,650,328,835.34	94.07%	5.19%
Bonded logistics operation	Logistics service	367,307,647.16	3.80%	321,819,100.85	3.50%	14.13%
Other	Properties	189,943,854.64	1.97%	223,868,756.16	2.43%	-15.15%

(6) Changes in the Scope of Consolidated Financial Statements for the Reporting Period

√ Yes ☐ No

In January 2025, China United Tally Co., Ltd. Shantou (hereinafter referred to as 'China Tally'), an associate of the Company's subsidiary Shantou Port, absorbed Shantou Zhongli Wailun tally Co., Ltd. (hereinafter referred to as 'Shantou Zhongli'), a subsidiary of Shantou Port. After the transaction, Shantou Port holds 62.50% shares of China Tally, which contributs to business combination not involving enterprises under common control. Consequently, China Tally has been in the scope of consolidation for the current year. Shantou Zhongli was deregistered on 14 February 2025 after the transaction.

(7) Major Changes to the Business Scope or Product or Service Range in the Reporting Period

☐ Applicable √ Not applicable

(8) Major Customers and Suppliers

Major customers:

Total sales to top five customers (RMB)	6,214,186,018.61
Total sales to top five customers as % of total sales of the Reporting Period (%)	36.03%
Total sales to related parties among top five customers as % of total sales of the Reporting Period (%)	0.00%

Top five customers:

No.	Customer	Sales revenue contributed for the Reporting Period (RMB)	As % of total sales revenue (%)

1	Customer A	2,909,072,284.64	16.87%
2	Customer B	1,333,177,695.77	7.73%
3	Customer C	987,894,660.38	5.73%
4	Customer D	494,526,454.90	2.87%
5	Customer E	489,514,922.92	2.84%
Total	--	6,214,186,018.61	36.04%

Other information about major customers:

☐ Applicable √ Not applicable

Major suppliers:

Total purchases from top five suppliers (RMB)	1,932,480,485.09
Total purchases from top five suppliers as % of total purchases of the Reporting Period (%)	25.66%
Total purchases from related parties among top five suppliers as % of total purchases of the Reporting Period (%)	0.00%

Top five suppliers:

No.	Supplier	Purchase in the Reporting Period (RMB)	As % of total purchases (%)
1	Supplier A	1,318,581,000.00	17.50%
2	Supplier B	228,166,280.73	3.03%
3	Supplier C	160,859,380.87	2.14%
4	Supplier D	122,761,566.00	1.63%
5	Supplier E	102,112,257.49	1.36%
Total	--	1,932,480,485.09	25.66%

Other information about major suppliers:

☐ Applicable √ Not applicable

4. Expense

Unit: RMB

	2025	2024	Change (%)	Reason for any significant change
General and administrative expenses	1,533,391,292.39	1,821,544,282.18	-15.82%	-
Financial expenses	1,504,840,912.09	1,857,365,636.87	-18.98%	-
Research and development expenses	177,750,273.52	201,755,066.36	-11.90%	-

5. Research and Development (R&D) Investments

Main R&D project	Project purpose	Project progress	Objective to be achieved	Expected impact on the Company
Project for developing the core technology in TOS for automated container terminal	Develop a new generation of automated production management system for container terminal, that is controlled in an integrated, intelligent and coordinated manner, applicable to traditional container terminals. Adopt multi-platform, distributed and microservice architecture, driven by big data, and develop core algorithms and make breakthroughs based on AI technology and operations optimisation technology, to reshape the intelligent integrated operation and control mode and technology system of container terminals.	The acceptance work by the Ministry of Transportation has been completed (the acceptance letter from the Ministry of Transportation was received in January 2026). A railway visualization function module was added in the Brazil project, expanding the CTOS standard product map.	1. Support decoupling of software and hardware based on a cloud-native architecture; 2. Fully upgrade and build a new generation of CTOS products driven by big data and based on a microservice architecture.	Resolve challenges across cross-platform, multi-database, and diversified business scenarios. Build a new generation of CTOS with the three characteristics of “autonomy, replicability, and strong compatibility” via research and development to meet customer needs while expanding and enhancing the comprehensive business functions of the terminal.
Project of IoT application scenarios and fully digital infrastructure for CMPort	The project aims to promote the implementation of the digital intelligence planning of CMPort, forming a unified IoT digital management system. By leveraging the supporting role of the IoT, it connects all elements of production operations, enabling data-	Completed the project construction and final acceptance of Mawan Port Area in September 2025. The IoT data collection in the platform system is accurate, the platform operates stably, and the scenario applications have achieved	Its objective is to progressively eliminate information silos across systems, transform on-site O&M into intelligent O&M, and enhance the precision of engineering equipment management. Traditional manual statistics will be shifted to automated system-based aggregation and analysis, enabling data-driven decision-	Under the continuous empowerment of core scenarios such as intelligent O&M of equipment and facilities, security management, energy management, and production intelligence, operational costs will be significantly reduced, resource utilization efficiency will be improved, and a new business ecosystem with data as the core

	driven production, decision-making, and innovation, thereby fully empowering the digital and intelligent development of the port.	the corresponding results as per the planning requirements.	making.	competitiveness will be established. This will lay a solid foundation for the Company's future continuous innovation and high-quality development in the fields of intelligence and digitalization.
Phase I of COE/SMP system construction	Steadily advance the SMP application in the Shenzhen Western Port Area, build an efficient data management platform, and improve the Company's operational efficiency and service quality.	1. Completed the construction of a data warehouse including themes such as "container, revenue, and outsourcing cost"; 2. Completed the construction of a public framework including "PC terminal, mobile terminal, and on-the-go pending tasks"; 3. Completed the construction of core online operation scenarios such as DMR (Duty Manager Report), shipping company efficiency, and indicator management.	1. Achieve the online process of revenue factor analysis, automatic report generation, flexible multidimensional data drill-down, and autonomous model building and configuration, enabling in-depth analysis and exploration of revenue analysis scenarios to enhance the efficiency and accuracy of revenue analysis; 2. Achieve data penetration of total costs to the business level, attributing cost changes to the dimensions of volume variance, rate, and structure with business, and quantifying cost changes; 3. Achieve the application of scenarios such as DMR, shipping company efficiency, and indicator management, strengthening data-driven business decision-making capabilities.	The objective is to accumulate the Company's business scenario data assets, build a lean management platform covering production and operations, promote enterprise data-driven decision-making, and enhance its operational management capabilities and business decision-making efficiency.
Autonomous driving comprehensive monitoring system	Construct a monitoring and operating system covering the entire chain of autonomous driving operations.	The system was launched and completed preliminary acceptance in December 2025.	The system covers five major monitoring objects, namely, servers, databases, application service programs, equipment and facilities, and vehicle terminal	Through real-time monitoring and rapid response across the entire chain of autonomous driving operations, downtime caused by system failures can be

			network status. It is equipped with a hierarchical and categorized alert management mechanism to promptly notify O&M personnel of any software and hardware issues related to the system.	significantly reduced, enhancing the continuity and reliability of autonomous vehicles and related equipment operations, thereby improving the overall operational efficiency and throughput capacity of the port.
Digital petrochemical terminal (Phase II)	The digital petrochemical terminal (Phase II) project aims to build a complete digital twin system of "1 Base + 2 Engines + 5 Intelligent applications" based on the achievements of Phase I. This will comprehensively enhance the intelligent management level of Zhanjiang Port Petrochemical Terminal in production, safety, emergency response, and operations, establishing a digital benchmark for hazardous chemical terminals under CMPort and promoting the digital and intelligent transformation and upgrading of the enterprise.	Phase I of the project was launched in 2021, completed acceptance in November 2022, and finished post-evaluation in 2023. The ProMACE industrial Internet platform has been established and has been operating stably for three years. Phase II of the project was officially launched in December 2024. Requirements research and detailed design have been completed, and system development was fully initiated in June 2025 under a "micro-iteration" model. The project is currently in the stages of application system development, IoT integration, and system	Three core technology platforms have been established, namely, an industrial IoT platform, a spatio-temporal computing engine, and a digital twin platform. Five major application scenarios have been realized, namely, intelligent production, intelligent safety and emergency response, intelligent operations, and digital insights. Achieved management and control capabilities characterized by multi-data support, controllable processes, visible regions, transparent domains, and multifactor early warning. The system has obtained Level 3 certification under the national cybersecurity classified protection scheme and meets requirements for domestic innovation and secure, reliable technologies. At least two intellectual property rights have been applied for, forming replicable and scalable technological achievements.	1. Improve operational efficiency: Optimize oil turnover rates and terminal utilization, and achieve full-process online collaboration; 2. Enhance safety assurance: Reduce accident rates through intelligent monitoring, electronic work permits, and emergency linkage mechanisms; 3. Support high-tech enterprise recognition: Accumulate intellectual property and technological achievements to maintain high-tech enterprise status and enjoy tax incentives; 4. Establish industry benchmarks: Develop replicable digital solutions to support intelligent upgrades across CMPort and peer terminals; 5. Expand service models: Enhance customer experience and market competitiveness through smart operation functions such as Online Petrochemical Services.

		integration, and will enter the UAT testing phase by the end of 2025.		
AI-based CTOS product R&D project for polymorphic terminal business	Absorb more than 300 new practical functions from both domestic and international sources, and form a stable and replicable "CMCore" version on the basis of meeting the requirements for data lake entry and digital foundation strengthening.	It's in the R&D and testing phase.	1. Clear product positioning; 2. Fully productized characteristics; 3. Interconnectivity within the product ecosystem; 4. Compliance with digital infrastructure strengthening requirements.	With the goals of higher system stability, faster performance, stronger functionality, easier implementation, better user experience, more intelligent collaboration, enhanced information security, and more advanced architecture, we develop a productized version tailored for both large-scale and small- and medium-sized terminals, reconstructing a stable and reliable CTOS product to deliver a superior customer experience.
TCP CTOS project	The project aims to replace foreign systems with China Merchants' proprietary operating system.	Launched on 1 June 2025.	Complete the replacement of the production system.	The successful implementation of the TOS project made TCP the first port in South America to complete a shareholder-developed TOS (Terminal Operating System) modernization upgrade. This not only significantly enhanced CMPort's global digital competitiveness but also greatly strengthened CTOS' technical influence in the international market. The project set an industry benchmark with high-quality delivery characterized by "zero downtime, early launch, and over 1,200 deeply customized items," providing a replicable and verifiable

				implementation path for overseas ports. The project achieved the world's first "trinity" comprehensive application of CTOS, integrating container operations, railway operations, and warehouse operations on a single platform. It filled the functional gap of traditional CTOS in railway dispatching and warehouse management, providing a powerful demonstration case for the global promotion of CTOS. It holds profound strategic significance for CMPort's future overseas expansion, enhancement of industry influence, and the export of independent core technologies.
BOS (Business Operating System) 3.0	The project aims to integrate four existing billing systems (one each for foreign trade and CIC, and two for domestic trade) into a single system (BOS 3.0), enabling unified management of billing operations across multiple financial entities and both domestic and foreign trade in the Shenzhen Western Port Area.	The Xinghan integration module and CIC billing module have been launched, while other modules are progressing as planned.	By the end of 2026, BOS 3.0 will be fully implemented, achieving unified billing management across multiple financial entities and both domestic and foreign trade in the Shenzhen Western Port Area.	Comprehensively enhance the digital and intelligent management level of the billing and charging business in the Shenzhen Western Port Area.
Autonomous driving dispatch simulation system (including	Before the completion of the infrastructure at Dachan Bay Phase II Terminal, an autonomous driving dispatch simulation	The overall technical solution design has been completed, and development work is	A basic version will be released by the end of August 2026, enabling autonomous driving dispatch simulation functions and algorithms across	The autonomous driving dispatch simulation system enables continuous optimization of system algorithms and functions in a simulated

Phase II)	system will be constructed in advance to support the core functions of horizontal transportation scheduling and algorithm development, with continuous iterative optimization through simulation.	progressing as planned.	various scenarios such as quay and yard operations in Dachan Bay Phase II. Subsequent iterations will support fleet dispatch simulations under different operational conditions and continuous optimization of the dispatch system based on test results.	environment, significantly shortening on-site commissioning cycles after equipment arrival and supporting rapid deployment of the system in Dachan Bay Phase II.

Details about R&D personnel:

	2025	2024	Change (%)
Number of R&D personnel	832	827	0.60%
R&D personnel as % of total employees	5.54%	5.46%	0.08%
Education background			
Bachelor's degree	532	588	-9.52%
Master's degree	52	56	-7.14%
Doctoral degree	2	2	0.00%
Others	246	181	35.91%
Age structure			
Below 30	167	179	-6.70%
30~40	317	272	16.54%
Over 40	348	376	-7.45%

Details about R&D investments:

	2025	2024	Change (%)
R&D investments (RMB)	212,534,890.83	250,109,688.37	-15.02%
R&D investments as % of operating income	1.23%	1.55%	-0.32%
Capitalized R&D investments (RMB)	34,784,617.31	48,354,622.01	-28.06%
Capitalized R&D investments as % of total R&D investments	16.37%	19.33%	-2.96%

Reasons for any significant change to the composition of the R&D personnel and the impact:

The Company actively carried out digital upgrades, and the R&D projects of its subsidiaries shifted from equipment upgrades and renovations to digital system development. Also, the R&D personnel

shifted to be mainly information technology personnel. The changes in structure had no significant impact.

Reasons for any significant YoY change in the percentage of R&D investments in operating income:

☐ Applicable √ Not applicable

Reason for any sharp variation in the percentage of capitalized R&D investments and rationale:

☐ Applicable √ Not applicable

6. Cash Flows

Unit: RMB

Item	2025	2024	Change (%)
Sub-total of cash inflows from operating activities	18,607,202,471.29	18,182,449,597.82	2.34%
Sub-total of cash outflows from operating activities	10,432,770,082.24	10,169,236,773.42	2.59%
Net cash inflow from operating activities	8,174,432,389.05	8,013,212,824.40	2.01%
Sub-total of cash inflows from investing activities	51,892,517,216.85	30,588,744,503.01	69.65%
Sub-total of cash outflows from investing activities	52,560,803,164.93	30,110,416,048.42	74.56%
Net cash outflow/inflow from investing activities	-668,285,948.08	478,328,454.59	-239.71%
Sub-total of cash inflows from financing activities	34,853,199,507.54	26,897,465,759.38	29.58%
Sub-total of cash outflows from financing activities	43,625,022,997.30	34,803,604,782.03	25.35%
Net cash outflow from financing activities	-8,771,823,489.76	-7,906,139,022.65	-10.95%
Net increase in cash and cash equivalents	-1,270,711,892.87	496,455,923.81	-355.96%

Explanation of why any of the data above varies significantly on a year-on-year basis:

Cash inflows from investing activities increased by 69.65% year-on-year, mainly due to the impact of the increased recovery of structured deposits on a year-on-year basis.

Cash outflows from investing activities increased by 74.56% year-on-year, mainly due to the impact

of the increased purchases of structured deposits on a year-on-year basis.

Net cash inflow from investing activities decreased by 239.71% year-on-year, mainly due to the combined impact of changes in structured deposits.

Net increase in cash and cash equivalents decreased by 355.96% year-on-year, mainly due to the combined impact of investing and financing cash flows.

Explanation of why net cash inflow from operating activities varies significantly from net profit of the Reporting Period:

☐ Applicable √ Not applicable

V Analysis of Non-Core Businesses

Unit: RMB

	Amount	As % of profit before income tax	Source/Reason	Recurrent or not
Investment income	6,421,520,127.75	61.89%	Share of the profit of joint ventures and associates, mainly from Shanghai Port	Yes
Gains or losses from changes in fair value	42,374,127.06	0.41%	-	No
Asset impairment	-10,072,860.74	-0.10%	Mainly due to the provision for asset impairment losses	No
Non-operating income	83,919,649.43	0.81%	-	No
Non-operating expenses	57,795,398.52	0.56%	-	No
Other income	172,426,753.42	1.66%	Mainly due to government grants obtained	No
Gains from assets disposals	7,391,759.06	0.07%	-	No
Credit impairment losses	-290,616,620.93	-2.80%	Mainly due to the provision for credit impairment losses of receivables	No

VI Analysis of Assets and Liabilities

1. Significant Changes in Asset Composition

Unit: RMB

	31 December 2025		1 January 2025		Change in percentage (%)	Main reason for any significant change
	Amount	As % of total assets	Amount	As % of total assets		
Cash and bank balances	15,374,846,360.79	7.50%	16,630,400,701.13	8.25%	-0.75%	-
Accounts receivable	1,297,166,857.70	0.63%	1,193,408,383.78	0.59%	0.04%	-
Inventories	307,216,425.15	0.15%	269,958,020.34	0.13%	0.02%	-
Investment properties	3,157,951,323.78	1.54%	3,288,690,070.60	1.63%	-0.09%	-
Long-term equity investments	103,073,100,064.87	50.28%	100,018,029,894.96	49.63%	0.65%	-
Fixed assets	30,442,884,297.82	14.85%	30,689,217,791.45	15.23%	-0.38%	-
Construction in progress	3,403,583,431.48	1.66%	3,311,109,996.59	1.64%	0.02%	-
Right-of-use assets	8,965,304,928.17	4.37%	8,957,352,063.54	4.44%	-0.07%	-
Short-term borrowings	19,775,820,831.32	9.65%	12,791,242,141.69	6.35%	3.30%	-
Contract liabilities	446,822,948.79	0.22%	267,888,272.62	0.13%	0.09%	-
Long-term borrowings	7,439,956,123.50	3.63%	15,582,593,255.65	7.73%	-4.10%	-
Lease liabilities	1,690,860,832.08	0.82%	1,387,206,990.51	0.69%	0.13%	-

Indicate whether overseas assets account for a high proportion of total assets.

√ Applicable ☐ Not applicable

Asset	Source	Asset value	Location	Operations	Control measures to protect asset safety	Return generated	As % of the Company's equity	Material impairment risk (yes/no)

Equity assets	Acquired via share offering	RMB154,006.5813 million	Hong Kong	Port investment and operations	Appointing director, supervisor and senior management /According to the political, economic and legal environment of different countries and regions, establish a targeted internal control system and early warning system.	RMB7,443.7899 million	82.86%	No
Other information	N/A							

2. Assets and Liabilities at Fair Value

Unit: RMB

Item	Beginning amount	Gains or losses from changes in fair value in the Reporting Period	Cumulative fair-value changes through equity	Impairment allowance made in the Reporting Period	Purchased in the Reporting Period	Sold in the Reporting Period	Other changes	Ending amount
Financial assets								
Financial assets held for trading (exclusive of derivative financial assets)	5,685,135,472.01	42,129,916.42	-	-	50,085,000,000.00	48,233,441,022.68	-	7,578,824,365.75
Other non-current financial assets	28,524,600.31	244,210.64	-	-	-	-	-	28,768,810.95

Investments in other equity instruments	139,451,887.05	-	2,314,478.10	-	-	-	-	141,766,365.15
Subtotal of financial assets	5,853,111,959.37	42,374,127.06	2,314,478.10	-	50,085,000,000.00	48,233,441,022.68	-	7,749,359,541.85
Receivables under financing	-	-	-	-	-	-	114,680,738.25	114,680,738.25
Total of the above	5,853,111,959.37	42,374,127.06	2,314,478.10	-	50,085,000,000.00	48,233,441,022.68	114,680,738.25	7,864,040,280.10
Financial liabilities	-	-	-	-	-	-	-	0.00

Other changes:

Other changes in receivables under financing are primarily attributable to changes in receivables under financing.

Significant changes to the measurement attributes of the major assets in the Reporting Period:

☐ Yes √ No

3. Restricted Asset Rights as at the Period-End

The restricted cash and bank balances were RMB100,488,698.75 in total, including security deposits, accrued interest that had not yet been received, etc.

The carrying value of fixed assets as collateral for bank loans was RMB1,124,374,793.46.

VII Investments Made

1. Total Investment Amount

Investment amount in 2025 (RMB)	Investment amount in 2024 (RMB)	Change (%)
2,203,383,624.16	2,547,551,911.17	-13.51%

2. Major Equity Investments Made in the Reporting Period

☐ Applicable √ Not applicable

3. Major Non-Equity Investments Ongoing in the Reporting Period

☐ Applicable √ Not applicable

4. Financial Investments

(1) Securities Investments

Unit: RMB

Variety of security	Code of security	Name of security	Initial investment cost	Accounting measurement method	Beginning carrying amount	Gains or losses from changes in fair value in the Reporting Period	Accumulated fair value changes recorded in equity	Purchased in the Reporting Period	Sold in the Reporting Period	Gain/loss in the Reporting Period	Ending carrying amount	Accounting title	Funding source
Domestic/overseas stock	400032	R Petrochemical A1	3,500,000.00	Fair value method	382,200.00	-	-	-	-	-	382,200.00	Investments in other equity instruments	Self-funded
Domestic/overseas stock	400009	R Guang Jian 1	27,500.00	Fair value method	17,000.00	-	-	-	-	-	17,000.00	Investments in other equity instruments	Self-funded
Total			3,527,500.00	--	399,200.00	-	-	-	-	-	399,200.00	--	--

(2) Investments in Derivative Financial Instruments

☐ Applicable √ Not applicable

VIII Sale of Major Assets and Equity Investments

1. Sale of Major Assets

☐ Applicable √ Not applicable

No such cases in the Reporting Period.

2. Sale of Major Equity Investments

☐ Applicable √ Not applicable

No such cases in the Reporting Period.

IX Principal Subsidiaries and Joint Stock Companies

Principal subsidiaries and joint stock companies with an over 10% effect on the Company's net

profit:

Unit: RMB

Name	Relationship with the Company	Principal activity	Registered capital	Total assets	Equity	Operating income	Operating profit	Net profit
Shanghai International Port (Group) Co., Ltd.	Joint stock company	Business related to port, container and terminal	23,279,960,504.00	221,735,642,992.73	155,931,607,711.03	39,611,497,351.53	17,667,666,648.38	14,953,696,046.09
China Merchants Port Holdings Company Limited	Subsidiary	Port business, bonded logistics and property investment	48,730,938,830.02 (HKD)	154,006,581,310.59	108,801,023,496.92	12,441,209,669.47	7,532,000,993.52	7,443,789,947.75
Ningbo Zhoushan Port Company Limited	Joint stock company	Business related to port, integrated logistics, and trade sales	19,454,388,399.00	123,419,543,000.00	90,109,033,000.00	31,020,365,000.00	7,223,540,000.00	5,667,764,000.00

Subsidiaries obtained or disposed of in the Reporting Period:

Subsidiary	How subsidiary was obtained or disposed in the Reporting Period	Effects on overall operations and operating performance
China United Tally Co., Ltd. Shantou	Business combination not involving entities under common control	No significant impact
Shantou Zhongli Wailun Tally Co., Ltd.	Deregistered	No significant impact

Other information on principal subsidiaries and joint stock companies:

There is no other information related to the Company's principal subsidiaries and joint stock companies in the Reporting Period that is required to be disclosed.

X Structured Entities Controlled by the Company

☐ Applicable √ Not applicable

XI Outlook for the Company's Future Development

1. Industry Landscape and Trends

In terms of international trade and economic environment, the global economic landscape is undergoing accelerated restructuring. Amid uncertainties such as geopolitical conflicts, security concerns and inflationary pressures, global economic growth momentum has slowed. Against the backdrop of supply chain reorganization, international trade is exhibiting several notable trends: cross-regional trade is partly giving way to regional trade; multilateral trade is partly giving way to bilateral trade; facilitation-oriented trade is partly giving way to security-oriented trade; and cost-performance-driven trade is partly giving way to green trade. Under these circumstances, trade flows, investment decisions and the structure of global value chains are being rapidly reshaped, with developing economies facing both multiple risks and strategic opportunities.

In terms of domestic economic and trade environment, China's economy remains supported by solid fundamentals, numerous advantages, strong resilience and substantial potential. The long-term positive outlook and underlying fundamentals remain unchanged, while the advantages of a super-large market, a comprehensive industrial system and abundant talent resources continue to become more prominent. China remains committed to placing the focus of economic development on the real economy and promoting transformation toward intelligence, green development and integration. It is seizing the historic opportunities arising from a new round of technological revolution and industrial transformation, comprehensively enhancing independent innovation capabilities, striving to occupy the commanding heights of technological development, and accelerating the cultivation and development of new quality productive forces. China will continue to expand domestic demand, using new demand to drive new supply and new supply to create new demand, thereby promoting a virtuous cycle between consumption and investment as well as between supply and demand, and continuously strengthening the endogenous momentum and reliability of the domestic economic circulation. At the same time, China will steadily advance institutional opening-up, safeguard the multilateral trading system, expand the space for international economic circulation, and promote reform and development through a higher level of opening-up.

In recent years, profound changes unseen in a century have accelerated worldwide, with significant adjustments in the geopolitical landscape. Global industrial and supply chains are increasingly evolving toward diversified deployment, regional cooperation, green transformation and digital upgrading. As key hubs and critical nodes of international trade flows, ports are assuming an

increasingly prominent strategic role in the global trading system and integrated logistics networks. Global port operators are actively seizing emerging opportunities, continuously enhancing port service quality, expanding the economic reach of their hinterlands, and strengthening synergies with other logistics participants to provide customers with more comprehensive and high-quality logistics solutions. Competition among international ports in terms of shipping route resources, cargo organization and service capabilities is becoming increasingly intense, bringing both new opportunities and challenges to the port industry. Looking ahead, the port industry is expected to develop along the following trends:

(1) Globalization of Port Networks. Against the backdrop of deepening global economic integration and increasingly internationalized competition in the port market, port transformation and upgrading have shifted from a sole focus on throughput and short-term economic returns to greater emphasis on long-term value creation. Continuous advancement of global port deployment and the development of integrated port service systems with stronger innovation capability and higher value-added services will further enhance corporate competitiveness, influence and driving power.

(2) Integrated Port Services. As the restructuring of global supply chains continues to deepen, trends such as friend-shoring, regionalization and near-shoring across industrial chains are becoming more pronounced, accelerating the transformation of ports from traditional cargo-handling hubs into integrated logistics service nodes. By systematically expanding high value-added extended services around core port operations, ports are exploring premium shipping routes, multimodal transport, digital and intelligent technologies, and green and low-carbon services based on port scenarios. This enables ports to provide professional and customized logistics solutions and deliver more flexible, secure and efficient logistics services to customers.

(3) Digital and Intelligent Port Operations. The level of port digitalization now plays a greater role in improving port productivity than upgrades to physical infrastructure. Breakthroughs and innovations in artificial intelligence technologies will accelerate the industry's transition from "process digitalization" to "intelligent decision-making," continuously empowering core port functions including production, management, services and ecosystem development, and enabling the delivery of smarter, more efficient and more personalized services.

(4) Green and Low-Carbon Development of Ports. The port industry is systematically advancing the transition toward green and low-carbon development. This includes the wider application of clean energy, the construction and upgrading of environmental protection facilities, and the development of green industrial chains. Such initiatives not only align with national strategic objectives but also make important contributions to global environmental protection and sustainable development.

2. Corporate Development Strategy

The Company is committed to becoming a "world-leading port service provider." Standing at a new stage of development, it will fully and accurately implement the new development philosophy, take high-quality development as its core objective, and accelerate technology leadership and innovation-driven growth. Through scientifically planned global deployment and balanced development, the Company aims to provide first-class integrated port service solutions, create greater value for shareholders, actively empower local economic and industrial development, and promote the sustainable development of the port industry.

First, the Overseas Strategy. The Company will accurately recognize and seize strategic opportunities arising from the restructuring of shipping alliances and the evolution of logistics corridors. Focusing on its core business while expanding internationally, the Company will prioritize deployment in major global hub ports, gateway ports, and regions with strong market potential, rapid economic growth and promising development prospects. It will actively capture investment opportunities in ports, logistics and related infrastructure, further enhance its global port network, and strengthen its capability in international resource allocation and the resilience of its global service network.

Second, the Lean Operations Strategy. Guided by the principles of refining resource allocation, strengthening resource efficiency and optimizing operational evaluation, the Company aims to enhance asset returns and gross margin levels. Focusing on lifecycle management of resources, the Company will strengthen demand analysis and dynamic assessment, scientifically optimize the allocation of resources and production factors, and streamline production processes to comprehensively improve resource utilization efficiency and operational quality, thereby achieving sustainable development. At the same time, it will establish a comprehensive operational evaluation

system based on quantitative indicators, improve risk management mechanisms, and coordinate the implementation of strategic objectives, providing sustained momentum for the Company's high-quality development.

Third, the Technology Innovation Strategy. The Company will proactively promote the upgrade of traditional industries, facilitating the realization of the overall strategic target of becoming a "world-leading port service provider". The Company will seize the dual opportunities of "industrial digitalization" and "digital industrialization," comprehensively promoting the deep integration of digital and intelligent technologies with its core port business. This will empower the Company's production and operations, market expansion, operational management and capital operations, reshape new development models, and enhance the scientific and refined nature of production operations, customer services, operational management and decision-making, thereby completing industrial upgrading and the transformation of growth drivers.

Fourth, the Home Port Strategy. The Company will prioritize key initiatives and advance the high-quality development of both domestic and overseas home ports in a coordinated manner. Centered on the development of West Shenzhen Port Zone, the Company will actively align with the industrial and logistics demands of the Pearl River Basin, optimize the collection and distribution system, guide cargo flows, and innovate in providing efficient, customized and highly competitive end-to-end logistics solutions. These efforts will comprehensively enhance the aggregation effect and regional influence of West Shenzhen Port Zone across the Pearl River Basin, enabling sustainable development. At the same time, focusing on the development of the Sri Lanka home port, the Company will build a well-functioning and highly coordinated port and shipping ecosystem service cluster, significantly enhancing international shipping service capability and regional influence while extending its reach across the South Asian subcontinent and surrounding regions.

Fifth, the Green and Low-carbon Strategy. The Company will seize the opportunities presented by the green transformation of industries, thoroughly implement the concept of green development, and actively fulfil its social responsibilities. It will systematically optimize the port energy structure, improve modern green port management systems and mechanisms, expand scenarios for green

energy supply, widely promote green investment principles, and strive to build a new generation benchmark for green and intelligent ports characterized by low energy consumption and low emissions.

Sixth, the Talent Strategy. The Company will, drawing on the Mangrove ecosystem, stay focused on the direction of "supporting corporate strategy and leading talent development", establish a talent development environment with "openness and inclusiveness, dynamic balance, synergy and symbiosis, and sustained prosperity", and create a "talent habitat" and "source of innovation" possessing global competitiveness. These enable individuals with diverse expertise to find their rightful place and realize their potential, ultimately fostering a virtuous ecosystem of "sustainable talent cultivation and vibrant innovation", thereby providing enduring impetus for the Company's strategy of becoming a world-leading port service provider.

3. 2026 Operation Plan

In 2026, the Company will accelerate, strengthen and intensify the three-drivers model of "Global Presence", "Lean Management", and "Innovative Transformation", respectively, and spares no effort to further strengthen strategic confidence, maintain strategic focus, and tackle key challenges to achieve breakthroughs in deepening reforms. The Company continues to exert efforts in innovation-driven development, and implement precise measures in high-quality development to coordinately promote various tasks including expanding space, stabilizing growth, adjusting structure, improving driving forces, and consolidating foundations, so as to lay a solid foundation for a good start of the "15th Five-Year" Plan. The tactics of "Five Insistences" will be firmly implemented.

(1) Insistence on Long-termism to Explore Room for Development

The Company will strengthen its strategic leadership and control capabilities and firm up its global deployment to align with the overall national development, and comprehensively enhance its sustainable development capabilities. Firstly, it will systematically promote the construction of the strategic management system, fully implement the "15th Five-Year" strategic plan, formulate strategic management regulations, and define the corporate strategic positioning, development objectives, and key initiatives through a clear hierarchical classification. Secondly, the Company

will deepen the overseas strategic presence, accelerate the pace of internationalization, and proceed with the closing of the Vast project in Brazil in an orderly manner.

(2) Insistence on the Main Responsibility and Core Business to Improve the Quality of Development

The Company will focus on its core business of ports, optimize and strengthen the controlled terminals, promote the high-quality development through quality and efficiency enhancement, and steadily extend the comprehensive port service chain to build an integrated port ecosystem. Firstly, the Company will undertake the integration of container business resources and the optimization of deployment in the West Shenzhen Port Zone, and push forward the construction of the Dachan Bay Phase II project in an orderly manner. Secondly, the strategic synergy of CICT and HIPG in Sri Lanka will be deepened to enhance regional synergy levels and customer service capabilities, and actively expand the market. Meanwhile, TCP in Brazil will keeping on upgrading its cargo handling capacity to consolidate competitive advantages, and maintain market share. Thirdly, the Company will improve the quality and capacity of the bonded logistics business, strengthening the collaboration with port operators so as to increase the value creation capabilities.

(3) Insistence on Lean Management to Drive Endogenous Growth

The Company will continue to deepen lean management at a high standard, strengthen synergies and cooperation at a high grade, and promote ESG construction at a high level, so as to add impetus to its endogenous growth. Firstly, the Company will strengthen penetrating control and comprehensively enhance the capabilities of its operational management, asset management, financial control, engineering construction management, and commercial marketing coordination. Secondly, the Company will deepen the collaboration with business partners, expand the depth and breadth of cooperation, intensify the efforts to market development and precision marketing, deepen the strategic cooperation with key shipping company customers, and enhance market share and service stickiness. Thirdly, the Company will continue to optimize the ESG management system, implement the ESG information disclosure at a high-quality manner, strengthen the sustainable development and brand building, and enhance the Company’s social image and brand influence.

(4) Insistence on Reform and Innovation to Create Growth Advantages

The Company will adhere to reform-led and innovation-driven development, continue to optimize mechanisms and systems, and accelerate the promotion of synergy between technological innovation and green and lowcarbon transformation. Firstly, the Company will deepen and expand the benchmark achievements of the "Double Hundred Action" reform initiative and refine a number of replicable and scalable best practices. Secondly, the Company will continuously enhance corporate governance standards and promote the establishment of boards of directors of the Company and its subsidiaries. Thirdly, the Company will promote the application of artificial intelligence technology across the entire system, facilitate the deepening and concrete implementation of digital and intelligent transformation, accelerate the construction of a new generation of fully automated terminal solutions, and promote the evolution towards production intelligence and unmanned operations. Fourthly, the Company will systematically undertake the transformation of green and low-carbon development, strengthen the green energy supply capacity, promote the construction of photovoltaic power generation, optimize the configuration of clean energy, and accelerate the process of equipment electrification so as to build a low-carbon and efficient green port ecosystem.

(5) Insistence on Foundation Reinforcement to Consolidate the Basis for Development

The Company will uphold Party leadership and closely align with the overall agenda of corporate reform and development, deepen the integration of Party building with business operations, enhance the value of the "Tongxin Tonglian" brand, and support the Company's high-quality development. The Company focuses on the effective implementation of its talent strategy and systematically promotes the construction of the "Mangrove" talent ecosystem, centering on the development of four core talent teams in business management, overseas operations, practical skills, and scientific and technological innovation, so as to consolidate the talent foundation for the corporate's sustainable development. Embracing the "Efficiency Enhancement Year" mission of its three-year campaign to tackle the root causes of production safety, the Company anchors its efforts on proactive risk prevention and control, as well as achieving zero hidden dangers through closed-loop management. It deepens the specialized investigation and rectification of major accident hazards, intensifies the full-chain "single issue" rectification in key industries, continuously strengthens

resilience in major safety risk prevention and control, and elevates intrinsic safety levels so as to reinforce the safety foundation for high-quality development.

4. Potential Risks and Countermeasures

(1) Risk of Macroeconomic Fluctuations

Global economic growth momentum remains relatively weak. Factors such as geopolitical conflicts, changes in the international trade environment and the restructuring of global supply chains continue to introduce uncertainty into global trade and port operations. Unexpected events, including the Red Sea crisis, have further highlighted challenges related to supply chain stability, driving adjustments in global shipping routes and cargo flows. This may result in regional fluctuations in port throughput and pose potential impacts on the Company's business development.

The Company adheres to top-level strategic planning with a global perspective and actively responds to changes in the external environment. First, it will continue to monitor macroeconomic and geopolitical developments, promote the transformation and upgrading of port operations and the optimization of its global network, and adjust business strategies in a timely manner to enhance development resilience. Second, the Company will improve internal coordination mechanisms and expand its service chain and the reach of its economic hinterland. Third, it will strengthen core technology research and development, leveraging innovation to improve operational efficiency and service capability while systematically mitigating external risks.

(2) Policy Change Risk

Globally, the continued evolution of trade policies and environmental regulations, as well as increasingly stringent regulations in areas such as industrial support and carbon emission reduction in various countries, may bring structural impacts on port investment footprint and business models, while increasing compliance costs. At the same time, domestic policies promoting high-quality development and encouraging cost reduction and efficiency improvement across the industry have also placed higher demands on the operational efficiency and service capabilities of port enterprises.

To effectively address the challenges arising from policy changes, the Company has established a multi-level and forward-looking response framework. First, it will strengthen risk assessment and

build a comprehensive macro-policy analysis system to dynamically adjust investment and operational planning. Second, the Company will optimize its global footprint and investment portfolio to diversify the impact of policy-related risks. Third, it will enhance ESG management and improve corporate governance standards to strengthen sustainable development capabilities and maintain compliant operations amid changes in the global policy environment. Fourth, the Company will strengthen project governance to ensure compliance with investment approval procedures, establish internal control and compliance processes covering all business activities, and enhance oversight in key overseas compliance areas. Fifth, the Company will improve risk hedging mechanisms by utilizing tools such as commercial political risk insurance to enhance risk mitigation capacity.

(3) Operational and Management Risk

As the Company continues to expand its global network, differences in business environments and cultural contexts across countries and regions may present challenges for cross-regional coordination, operational efficiency improvement and the realization of investment returns. Meanwhile, the restructuring of global supply chains and market fluctuations require port operations to possess stronger resource integration capabilities and faster response speeds, thereby increasing management complexity.

To address the management challenges associated with global operations, the Company will continue to enhance its systematic management capabilities. First, it will deepen management coordination and resource integration across its global terminal network, improving overall efficiency and service quality through standardized and lean operations. Second, the Company will strengthen full-lifecycle management of investment projects, optimize its asset portfolio, and enhance post-investment evaluation and value improvement mechanisms. Third, it will continue to advance the digital and intelligent transformation of management, leveraging data platforms and intelligent systems to improve operational analysis and decision-support capabilities. Fourth, the Company will further refine a comprehensive risk management framework commensurate with the scale of its operations, strengthening internal control mechanisms in areas such as finance, operations and cross-cultural management to ensure sustained and healthy business development.

XII Communications with the Investment Community such as Researches, Inquiries and Interviews

Date	Place	Way of communication	Type of communication party	Object of communication	Main topics of discussion and materials provided	Index to basic information of researches
3 April 2025	China Merchants Port Building	Conference call	Institution	Changjiang Securities, China Merchants Securities, Huatai Securities, Shenwan Hongyuan Securities, Tianfeng Securities, Cinda Securities, CICC Fund, Boyuan Fund, Tongtai Fund, Tianhong Asset Management, BOCOM Schroders, FountainCap, Tibet Eastmoney Fund, BOSC Asset, Golden Trust Sinopac Fund, JT Asset Management, Yuancheng Investment, Duohemei Investment, Beiyin Fund, Guoxin Investment, Orient Securities Proprietary, Sun Life Everbright, and Greatwall Wealth	Main discussions: the basic condition of operations, investments made and the financial condition of the Company; Materials provided: None	Investor Relations Activity Log Sheet (No.: 2025-01)
7 April 2025	China Merchants Port Building	Online communication on network platform	Institution+ Individual	All investors		Investor Relations Activity Log Sheet (No.: 2025-02)
23 April 2025	Shenzhen Stock Exchange Listing Hall	Other	Institution	Hua Chuang Securities, Cinda Securities, Shenwan Hongyuan Securities, Guotai Haitong Securities, Founder Securities, China Merchants Securities, Industrial Securities, Changjiang Securities, Huatai Securities, CITIC Securities, Pacific Securities, Securities Times, Shanghai Securities News, China Securities Journal, China Water Transport News, Southern Daily, Shenzhen Economic Daily, and Shenzhen Special Zone Daily		Investor Relations Activity Log Sheet (No.: 2025-03)
1 September 2025	China Merchants Port Building	Conference call	Institution	Changjiang Securities, China Merchants Securities, Zheshang Securities, CITIC Securities, Cinda Securities, Tianfeng Securities, Shenwan Hongyuan Securities, Huatai Securities, Huachuang		Investor Relations Activity Log Sheet (No.: 2025-04)

				Securities, Golden Sun Securities, Guotai Junan Securities, Orient Securities Proprietary Trading, Eastmoney Fund, Hazel Investment, Leying Investment, Taikang Asset Management (Hong Kong), Generali China Asset Management		
5 September 2025	China Merchants Port Building	Online communication on network platform	Institution+ Individual	All investors		Investor Relations Activity Log Sheet (No.: 2025-05)
20 November 2025	China Merchants Port Building	Online communication on network platform	Institution+ Individual	All investors		Investor Relations Activity Log Sheet (No.: 2025-06)
26 November 2025	China Merchants Port Building	One-on-one meeting	Institution	PICC Asset Management, Penghua Fund, First Seafront, Visione, Pinpoint Asset Management, Fullgoal Fund, Zheshang Fund, Broad Asset Management, CCB Pension, Ping An Insurance, JPMorgan Chase, CMB Wealth Management, Zheshang Securities, Guosen Securities, Huachuang Securities, CITIC Securities, Changjiang Securities, China Merchants Securities, Huatai Securities, Cinda Securities, Huafu Securities		Investor Relations Activity Log Sheet (No.: 2025-07)
1 January 2025 to 31 December 2025	China Merchants Port Building	By phone, or written inquiry (https://irm.cninfo.com.cn/ircs/index or email)	Individual	Individual investors		/

XIII Implementation of the Market Value Management System and Valuation Enhancement Plan

Indicate whether the Company has a market value management system.

√ Yes ☐ No

Indicate whether the Company has disclosed a valuation enhancement plan.

√ Yes □ No

To effectively promote the enhancement of the listed company's investment value, increase investor returns, and protect the legitimate rights and interests of the Company, investors, and other stakeholders, the Company actively responds to and implements regulatory requirements. Based on the Company's specific situation, a valuation enhancement plan has been developed. The Company will focus on improving the quality of the listed company, enhancing operational efficiency and profitability, and legally and compliantly using methods such as share repurchases and cash dividends to promote the increase of the Company's investment value.

In accordance with relevant provisions such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Several Opinions of the State Council on Strengthening Supervision, Preventing Risks, and Promoting the High-Quality Development of the Capital Market, the Administrative Measures for Information Disclosure of Listed Companies, the Guidance No. 10 on Market Value Management for Listed Companies, the Articles of Association, etc., the Company held the First Extraordinary Meeting of the 11th Board of Directors in 2025 on 27 February 2025, and passed the proposal on the Valuation Enhancement Plan. For specific details, please refer to the Valuation Enhancement Plan disclosed on www.cninfo.com.cn on 28 February 2025 (Announcement No.: 2025-007). On 1 April 2026, the Company held the Sixth Meeting of the 11th Board of Directors, and passed the proposal on the Assessment Report on the Implementation of the 2025 Valuation Enhancement Plan. For specific details, please refer to the Assessment Report on the Implementation of the 2025 Valuation Enhancement Plan disclosed on www.cninfo.com.cn on 3 April 2026 (Announcement No.: 2026-017).

XIV Implementation of the Action Plan for "Dual Enhancement of Development Quality and Investor Returns"

Indicate whether the Company has disclosed its Action Plan for "Dual Enhancement of Development Quality and Investor Returns".

√ Yes □ No

In order to implement the requirements of the State Council's Opinions on Strengthening Supervision and Preventing Risks and Promoting High-Quality Development of the Capital Market and Opinions on Further Improving the Quality of Listed Companies, the Company has formulated the Action Plan for "Dual Enhancement of Development Quality and Investor Returns", with a view to continuously improving the quality of the Company, enhancing the returns to investors, ensuring that relevant stakeholders share the fruits of the Company's development, and achieving sustainable development. For details, please refer to the Announcement on the Initiation of the Action Plan for "Dual Enhancement of Development Quality and Investor Returns" (Announcement No.: 2024-068) disclosed on www.cninfo.com.cn. During the Reporting Period, the Company operated in a stable manner, adhered to standardized operations, and ensured proper information disclosure, insider information management, and investor relations management. It deepened communication with investors, engaging with a total of 572 investors throughout the year. The Company established a good corporate image and maintained a stable dividend policy while deeply implementing ESG principles. The Action Plan for "Dual Enhancement of Development Quality and Investor Returns" has been effectively implemented.

Part IV Environmental, Social and Governance Information

I General Information of Corporate Governance

Ever since its establishment, the Company has been in strict compliance with the Company Law and Securities Law, as well as relevant laws and regulations issued by CSRC. And it has timely formulated and amended its relevant management rules according to the Code of Corporate Governance for Listed Companies, which are conscientiously and carefully executed. An effective system of internal control has thus taken shape in the Company. Details about corporate governance are set out as below:

1. Establishment of systems: During the Reporting Period up to the date of this Report, in accordance with the applicable laws and regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange, the Company has revised 33 rules and established five new rules. Corporate governance mechanisms and rules that the Company has already established are as follows: Articles of Association of the Company, Rules of Procedure for Shareholders' Meetings, Rules of Procedure for the Board of Directors, Working Articles of Audit Committee of the Board of Directors, Working Rules of Annual Report for Audit Committee of the Board of Directors, Working Articles for Nomination, Remuneration and Appraisal Committee of the Board of Directors; Working Articles of Strategy and Sustainability Committee of the Board of Directors, Working System for Independent Directors, Working Rules of Annual Report for Independent Directors, Working Articles of Chief Executive Officer, Working Articles of Board Secretary, Management System for Company Shares held by Directors and Senior Management and Their Changes, Management Rules on Information Disclosure, Management System on Inside Information and Insiders, Rules of Accountability for Significant Mistakes in Annual Report Information Disclosure, Information Disclosure Management Rules for the Inter-bank Debt Financing Instrument, Management System of Related-party Transactions, Management System of Fund-raising, Management System of Outward Investment, Management System of Securities Investments, Specific System for Engaging Accountants, Management System on Person in Charge of Finance and CFO, Management Method of Financial Tools, Management System of External Guarantees, Management System of Subsidiaries, Internal Audit System, Management Method of

Donations, Management System of Investors' Relations, Rules of Procedures for Office Meeting, Management System on the Authorization of the Board of Directors, Performance Appraisal Methods for Managers, Management Methods of Total Wages, Management Methods for the Remunerations of Managers, Management Methods for Professional Managers, Methods for Tenure-Based and Contractual Management, Liabilities Management System, Management Methods for Supporting Independent Directors in Performing Their Duties, Board Resolution Tracking, Implementation, and Post-Implementation Evaluation System, Market Value Management System, Management System for the Departure of Directors and Senior Management, Management System for the Deferral and Exemption of Information Disclosure, Risk Management and Internal Control Management System, Management Methods for Board Meeting Proposals, etc. There isn't difference between the actual circumstances of the Company and all established systems, demonstrating sound and effective systems.

2. Shareholders and shareholders' meeting: the Company ensures that all the shareholders, especially minority shareholders, are equal and could enjoy their full rights. The Company called and held shareholders' meetings strictly in compliance with the Rules for Shareholders' Meeting.

3. Relationship between the controlling shareholder and the Company: controlling shareholder of the Company acted in line with rules during the Reporting Period, did not intervened the decisions, productions or operations of the Company directly or indirectly in exceeding the authority of the shareholders' meeting, and did not occupy any funds of the Company.

4. Directors and the Board of Directors: the Company elected directors in strict accordance with the Articles of Association. Number and composition of members of the Board were in compliance with relevant laws and regulations. During the Reporting Period, the Board of Directors implemented six powers including rights to make decisions on medium- and long-term development, select and engage Management members, evaluate performance of Management members, manage the remuneration of Management members, manage the distribution of employees and manage major financial affairs in accordance with the Implementation of the Functions and Powers of the Board of Directors, strengthening the ability of the Board of Directors to exercise their rights and fulfil their responsibilities. All directors of the Company fulfilled their

responsibilities loyally and diligently, actively attending Board meetings and the shareholders' meetings, expressing views and discussing on proposals submitted to and deliberated by the Board during the Reporting Period. Proposals deliberated by the Board were all agreed. The Board of Directors of the Company has set up the Audit Committee, the Nomination, Remuneration and Appraisal Committee, and the Strategy and Sustainability Committee. During the Reporting Period, each committee gave full play to its professional functions, researched each professional affairs, offered views and advice, assisted the Board in carrying out works, and actively came up with ideas, providing strong guarantee for the scientific and efficient decision-making of the Board.

5. Stakeholders: the Company fully respected and safeguarded the legal rights and interests of the banks and other creditors, staff, clients and other stakeholders so as to develop the Company in a consistent and healthy way.

6. Information disclosure and transparency: As the primary responsible entity for information disclosure, the Board of Directors of the Company is responsible for managing the information disclosure matters of the Company. Chairman of the Board assumes a central role in managing the information disclosure matters of the Company while the Board Secretary is responsible for organizing and coordinating such matters. The Board Secretary of the Company is responsible for the management of investor relationships. Unless expressly authorized and trained, other directors, senior management members and staff members of the Company should avoid speaking on behalf of the Company in investor relationship activities. The Company disclosed relevant information in a true, accurate, complete and timely way in strict accordance with the requirements of laws, regulations and the Articles of Association, formulated the Management Rules on Information Disclosure, the Management System on Inside Information and Insiders and the Rules on the Management of Investors Relations, and designated *Securities Times, China Securities Journal, Shanghai Securities News,* and http://www.cninfo.com.cn as its newspaper and website for information disclosure, so as to ensure all shareholders have equal opportunity to obtain the information.

Since the foundation, the Company was consistently in strict accordance with Company Law and relevant laws and regulations to make a standard operation, continued business-running in line with

relevant requirements of Corporate Governance Principle for Listed Companies and earnestly made effort to protect profit and interests of shareholders and stakeholders.

Indicate by tick market whether there is any material incompliance with the laws, administrative regulations and regulations issued by the CSRC governing the governance of listed companies.

☐ Yes √ No

No such cases in the Reporting Period.

II The Company's Independence from Its Controlling Shareholder and Actual Controller in Asset, Personnel, Financial Affairs, Organization and Business

The Company is absolutely independent in business, personnel, assets, finance and organization from its controlling shareholder and actual controller. Details are set out as follows.

Separation in business: The Company has its own assets, personnel, qualifications and ability to carry out operating activities and is able to operate independently in the market. Separation in personnel: The Company has basically separated its staff from its controlling shareholder. No senior management staff of the Company holds positions at controlling shareholder of the Company. Separation in assets: The Company possesses its own self-governed assets and domicile. Separation in organization: The Company has established and improved the corporate governance structure according to law and has an independent and complete organizational structure. Separation in finance: The Company has set up its own financial department as well as normative accounting system and the financial management system on its subsidiaries. The Company has its own bank accounts and does not share the same bank account with its controlling shareholder. The Company has been paying tax in accordance with the laws and regulations on its own behalf.

III Horizontal Competition

☐ Applicable √ Not applicable

IV Directors and Senior Management

1. General Information

Name	Gender	Age	Office title	Incumbent/Former	Start of tenure	End of tenure	Beginning shareholding (share)	Increase in the Reporting Period (share)	Decrease in the Reporting Period (share)	Other increase/decrease (share)	Ending shareholding (share)	Reason for share change
Feng Boming	Male	56	Chairman of the Board	Incumbent	July 2023	May 2026	0	0	0	0	0	None
Xu Song	Male	54	Vice Chairman of the Board and CEO	Incumbent	July 2023	May 2026	22,200	0	0	0	22,200	None
Yan Gang	Male	53	Vice Chairman of the Board	Incumbent	May 2022	May 2026	0	0	0	0	0	None
Lu Yongxin	Male	56	Director, Chief Operation Officer, and General Manager	Incumbent	July 2023	May 2026	0	0	0	0	0	None
Li Zhanglin	Male	59	Director	Incumbent	January 2024	May 2026	0	0	0	0	0	None
Li Qing	Male	56	Director	Incumbent	January 2024	May 2026	0	0	0	0	0	None
Wu Changpan	Male	56	Director	Incumbent	December 2022	May 2026	0	0	0	0	0	None
Lyu Yiqiang	Male	49	Director	Incumbent	December 2022	May 2026	0	0	0	0	0	None
Gao Ping	Male	70	Independent director	Incumbent	May 2020	May 2026	0	0	0	0	0	None
Li Qi	Female	55	Independent director	Incumbent	May 2020	May 2026	0	0	0	0	0	None
Zheng Yongkuan	Male	48	Independent director	Incumbent	May 2021	May 2026	0	0	0	0	0	None
Chai Yueting	Male	62	Independent director	Incumbent	December 2022	May 2026	0	0	0	0	0	None
Huang Zhenzhou	Male	48	Chief Financial Officer	Incumbent	October 2024	May 2026	0	0	0	0	0	None
Zhu Weida	Male	57	Deputy General Manager	Incumbent	April 2023	May 2026	0	0	0	0	0	None
Li Wenbo	Male	46	Deputy General Manager	Incumbent	August 2023	May 2026	0	0	0	0	0	None
Qi Yue	Male	54	Deputy General Manager	Incumbent	August 2025	May 2026	0	0	0	0	0	None
Hu Shaode	Male	48	Deputy General Manager	Incumbent	August 2025	May 2026	0	0	0	0	0	None
Liu Libing	Male	52	Former General Counsel (Chief Compliance Officer)	Former	August 2020	December 2025	0	0	0	0	0	None
	Male		Board Secretary	Incumbent	May 2024	May 2026						None
Li Xiaofeng	Male	43	General Counsel (Chief Compliance Officer)	Incumbent	December 2025	May 2026	0	0	0	0	0	None

Liu Bin	Male	57	Former Deputy General Manager	Former	September 2022	August 2025	0	0	0	0	0	None
Total	--	--	--	--	--	--	22,200	0	0	0	22,200	--

Indicate by tick mark whether any directors or senior management departed their jobs during the Reporting Period

√ Yes □ No

During the Reporting Period, senior management of the Company departed their jobs mainly for job change. For more details, please see the table below.

Change of Directors and Senior Management

Name	Office title	Type of change	Date of change	Reason for change
Liu Bin	Deputy General Manager	Dismissed	8 August 2025	Job change
Qi Yue	Deputy General Manager	Appointed	11 August 2025	Appointed
Hu Shaode	Deputy General Manager	Appointed	11 August 2025	Appointed
Liu Libing	General Counsel (Chief Compliance Officer)	Dismissed	30 December 2025	Job change
Li Xiaofeng	General Counsel (Chief Compliance Officer)	Appointed	30 December 2025	Appointed

2. Biographical Information

Professional backgrounds, major work experience and current duties in the Company of the incumbent directors and senior management:

Feng Boming, Chairman of the Board, graduated from the University of Hong Kong, with a master's degree in business administration. He is currently Chairman of the Board, Convenor of the Strategy and Sustainability Committee, a member of the Nomination, Remuneration and Appraisal Committee of the Company, Deputy General Manager of China Merchants Group Limited, Chairman of Liaoning Port Group Co., Ltd., Chairman of the Board, a non-executive director and Chairman of the ESG Committee of China Merchants Port Holdings Company Limited, Chairman and a member of the Strategy and Sustainability Committee of China Merchants Energy Shipping Co., Ltd., Chairman of Sinotrans Limited, and Chairman of China Changjiang Shipping Group Co., Ltd. He served as General Manager of COSCO Shipping Lines (Wuhan) Co., Ltd./COSCO Logistics (Wuhan) Co., Ltd., Director of the Strategic Management Implementation Office of China

COSCO Shipping (Group) Company, General Manager of the Strategic and Enterprise Management Department of COSCO Shipping Corporation Limited, executive director and Chairman of the Board of Directors of COSCO Shipping Ports Ltd., executive director of COSCO Shipping Holdings Co., Ltd. and Oriental Overseas (International) Limited, non-executive director of COSCO Shipping Energy Transportation Co., Ltd., Qingdao Port International Co., Ltd. and Piraeus Port Authority S.A., as well as director of Hainan Harbor & Shipping Holding Co., Ltd. and COSCO Shipping Bulk Co., Ltd., Chairman and non-executive director of Sinotrans Limited. Mr. Feng has been the Chairman of the Board of the Company since July 2023.

Xu Song, Vice Chairman of the Board and CEO, a Senior Economist, holds a bachelor's degree in Material Management of the Huazhong University of Science and Technology, Master of Business Administration (MBA) of the Dongbei University of Finance & Economics, Master of International Business (MIB) of the Coventry University, and Ph.D. in Transportation Planning and Management of the Dalian Maritime University. Currently, he serves as the Vice Chairman of the Board, CEO and a member of the Strategy and Sustainability Committee of the Company, the Vice Chairman, CEO, a member of the Nomination Committee and the ESG Committee of China Merchants Port Holdings Company Limited, and the Vice Chairman of the Board and a member of the Strategy Committee of Shanghai International Port (Group) Co., Ltd. He used to work as Deputy General Manager at Dalian Port Container Co., Ltd.; Deputy General Manager and General Manager at Dalian Port Jifa Logistics Co., Ltd.; General Manager at Dalian Port Container Co., Ltd.; General Manager at Dalian Port Northern Huanghai Sea Port Cooperative Management Company; General Manager at Dalian Port (PDA) Company Limited; Deputy General Manager, director, and General Manager of Dalian Port; Deputy General Manager of Liaoning Port Group Co., Ltd.; Deputy General Manager, General Manager and COO of the Company; Director of Liaoning Port Co., Ltd. He has been Director of the Company since September 2022, Vice Chairman of the Board and CEO of the Company since July 2023.

Yan Gang, Vice Chairman of the Board, graduated from Xiamen University with a bachelor’s in international trade, and completed an MBA program co-created by the Maastricht School of Management (Maastricht, the Netherlands) and Shanghai Maritime University. He now serves as Vice Chairman of the Board and a member of the Strategy and Sustainability Committee of the

Company, non-executive director of China Merchants Port Holdings Company Limited, member of Commercial (Third) Functional Constituency of the Legislative Council of the Hong Kong Special Administrative Region of the People's Republic of China, Chairman of Panel on Economic Development of the Legislative Council of the Hong Kong Special Administrative Region of the People's Republic of China, member of the Maritime and Port Development Committee of Hong Kong Maritime and Port Board, Director of the Hong Kong Chinese Enterprises Association, Director of the Chinese General Chamber of Commerce, Hong Kong, and a member of the Board of Trustees of Hong Kong Chu Hai College. He served as the senior logistic manager in Neptune Orient Lines Limited and Hong Kong Swire Group, Chief Commercial Supervisor, Deputy General Manager, Executive Deputy General Manager and General Manager of Shekou Container Terminals Limited, Deputy General Manager, Chief Commercial Officer and Managing Director of China Merchants Port Holdings Company Limited, Chief Representative of the Representative Office of China Merchants Group Limited in the Baltic Sea, General Manager of Great Stone Industrial Park, Deputy General Manager, Chief Operating Officer and General Manager of China Merchants Port Group Co., Ltd., and the member of the Pilotage Advisory Committee of Marine Department of the Government of the Hong Kong Special Administrative Region and the Logistic Service Advisory Committee of Hong Kong Trade Development Council. He has served as a Director of the Company since April 2022 and Vice Chairman of the Board of the Company since May 2022.

Lu Yongxin, Director, COO and General Manager, graduated from Dalian University of Technology, and obtained bachelor's degree in English for science and technology. Later, he graduated from Curtin University and obtained master's degree in project management. He now serves as Director, COO, General Manager and a member of the Strategy and Sustainability Committee of the Company, as well as Executive Director and Managing Director of China Merchants Port Holdings Company Limited. He has successively held the posts of Assistant General Manager of Zhenhua Construction Co. Ltd., Deputy Director of General Manager's Office of China Harbour Engineering Company Limited (Presiding), Deputy General Manager of Research & Development Department of China Merchants Port Holdings Company Limited, General Manager of Overseas Business Department, Assistant General Manager and Deputy General

Manager of the company, Deputy General Manager of the Company. He has been dispatched to Terminal Link in France to act as CFO and Senior Vice President. He has been as the Director, COO and General Manager of the Company since July 2023.

Li Zhanglin, Director, and senior economist, graduated from the School of Statistics of Renmin University of China, with a master's degree in economics. He is currently a director of and a member of the Strategy and Sustainability Committee of the Company and a full-time external director sent by China Merchants Group Corporation Limited. He served as Assistant General Manager of the Enterprise Planning Department, Deputy Director of the Comprehensive Transportation Department/Overseas Business Department, and Deputy Director of the Transportation and Logistics Department of China Merchants Group Corporation Limited, and Deputy General Manager of Sinotrans Limited, and worked at the Planning Department of the Ministry of Transportation, and the Securities Management Department of China Merchants Expressway Network & Technology Holdings Co., Ltd.. Mr. Li has been Chairman of the Board of Directors of the Company since January 2024.

Li Qing, Director, graduated from Sichuan Normal College, majoring in Political Economy, with a bachelor's degree in Philosophy. He is currently a director and a member of the Strategy and Sustainability Committee of the Company, a full-time external director sent by China Merchants Group Corporation Limited and a supervisor of China Merchants Hainan Development & Investment Co., Ltd. He served as Assistant General Manager of the Business Development Department of China Merchants Group Corporation Limited and Deputy Director of Major Project Office and Director of Qianhai Office, Assistant Director of Capital Operation Department of China Merchants Group Corporation Limited and Deputy Director of Major Office and Director of Qianhai Office, Assistant Director and Deputy Director of Regional Development Department of China Merchants Group Corporation Limited, and Assistant Director and Deputy Director of Qianhai Shekou FTZ Office, as well as Deputy Director of Industrial Development Department/Business Collaboration Department of China Merchants Group Corporation Limited. Mr. Li has been Chairman of the Board of Directors of the Company since January 2024.

Wu Changpan, Director, graduated from the Power Plant and Power System major of Hangzhou

Electric Power College and Human Resource major of Central China Normal University. He now serves as a Director of the Company and a Deputy General Manager of Ningbo Zhoushan Port Company Limited. Mr. Wu has served as Deputy Director and Director of Comprehensive Office of Zhejiang Electric Power Construction Company, Deputy Director and Director of Comprehensive Office of Zhejiang Electric Power Construction Co., Ltd., Deputy Director and Director of Investment and Development Department of Ningbo Zhoushan Port Group Co., Ltd. He has served as a Director of the Company since December 2022.

Lyu Yiqiang, Director, graduated from the Management School of Wuhan University of Transportation and Technology with bachelor's degree in management engineering and the School of Economics & Management in Shanghai Maritime University with master's degree in business administration. He now serves as a Director of the Company and the Director of Production Safety Department in Zhejiang Provincial Seaport Investment & Operation Co., Ltd. and Ningbo Zhoushan Port Group Co., Ltd. Mr. Lyu has served in the warehouse yard team and as a staff member of Material Division of Beilun Container Company of Ningbo Port Authority, a Market Director of Commerce Department and Duty Manager of Operations Department of Ningbo Beilun International Container Terminals, Deputy Head and then Head of Container Division of Business Department of Ningbo Port Company Limited, General Manager of Ningbo Xinggang International Shipping Agency Co., Ltd., Deputy General Manager of Zhejiang Yiwu Port Co., Ltd., and General Manager of Suzhou Modern Terminals Co., Ltd. He has served as a Director of the Company since December 2022.

Gao Ping, Independent Director, obtained Executive Master of Business Administration from the University of International Business and Economics (UIBE). He is also a senior engineer and senior political worker. Currently, he serves as an Independent Director and the Convenor of the Nomination, Remuneration and Appraisal Committee in the Company. His former titles included first mate, Management Section Chief, and HR Manager at Shanghai Ocean Shipping Co., Ltd., HR General Manager at COSCO Container Lines Co., Ltd., General Manager at the Crew Department of COSCO (H.K.) Shipping Co., Ltd., Deputy General Manager at COSCO (H.K.) Shipping Co., Ltd., Deputy General Manager at Shenzhen Ocean Shipping Co., Ltd. under COSCO (H.K.) Shipping Co., Ltd., General Manager at the Organization Department/HR Department of China

COSCO SHIPPING Corporation Limited (COSCO SHIPPING Group), Deputy General Manager at COSCO Shipping Lines Co., Ltd., member of 11th and 12th Shanghai Committees of the Chinese People's Political Consultative Conference (CPPCC), and Deputy Director of the Committee for Economic Affairs of the Shanghai Committee of the CPPCC. He has served as an Independent Director of the Company since May 2020.

Li Qi, Independent Director, graduated from Guanghua School of Management, Peking University with a PhD degree in Business Administration. Currently, she serves as an Independent Director, the Convenor of the Audit Committee, and a member of the Strategy and Sustainability Committee, in the Company, as well as an associate professor at the Department of Accounting of the Guanghua School of Management, Peking University. She worked as a teaching assistant and lecturer at the Department of Accounting of the Guanghua School of Management, Peking University, Assistant to the Dean and Deputy Secretary of CPC of the Guanghua School of Management, Peking University. She has been an independent director of the Company since May 2020.

Zheng Yongkuan, Independent Director, graduated from China University of Political Science and Law with bachelor's degree, master’s degree and doctor degree in law. He is now an Independent Director and a member of the Audit Committee and the Nomination, Remuneration and Appraisal Committee in the Company, as well as the Vice Dean and a professor of Law School, Head of Civil and Commercial Law Teaching and Research Section and Director of Tort Law Research Center in Xiamen University. He is also a director of Civil Law Research Institute of China Law Society, Vice President of Civil and Commercial Law Research Institute of Fujian Law Society, arbitrator of Xiamen Arbitration Commission, arbitrator of Quanzhou Arbitration Commission, a lawyer of Fidelity Law Firm, and an Independent Director of Fujian Deer Technology Corp. He has been an assistant professor and associate professor in Law School, Xiamen University. He has served as an independent director of the Company since May 2021.

Chai Yueting, Independent Director, graduated from the Department of Automation of Tsinghua University with a master’s degree and a doctoral degree in engineering. He now serves as an Independent Director and a member of the Audit Committee and the Strategy and Sustainability

Committee in the Company, doctoral mentor in automation in Tsinghua University, Director of National Engineering Laboratory for E-Commerce Technologies, Leader of the Expert Team for Modern Services of the Ministry of Science and Technology of the People's Republic of China, E-Commerce Standardization Team of the Standardization Administration and Expert Team of Expert Advisory Committee for Development of National E-Commerce Demonstration Cities, and Editor-in-Chief of the international, academic journal International Journal of Crowd Science. Mr. Chai used to serve as a member of the 2nd and 3rd Expert Advisory Committee of State Informatization, as well as an Independent Director of Xinfangsheng Digital Intelligence Technology Co., Ltd. He has been an Independent Director of the Company since December 2022.

Huang Zhenzhou, Chief Financial Officer, senior accountant, graduated from the Department of Accounting of Xiamen University with a bachelor's degree in management, and later graduated from the School of Transportation of Wuhan University of Technology with a master's degree in engineering, majoring in the field of transportation engineering. He is currently the Chief Financial Officer of the Company, the Chief Financial Officer of China Merchants Port Holdings Company Limited, and a director and member of the Strategy and Sustainability Committee of Liaoning Port Co., Ltd. He successively served as accountant and assistant manager of Finance Department of Shenzhen Chiwan Port Container Co., Ltd., assistant manager of Finance Department of Chiwan Container Terminal Co., Ltd., financial manager of Shenzhen Mawan Wharf Co., Ltd./Shenzhen Mawan Terminals Co., Ltd., senior manager of Finance Department of China Merchants International Co., Ltd., Chief Financial Officer of Zhanjiang Port (Group) Co., Ltd., Assistant Director of Capital Operation Department of China Merchants Group Limited, Chief Financial Officer of Liaoning Port Group Co., Ltd., Chief Financial Officer of China Merchants Industry Holdings Company Limited. He has served as the Chief Financial Officer of the Company since October 2024.

Zhu Weida, Deputy General Manager, holds a bachelor degree in engineering in Electrical Automation from the Department of Computer and Automation of Wuhan Institute of Water Transportation Engineering and a master degree in engineering in mechanical engineering from the School of Automation, Wuhan University of Technology. Currently, he is Deputy General Manager of the Company. He served as Deputy General Manager of Beilun Ore Terminal under Ningbo

Zhoushan Port Company Limited, General Manager of Zhoushan Quhuang Port Development and Construction Co., Ltd, General Manager of Zhoushan Shulanghu Terminal Co., Ltd, Director of Corporate Management (Audit) Department and Comprehensive Supervision Department of Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd and Ningbo Zhoushan Port Group Co., Ltd. He has been Deputy General Manager of the Company since April 2023.

Li Wenbo, Deputy General Manager, Intermediate Economist, Engineer, graduated from the School of Mechanical Engineering, Hefei University of Technology, majoring in Mechanical Design and Manufacturing. He now serves as Deputy General Manager of the Company, Deputy General Manager of China Merchants Port Holdings Company Limited, Director of Tianjin Port Container Terminal Co., Ltd. and Director of Ningbo Zhoushan Port Company Limited. He served as the Assistant to the General Manager/Director of the Human Resources Department of Sinotrans Limited, the Deputy Director, Director, Assistant to the Head of the Personnel Department under the Human Resources Department of China Merchants Group Corporation Limited, and Director of Personnel Department/Cadre Supervision Department, Assistant to the Director of the Human Resources Department and Director of Cadre Department, Deputy Director of the Human Resources Department and Director of Cadre Department. He has been the Deputy General Manager of the Company since August 2023.

Qi Yue, Deputy General Manager, Senior Engineer, holds a bachelor's degree in Port and Waterway Engineering from the Department of Civil Engineering at Dalian University of Technology. He currently serves as Deputy General Manager of the Company, Deputy General Manager of China Merchants Port Holdings Company Limited, Director of Qingdao Qianwan United Container Terminal Co., Ltd., Director of Qingdao Qianwan United Advance Container Terminal Co., Ltd., and Chairman of Zhanjiang Merchants Port City Investment Co., Ltd. He has successively held positions as Manager of the Engineering Management Department, Manager of the Administration Department, Senior Manager of the Administration Department, Deputy General Manager of the Engineering Management Department, and Deputy General Manager of the Investment Development Department at China Merchants Holdings; Assistant General Manager and Deputy General Manager of Shenzhen Haiqin Engineering Management Co., Ltd.; General Manager of the Investment Development Department at China Merchants Port Holdings Company

Limited; Supervisor, Deputy General Manager, Executive Director, and Vice Chairman of Liaoning Port Co., Ltd.; Assistant General Manager and General Manager of the Investment Development Department at China Merchants Port Group Co., Ltd.; and Director of Modern Terminals Limited. He has been Deputy General Manager of the Company since August 2025.

Hu Shaode, Deputy General Manager, Certified Public Accountant, Intermediate Accountant, graduated from the Accounting Department of Xiamen University with a Master's degree in Management. He currently serves as Deputy General Manager of the Company, Director of Ningbo Zhoushan Port Company Limited, Director of Port of Newcastle, Australia, and Vice Chairman of Port de Djibouti S.A. He has previously served as Functional Manager of the Corporate Planning Department and Senior Project Manager of the Planning and Business Department at China Merchants Holdings; Deputy Chief Financial Officer and Executive Chief Financial Officer of Port de Djibouti S.A.; Deputy General Manager and Chief Financial Officer of China Merchants Holdings (Djibouti) Co., Ltd.; Deputy Chief Financial Officer of Djibouti Doraleh Multipurpose Port Co., Ltd.; Director of Terminal Link SAS in France; Deputy General Manager and General Manager of the Financial Management Department/Capital Operation Department, General Manager of Shenzhen Branch, General Manager of the Financial Shared Service Center, General Manager of the Operations Management Department (Engineering Management Center), and General Manager of the Operations Management Department/Market and Business Department at China Merchants Port Group Co., Ltd. He has been Deputy General Manager of the Company since August 2025.

Liu Libing, Board Secretary, graduated from the Department of Philosophy, School of Philosophy, Wuhan University with a Bachelor in Philosophy. Later, he pursued further study at Sun Yat-sen University School of Law and obtained a Master of Laws. Currently, he serves as Board Secretary of the Company. He used to work as Publicity Secretary of the Political Work Department of China Construction Third Engineering Bureau, Deputy Secretary of Party Branch (deputy section level) and Deputy Director of Party Committee Office of Shenzhen Decoration Design Engineering Co., Ltd. of China Construction Third Bureau, Production Supervisor of Shenzhen Foxconn (Group) Company, lawyer assistant and full-time lawyer at Shenzhen Office of Shanghai City Development Law Firm, and full-time lawyer at Guangdong Sun Law Firm. Manager at the Legal Affairs

Department and Senior Manager of China Merchants Property Development Co., Ltd., Manager at the Legal Affairs Department of China Merchants Group Limited, Senior Manager at the Risk Management Department of China Merchants Group Limited, Senior Manager of the General Office and head of the Secretariat of the Board of Directors at China Merchants Group Limited, and General Counsel (Chief Compliance Officer) of China Merchants Port Group Co., Ltd. He has been Board Secretary of the Company since May 2024.

Li Xiaofeng, General Counsel (Chief Compliance Officer), graduated from the School of Law, Dalian Maritime University, majoring in International Law, and holds a Master's degree and a Doctorate in Law. He currently serves as General Counsel (Chief Compliance Officer) of the Company and Director of Port of Newcastle, Australia. He has previously served as an assistant judge at Ningbo Maritime Court, project manager of the Legal and Risk Control Department at China National Chartering Corporation, Manager and Senior Manager of the Legal Department at Sinotrans & CSC Holdings Co., Ltd., Manager of the Risk Management Department at China Merchants Group Limited, Deputy General Manager of the Board and Legal Affairs Department at China Merchants Port Holdings Company Limited, and Deputy General Manager and General Manager of the Legal Affairs Department, as well as Executive General Manager of the Risk Control Audit Department/Legal Compliance Department at China Merchants Port Group Co., Ltd. Since December 2025, he has served as the Company's General Counsel (Chief Compliance Officer).

Indicate whether the controlling shareholder or actual controller concurrently serves as the Chairman of the Board or General Manager of the Company.

☐ Applicable √ Not applicable

Offices held concurrently in shareholding entities:

☐ Applicable √ Not applicable

Offices held concurrently in other entities:

Name	Other entity	Office held in the entity	Start of tenure	End of tenure	Remuneration or allowance from the entity
Feng Boming	China Merchants Group Limited	Deputy General Manager	March 2022		Yes
Feng Boming	Liaoning Port Group Co., Ltd.	Chairman of the Board	August 2022		No
Feng Boming	China Merchants Energy Shipping Co., Ltd	Chairman of the Board	July 2023		No
Feng Boming	SINOTRANS&CSC Holdings Co., Ltd.	Chairman of the Board	December 2023		No
Feng Boming	China Changjiang Shipping Group Co., Ltd.	Chairman of the Board	April 2025		No
Xu Song	China Merchants Taiping Bay Development Investment Co., Ltd.	Director	July 2023		No
Xu Song	China Nanshan Development (Group) Incorporation	Director	September 2023	January 2025	No
Xu Song	Shenzhen Chiwan Industrial Development Co. Ltd.	Director	September 2023		No
Xu Song	Shanghai International Port (Group) Co., Ltd.	Vice Chairman of the Board	April 2024		No
Xu Song	China Merchants Northeast Asia Development & Investment Co., Ltd.	Director	July 2024		No
Yan Gang	Modern Terminals Limited	Director	October 2024		No
Lu Yongxin	Tin-can Island Container Terminal Ltd	Vice Chairman of the Board	July 2019		No
Lu Yongxin	Terminal Link SAS	Director	March 2020		No
Li Zhanglin	China Merchants Group Limited	Full-time outside directors assigned	December 2023		Yes
Li Qing	China Merchants Group Limited	Full-time outside directors assigned	December 2023		Yes
Li Qing	China Merchants Hainan Development & Investment Co., Ltd.	Director	June 2023		No
Wu Changpan	Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd.	Director of Investment Development	September 2022	January 2026	Yes
Wu Changpan	Ningbo Zhoushan Port Group Co., Ltd.	Director of Investment Development	September 2022	January 2026	No
Wu Changpan	East Harbor Investment Development Group Co., Ltd.	Director	June 2017		No

Wu Changpan	Zhejiang Zhongao Modern Industrial Park Co., Ltd.	Director	April 2016		No
Wu Changpan	Zhejiang Zhidi Holdings Co., Ltd.	Director	August 2019		No
Wu Changpan	Zhejiang Aozhou Cattle Industry Co., Ltd	Director	September 2016		No
Wu Changpan	Ningbo Zhoushan Port Company Limited	Deputy General Manager	February 2026		Yes
Lyu Yiqiang	Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd.	Director of Production Safety Department	December 2021		No
Lyu Yiqiang	Ningbo Zhoushan Port Group Co., Ltd.	Director of Production Safety Department	December 2021		Yes
Lyu Yiqiang	Hangzhou Port Group Co., Ltd.	Director	June 2022		No
Lyu Yiqiang	Ningbo Electronic Port Co., Ltd.	Chairman of the Board	February 2023		No
Li Qi	Peking University	Associate Professor	August 2005		Yes
Li Qi	Guangdong Nanyue Bank Co.,Ltd.	Independent Director	November 2020	February 2025	Yes
Li Qi	Shanghai Nagamori Machinery Co., Ltd.	Independent Director	July 2023		Yes
Li Qi	CIMC Vehicles (Group) Co., Ltd.	Independent Director	September 2024		Yes
Zheng Yongkuan	Xiamen University	Vice Dean of Law School	July 2024		Yes
Zheng Yongkuan	Xiamen University	Professor	August 2019		Yes
Zheng Yongkuan	Civil Law Research Institute of China Law Society	Director	June 2017		No
Zheng Yongkuan	Civil and Commercial Law Research Institute of Fujian Law Society	Vice President	November 2020		No
Zheng Yongkuan	Xiamen Arbitration Commission	Arbitrator	April 2008		No
Zheng Yongkuan	Quanzhou Arbitration Commission	Arbitrator	January 2019		No
Zheng Yongkuan	Fidelity Law Firm	Lawyer	December 2017		No
Zheng Yongkuan	Fujian Deer Technology Corp.	Independent Director	April 2022		Yes

Chai Yueting	Tsinghua University	Doctoral Advisor	August 2001		Yes
Chai Yueting	General Expert Group of Modern Service Industry, Ministry of Science and Technology	Group Leader	May 2018		No
Chai Yueting	E-Commerce Standardization Work Group of Standardization Administration	Group Leader	August 2016		No
Chai Yueting	Expert Group of National E-Commerce Model City Creation Work Expert Advisory Committee	Group Leader	January 2015		No
Chai Yueting	Beijing Block Chain Expert Group	Member	June 2020		No
Chai Yueting	International Journal of Crowd Science	Editor	January 2017		No
Chai Yueting	Xinfang Shengshuzhi Technology Co., Ltd.	Independent Director	November 2022	June 2025	Yes
Huang Zhenzhou	China Merchants Hainan Development & Investment Co., Ltd.	Director	June 2024		No
Huang Zhenzhou	Asia Airfreight Terminal Company Limited	Vice Chairman of the Board	October 2024	September 2025	No
Huang Zhenzhou	Liaoning Port Co., Ltd.	Director	February 2025		No
Huang Zhenzhou	Shenzhen China Merchants Qianhai Industrial Development Co., Ltd.	Director	March 2025		No
Huang Zhenzhou	International Djibouti Industrial Parks Operation FZCo	Chairman of the Board	July 2025		No
Huang Zhenzhou	Khor Ambado FZCo	Vice Chairman of the Board	July 2025		No
Li Wenbo	Tianjin Port Container Terminal Co., Ltd.	Director	August 2023		No
Li Wenbo	Ningbo Zhoushan Port Company Limited	Director	April 2024		No
Qi Yue	Qingdao Qianwan United Container Terminal Co., Ltd.	Director	January 2016		No
Qi Yue	Qingdao Qianwan United Advance Container Terminal Co., Ltd.	Director	March 2016		No
Qi Yue	Modern Terminals Limited	Director	October 2024	September 2025	No
Qi Yue	Zhanjiang Merchants Port City Investment Co., Ltd.	Chairman of the Board	March 2022		No
Hu Shaode	Ningbo Zhoushan Port Company Limited	Director	June 2023		No
Hu Shaode	Modern Terminals Limited	Director	August 2023	September 2025	No
Hu Shaode	Port of Newcastle, Australia	Director	March 2023		No
Hu Shaode	Port de Djibouti S.A.	Vice Chairman of the Board	August 2023		No
Hu Shaode	Djibouti RED SEA WORLD S.A.	Director	August 2023		No

Hu Shaode	Djibouti RED SEA GLOBAL S.A.	Director	August 2023		No
Li Xiaofeng	Port of Newcastle, Australia	Director	April 2023		No
Note	Offices of directors and senior management held concurrently in other entities exclude offices held in the Company and subsidiaries within the consolidation scope.				

Punishments imposed in the recent three years by the securities regulator on the incumbent directors and senior management as well as those who left in the Reporting Period:

☐ Applicable √ Not applicable

3. Remuneration of Directors and Senior Management

Decision-making procedure, determination basis and actual payments of remuneration for directors and senior management:

Decision-making procedure for the remuneration of directors and senior management: The remuneration plans for directors and senior management are formulated by the Nomination, Remuneration and Appraisal Committee of the Board of Directors. The remuneration plan for directors is submitted to the Board of Directors and the Shareholders' Meeting for review, while the remuneration plan for senior management is submitted to the Board of Directors for review.

Determining basis for the remuneration of directors and senior management: The modes and amounts of the remuneration for directors and senior management are determined according to the market levels with the post value, responsibilities, etc. taken into account.

Actual payment for the remuneration of directors and senior management: Salaries and independent director allowances were paid to directors and senior executives on a monthly basis. And the other bonuses were paid all at one time according to the performance of each of them.

Remuneration of directors and senior management for the Reporting Period

Unit: RMB'0,000

Name	Gender	Age	Office title	Incumbent/Former	Total before-tax remuneration from the Company	Any remuneration from related party
Feng	Male	56	Chairman of the Board	Incumbent	0	Yes

Boming						
Xu Song	Male	54	Vice Chairman of the Board and CEO	Incumbent	315	No
Yan Gang	Male	53	Vice Chairman of the Board	Incumbent	259	No
Lu Yongxin	Male	56	Director, Chief Operation Officer, and General Manager	Incumbent	315	No
Li Zhanglin	Male	59	Director	Incumbent	0	Yes
Li Qing	Male	56	Director	Incumbent	0	Yes
Wu Changpan	Male	56	Director	Incumbent	0	Yes
Lyu Yiqiang	Male	49	Director	Incumbent	0	Yes
Gao Ping	Male	70	Independent Director	Incumbent	15	No
Li Qi	Female	55	Independent Director	Incumbent	15	No
Zheng Yongkuan	Male	48	Independent Director	Incumbent	15	No
Chai Yueting	Male	62	Independent Director	Incumbent	15	No
Huang Zhenzhou	Male	48	CFO	Incumbent	206	No
Zhu Weida	Male	57	Deputy General Manager	Incumbent	0	Yes
Li Wenbo	Male	46	Deputy General Manager	Incumbent	219	No
Qi Yue	Male	54	Deputy General Manager	Incumbent	62	No
Hu Shaode	Male	48	Deputy General Manager	Incumbent	64	No
Liu Libing	Male	52	Board Secretary, and former General Counsel (Chief Compliance Officer)	Incumbent	171	No
Li Xiaofeng	Male	43	General Counsel (Chief Compliance Officer)	Incumbent	0	No
Liu Bin	Male	57	Former Deputy General Manager	Former	164	No
Total	--	--	--	--	1,835	--

Note: Li Xiaofeng has served as the Company's General Counsel (Chief Compliance Officer) since 30 December 2025.

Performance appraisal basis for the actual remuneration received by all directors and senior management at the end of the Reporting Period	According to the relevant contracts and agreements regarding the tenure system and contractual management of management team members
Performance appraisal for the actual	Completed

remuneration received by all directors and senior management at the end of the Reporting Period	
Deferred payment arrangements for the actual remuneration received by all directors and senior management at the end of the Reporting Period	Deferred payments have been arranged according to the relevant contracts and agreements regarding the tenure system and contractual management of management team members.
Payment termination and recovery of the actual remuneration received by all directors and senior management at the end of the Reporting Period	Not involved

Other notes

☐ Applicable √ Not applicable

V Performance of Duty by Directors in the Reporting Period

1. Attendance of Directors at Board Meetings and Shareholders' Meetings

Attendance of directors at board meetings and shareholders' meetings							
Director	Total number of board meetings the director was eligible to attend	Board meetings attended on site	Board meetings attended by telecommunication	Board meetings attended through a proxy	Board meetings the director failed to attend	The director failed to attend two consecutive board meetings (yes/no)	Shareholders' meetings attended
Feng Boming	7	4	3	0	0	No	3
Xu Song	7	4	3	0	0	No	3
Yan Gang	7	4	3	0	0	No	3
Lu Yongxin	7	4	3	0	0	No	3
Li Zhanglin	7	4	3	0	0	No	3
Li Qing	7	4	3	0	0	No	3
Wu Changpan	7	4	3	0	0	No	3
Lyu Yiqiang	7	4	3	0	0	No	3
Gao Ping	7	4	3	0	0	No	3
Li Qi	7	4	3	0	0	No	3
Zheng Yongkuan	7	4	3	0	0	No	3
Chai Yueting	7	4	3	0	0	No	3

Why any director failed to attend two consecutive board meetings:

None

2. Objections Raised by Directors on Matters of the Company

Indicate by tick mark whether any directors raised any objections on any matter of the Company.

☐ Yes √ No

No such cases in the Reporting Period.

3. Other Information about the Performance of Duty by Directors

Indicate by tick mark whether any suggestions from directors were adopted by the Company.

√ Yes ☐ No

Specification of whether suggestions from directors are adopted or not adopted by the Company

During the Reporting Period, all the directors of the Company carried out their work conscientiously and responsibly in strict accordance with the Company Law, Securities Law, Listed Company Governance Standards, Self-Regulatory Guidelines No. 1 for Companies Listed on Shenzhen Stock Exchange - Standard Operation of Listed Companies on the Main Board, Articles of Association and Rules of Procedure of the Board of Directors. Based on the Company's reality, they put forward relevant opinions on the Company's major governance and operation decisions, and reached consensus through full communication and discussion. They resolutely supervised and promoted the implementation of the resolutions of the Board of Directors to ensure scientific, timely and efficient decision-making and fully safeguard the legitimate rights and interests of the Company and all shareholders.

VI Performance of Duty by Specialized Committees under the Board in the Reporting Period

Profile of Specialized Committee under the Board as of the disclosure date of this Report			
No.	**Specialized Committee**	**Member**	**Convener**
1	Strategy and Sustainability Committee	Feng Boming, Xu Song, Yan Gang, Lu Yongxin, Li Zhanglin, Li Qing, Gao Ping, Li Qi, Chai Yueting	Feng Boming
2	Audit Committee	Li Qi, Chai Yueting, Zheng Yongkuan	Li Qi

3	Nomination, Remuneration and Appraisal Committee	Gao Ping, Feng Boming, Zheng Yongkuan	Gao Ping

Committee	Member	Number of meetings convened	Date of the meeting	Meeting	Contents	Other information about the performance of duty	Details about matters with objections (if any)
The First Meeting of the Strategy and Sustainability Committee of the 11th Board of Directors in 2025	Feng Boming, Xu Song, Yan Gang, Lu Yongxin, Li Zhanglin, Li Qing, Gao Ping, Li Qi, Chai Yueting	3	27 February 2025	Reviewed and approved: Proposal on the 2025 Investment Plan	Unanimously approved	N/A	N/A
The Second Meeting of the Strategy and Sustainability Committee of the 11th Board of Directors in 2025			1 April 2025	Reviewed and approved: 1. Proposal on the Report on Performance of Duty by the Strategy and Sustainability Committee of the Board of Directors in 2024 2. Proposal on the 2024 Sustainability Report 3. Proposal on ESG Priorities for 2024 and ESG Work Plan for 2025 4. Proposal on Revising the ESG Work Management Manual 5. Proposal on Formulating and Revising the ESG-Related Policy Statement Documents 6. Proposal on the Company's Five-Year Strategic Plan for 2025-2029	Unanimously approved	N/A	N/A
The Third Meeting of the Strategy and Sustainability Committee of the 11th Board of Directors in 2025			27 August 2025	Reviewed and approved: Proposal on the Company's Three-Year Environmental Management Objectives Plan for 2025-2027	Unanimously approved	N/A	N/A
The First Meeting of the Audit Committee of the 11th Board of Directors in 2025	Li Qi, Zheng Yongkuan, Chai Yueting	5	1 April 2025	Reviewed and approved: 1. Proposal on the Report on Performance of Duty by the Audit Committee of the Board of Directors in 2024 2. Proposal on Work Report of Accounting Firm for 2024 3. Proposal on the Company's Assessment Report on the Performance of the Accounting Firm in 2024 4. Proposal on Report of the Audit Committee of the Board of Directors on the Supervision of the Accounting Firm's Performance of Duties in 2024 5. Proposal on the 2024 Report on Financial Accounts 6. Proposal on the Annual Report 2024 and Summary 7. Proposal on the Re-appointment of Accounting Firm for 2025 8. Proposal on Internal Control Assessment Report for 2024 9. Proposal on Anti-fraud Risk Assessment Report	Unanimously approved	N/A	N/A

				for 2024 10. Proposal on Internal Audit Report for 2024 11. Proposal on Internal Audit Plan for 2025 12. Proposal on Inspection Report on the Provision of Guarantees, Related-Party Transactions, Securities Investment and Derivatives Transactions and the Provision of Financial Assistance for 2024 13. Proposal on the 2024 Law-Based Development Report (including the Report on the Development of the Compliance Management System) 14. Proposal on Report on Forecast and Assessment of Significant Business Risks for 2025			
The Second Meeting of the Audit Committee of the 11th Board of Directors in 2025			28 April 2025	Reviewed and approved: 1. Proposal on the Report for the First Quarter of 2025 2. Proposal on Internal Audit Report for the First Quarter of 2025	Unanimously approved	N/A	N/A
The Third Meeting of the Audit Committee of the 11th Board of Directors in 2025			28 August 2025	Reviewed and approved: 1. Proposal on the Interim Report 2025 and Summary 2. Proposal on Internal Audit Report for the Second Quarter of 2025 3. Proposal on Inspection Report on the Provision of Guarantees, Related-Party Transactions, Securities Investment and Derivatives Transactions and the Provision of Financial Assistance for H1 2025	Unanimously approved	N/A	N/A
The Fourth Meeting of the Audit Committee of the 11th Board of Directors in 2025			28 October 2025	Reviewed and approved: 1. Proposal on the Report for the Third Quarter of 2025 2. Proposal on Internal Audit Report for the Third Quarter of 2025	Unanimously approved	N/A	N/A
The Fifth Meeting of the Audit Committee of the 11th Board of Directors in 2025			22 December 2025	Meeting with accountants to negotiate the schedule for the audit of the 2025 Annual Financial Report	Unanimously approved	N/A	N/A
The First Meeting of the Nomination, Remuneration and Appraisal Committee of the 11th Board of Directors in 2025	Gao Ping, Feng Boming, Zheng Yongkuan	5	1 April 2025	Reviewed and approved: 1. Proposal on Report on Performance of Duty by the Nomination, Remuneration and Appraisal Committee of the Board of Directors in 2024 2. Proposal on the Remuneration of Directors, Supervisors and Senior Management in 2024	Unanimously approved	N/A	N/A
The Second Meeting of the Nomination, Remuneration and Appraisal Committee of the 11th Board of Directors in 2025			11 August 2025	Reviewed and approved: 1. Proposal on the Appointment of Mr. Qi Yue as Deputy General Manager 2. Proposal on the Appointment of Mr. Hu Shaode as Deputy General Manager	Unanimously approved	N/A	N/A
The Third Meeting of the Nomination, Remuneration			27 August 2025	Reviewed and approved: 1. Proposal on Adjusting the Exercise Price of the Stock Option Incentive Plan (Phase I) of the Company	Unanimously approved	N/A	N/A

and Appraisal Committee of the 11th Board of Directors in 2025				2. Proposal on the 2024 Performance Appraisal Results of Management Team Members 3. Proposal on the 2022-2024 Performance Appraisal Results of Management Team Members			
The Fourth Meeting of the Nomination, Remuneration and Appraisal Committee of the 11th Board of Directors in 2025			28 October 2025	Reviewed and approved: Proposal on Cancelling Some Stock Options under the Company's Stock Option Incentive Plan (Phase I)	Unanimously approved	N/A	N/A
The Fifth Meeting of the Nomination, Remuneration and Appraisal Committee of the 11th Board of Directors in 2025			30 December 2025	Reviewed and approved: 1. Proposal on Appointment Agreements and Remuneration Encashment Plan of Management Team Members 2. Proposal on 2025 Performance Appraisal Indicators and Criteria for Management Team Members 3. Proposal on 2025-2027 Performance Appraisal Indicators and Criteria for Management Team Members 4. Proposal on the Appointment of General Counsel (Chief Compliance Officer)	Unanimously approved	N/A	N/A

VII Performance of Duty by the Audit Committee

Indicate by tick mark whether the Audit Committee found any risk to the Company during its supervision in the Reporting Period.

☐ Yes √ No

The Audit Committee raised no objections in the Reporting Period.

VIII Employees

1. Number, Functions and Educational Backgrounds of Employees

Number of in-service employees of the Company as at the end of the period	256
Number of in-service employees of major subsidiaries as at the end of the period	14,757
Total number of in-service employees	15,013
Total number of paid employees in the Reporting Period	15,075
Number of retirees to whom the Company or its major subsidiaries need to pay retirement pensions	9,770
Functions	
Function	Employees
Production	7,989

Sales	637
Technical	3,237
Financial	528
Administrative	2,622
Total	15,013
Educational backgrounds	
Educational background	Employees
Master's degree and above	651
Bachelor's degree	4,667
Junior college	3,385
Technical secondary school and below	6,310
Total	15,013

2. Employee Remuneration Policy

The Company focuses on high-quality development strategic goals, adhering to the fundamental principles of "value creation, efficiency first, balanced incentives and constraints, and shared interests and risks". We have established and implemented an international, diversified remuneration incentive system that combines short, medium, and long-term approaches. It helps us comprehensively carry out dual benchmarking of performance and remuneration, and improve the remuneration incentive and constraint mechanism that aligns with the market, matches the industry, links with efficiency, and corresponds with performance. The Company explores and advances the implementation of medium- and long-term incentive systems for management personnel, such as deferred bonuses and tenure incentives, to guide management personnel to focus on the Company's long-term development and achieve a deep alignment of personal interests with the Company's long-term value. It highlights the remuneration incentive orientation towards scientific and technical talent, frontline grassroots employees, and core business backbones, continuously enhancing the value creation vitality of key groups. In addition, it optimizes the remuneration incentive system for overseas dispatched talent to meet the needs of global layout, providing a solid mechanism guarantee for the Company to become a world-leading port service provider

3. Employee Training Plans

The Company conducts forward-looking talent planning, systematically building a "mangrove"

talent ecosystem characterized by “openness and inclusiveness, dynamic balance, collaborative symbiosis, and sustainable prosperity”. We focus on creating a world-class talent team with top-notch quality, reasonable structure, and continuous supply, laying a solid talent foundation for the Company’s high-quality development. We’ve improved mechanisms for identifying and developing high-potential talent, advanced the “Hundred Seedlings Program”, increased recruitment of outstanding university graduates, and strengthened reserves of high-quality young talent. We also put more efforts to implement the Talent Circulation Program, promoting regular two-way talent exchange between headquarters and subsidiaries and internal recruitment, accelerating talent pipeline development to support high-quality business growth. The Company focuses on building an international talent pool aligned with overseas business development needs. It launched the International Elite Talent Recruitment Program to expand talent sourcing channels globally and attract high-quality overseas professionals with international perspectives. It also introduced the Seagull Plan to provide specialized training for overseas local talents, enhancing professional capabilities and building a talent pipeline aligned with international development.

4. Labor Outsourcing

Total man-hours (hour)	N/A
Total remuneration paid (RMB)	1,653,695,934.23

IX Final Dividend Plan of the Company for the Reporting Period

1. Formulation, execution or adjustments of profit distribution policy for shareholders, especially cash dividend policy, in the Reporting Period

Pursuant to the CSRC *Guideline for Listed Companies No.3-Cash Dividends of Listed Companies*, the *Articles of Association* clarifies the specific profit distribution policy, decision-making procedures and mechanism, adjustment of profit distribution policy, implementation of profit distribution plan, and profit distribution for foreign shares. During the Reporting Period, the Company executed the profit distribution policy in strict compliance with the *Articles of Association*.

Special statement about the cash dividend policy	
In compliance with the Company's Articles of Association and resolution of shareholders' meeting	Yes
Specific and clear dividend standard and ratio	Yes
Complete decision-making procedure and mechanism	Yes
Independent directors faithfully performed their duties and played their due role	Yes
Specific reasons and the next steps it intends to take to enhance the investor return level if the Company has not made cash dividend:	N/A
Non-controlling interests are able to fully express their opinion and desire and their legal rights and interests are fully protected	Yes
In case of adjusting or changing the cash dividend policy, the conditions and procedures involved are in compliance with applicable regulations and transparent	N/A

2. The Company was profitable in the Reporting period and the positive profits of the Company attributable to shareholders while the distribution plan of cash dividend for shareholders was not proposed.

☐ Applicable √ Not applicable

3. Indicate whether the Board of Directors has reviewed the final dividend plan (including the plan of no dividend or bonus issue).

√ Yes ☐ No

4. Final Dividend Plan for the Reporting Period

Bonus shares/10shares (share)	0
Cash dividend/10 shares (RMB) (tax inclusive)	7.99
Bonus issue from capital reserves (share/10 shares)	0
Share base (share)	2,481,897,185
Total cash dividends (RMB) (tax inclusive)	1,983,035,850.82
Cash dividends in other forms (such as share repurchase) (RMB)	338,359,406.89
Total cash dividends (including other forms) (RMB)	2,321,395,257.71
Distributable profits (RMB)	2,507,514,725.89
Cash dividends (including other forms) as % of total profits to be distributed (%)	100%
Details of the cash dividends	

As the Company is in the mature stage of development with significant capital expenditures arrangement, when distributing profits, the proportion of cash dividends in this profit distribution shall be 40% at least.
Details of final dividend plan for the Reporting Period
As audited by KPMG Huazhen LLP, the consolidated net profit attributable to the Company for 2025 stood at RMB4,611,352,247.98 and the net profit of the Company at RMB2,061,635,965.96. (1) According to the *Company Law* and the *Articles of Association* of the Company, when distributing the current year's after-tax profits, the Company shall draw 10% of the profits for the Company's statutory reserve. The Company's statutory surplus reserve has cumulatively reached 50% of its registered capital and is no longer accrued. The accumulative retained earnings of the Company at the end of 2025 were RMB2,507,514,725.89. (2) Based on the total 2,481,897,185 shares, a cash dividend of RMB7.99 (tax included) is to be distributed for every 10 shares, totalling RMB1,983,035,850.82, with no bonus issue from either profit or capital reserves. After the above-mentioned distribution, the retained earnings of the Company will be RMB524,478,875.07. The total amount of cash dividends of the Company in 2025 is RMB1,983,035,850.82, and the amount of all shares repurchased in 2025 with cash as consideration and through centralized bidding is RMB338,359,406.89 (excluding handing fees). The total amount of cash dividends and share repurchase is RMB2,321,395,257.71, accounting for 50.34% of the net profit attributable to shareholders of the Company in 2025. If there is a change in the total share capital of the company during the period from the disclosure of the distribution plan to its implementation due to the listing of new shares, the grant and exercise of equity incentives, convertible bonds to shares conversion, share repurchases, etc., the total distribution amount for the year 2025 will be adjusted accordingly based on the principle that the distribution amount per share remains unchanged. The above profit distribution plan still needs to be submitted to the 2025 Annual Meeting of Shareholders for approval.

X Equity Incentive Plans, Employee Stock Ownership Plans or Other Incentive Measures for Employees

1. Equity incentive

The Stock Option Incentive Plan (Phase I):

On 6 February 2024, the Company disclosed the Reminder Announcement on the Adoption of Independent Exercise Mode for the Third Exercise Schedule of the Stock Options (First Batch to be Granted) under the Stock Option Incentive Plan (Phase I) of the Company (Announcement No. 2024-013) and the Reminder Announcement on the Adoption of an Independent Exercise Mode for the Second Exercise Schedule of the Stock Options (Reserved Batch to be Granted) under the Stock Option Incentive Plan (Phase I) of the Company (Announcement No. 2024-014). Upon the review and confirmation of Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the exercise conditions were met for the third exercise schedule of the stock options (first batch to be granted) and the second exercise schedule of the stock options (reserved batch to be granted) under the Stock Option Incentive Plan (Phase I).

As of the end of the Reporting Period, the cumulative number of stock options exercised under the Company's Stock Option Incentive Plan (Phase I) was 2,585,220 shares; and during the Reporting

Period, the number of stock options exercised under the Company's Stock Option Incentive Plan (Phase I) was 351,400 shares.

Equity Incentives for Directors and Senior Management

Name	Office title	Share options held at the period-begin	Share options granted in the Reporting Period	Shares feasible to exercise during the Reporting Period	Shares exercised during the Reporting Period	Exercise price of exercised shares during the Reporting Period (RMB/share)	Share options held at the period-end	Market price at the period-end (RMB/share)	Number of restricted shares held at the period-begin	Number of released shares for the Reporting Period	Number of restricted shares newly granted during the Reporting Period	The grant price of restricted shares (RMB/share)	Number of restricted shares held at the period-end
Xu Song	Vice Chairman of the Board and CEO	120,000	-	120,000	-	-	120,000	-	-	-	-	-	-
Yan Gang	Vice Chairman of the Board	51,000	-	51,000	-	-	51,000	-	-	-	-	-	-
Lu Yongxin	Director, Chief Operation Officer, and General Manager	72,000	-	72,000	-	-	72,000	-	-	-	-	-	-
Liu Libing	Board Secretary	25,000	-	25,000	-	-	25,000	-	-	-	-	-	-
Liu Bin	Former Deputy General Manager	30,000	-	30,000	-	-	30,000	-	-	-	-	-	-
Total	--	298,000	-	298,000	-	--	298,000	--	-	-	-	--	-
Remark (if any)		N/A											

Appraisal of and Incentive for Senior Management

The Company carried out the tenure system and contractual management, realized comprehensive coverage and adhered to rigid remuneration realization. The Company has a mature assessment mechanism and system covering all senior management personnel. The annual comprehensive assessment combines qualitative and quantitative methods with the dimensions including performance, competence, self-discipline, etc. The assessment results of senior management serve as an important basis for appointment and motivation. The Company adjusts and determines the remuneration of senior management based on the factors including operation status, position served and appraisal results.

The Company adhered to a market-oriented remuneration philosophy of "paying for performance results" and implemented distinctive principle of "outperforming the market and the peers", through the vertical self-comparison and horizontal comparison with industry peers as well as the complementation of short-term KPI appraisal and medium- and long-term strategic appraisal. That ensured the Company's business performance was strongly linked to the performance bonus of Senior Management members, giving full play to the incentive and guiding role of remuneration. To promote the implementation of the Company's medium- and long-term incentive plan, it encouraged senior management to focus on the short-term performance and the development of its medium- and long-term performance.

2. Employee Stock Ownership Plans

☐ Applicable √ Not applicable

3. Other Incentive Measures for Employees

☐ Applicable √ Not applicable

XI Establishment and Implementation of Internal Control System in the Reporting Period

1. Establishment and Implementation of Internal Control System

During the Reporting Period, to boost operational efficiency and results, the Company continuously improved and optimized its existing internal control system in strict compliance with laws, regulations, and external regulatory requirements and taking into consideration its actual status. In the process, it was guided by risk management, based itself on procedure streamlining, and focused on critical control activities.

During the Reporting Period, the Company supervised and inspected the internal control systems of eight subordinate companies, and completed the two-year coverage target, achieving the full coverage of internal control management. Concurrently, all subordinate companies conducted internal control self-assessments on a quarterly basis and prepared the internal control weakness checklist in accordance with the annual internal control plan of CMPort and focusing on internal control elements including corporate governance, authorization management, job responsibilities and process activities. By the end of 2025, all internal control weaknesses are rated as general weaknesses, and no material weaknesses were identified. For the general weaknesses, the Company designated the person responsible for the remediation, developed a remediation plan, and followed up on the remediation progress regularly.

The Company prepared the *2025 Internal Control Assessment Report* in accordance with the *Basic Rules for Enterprise Internal Control* and its supporting guidelines, other regulatory requirements for internal control, and the Company's internal control policies and assessment methods. The conclusion of the report is as follows: By the identification of material weaknesses in the internal control over the Company's financial reporting, as at the base day of the internal control assessment report (31 December 2025), no material weaknesses were identified in the internal control over the Company's financial reporting. Therefore, the Board of Directors believed that the Company had maintained effective internal control over financial reporting in all material respects as per the Basic Rules for Enterprise Internal Control and relevant regulations. According to the identification of material weaknesses in the Company's internal control over non-financial reporting, there were no material weaknesses in the internal control over non-financial reporting as at the base day of the internal control assessment report. Between the base day and the issuance day of the internal control assessment report, there were no factors that affected the assessment conclusion about the effectiveness of the internal control.

2. Material Internal Control Weaknesses Identified for the Reporting Period

☐ Yes √ No

XII Management and Control over Subsidiaries for the Reporting Period

The Company, guided by “empowerment, professionalism and value”, established an operation management system with sustainable value creation, gradually formulated standards for all functional modules, and managed to build a world-class value-oriented headquarters. Taking into account the strategic positioning of its subsidiaries, the Company, adhering to the principles of differentiation and controllable risks and pushing forward full-cycle asset management, procurement management, and performance evaluation mechanism, continuously promoted the healthy development of its subsidiaries. Besides, focusing on execution quality, the Company intensified the tasks on quality and efficiency improvement and strived to implement related measures to achieve in-depth integration between quality and efficiency improvement and strategic objectives.

Anomalies found in the management and control of subsidiaries:

☐ Yes √ No

XIII Internal Control Evaluation Report and Independent Auditor’s Report on Internal Control

Disclosure date of the internal control self-evaluation report	3 April 2026
Index to the disclosed internal control self-evaluation report	For details, see www.cninfo.com.cn
Evaluated entities’ combined assets as % of consolidated total assets	100.00%
Evaluated entities’ combined operating income as % of consolidated operating income	100.00%

Identification standards for internal control weaknesses				
Type	Weaknesses in internal control over financial reporting	Weaknesses in internal control not related to financial reporting		
Nature standard	If a weakness or weakness group give rise to the following events which cannot be prevented or found and made rectification, the weakness or weakness group are recognized as a material weakness: (1) Any director or senior management engages in	Material weakness Development direction substantially deviates from the strategic goals, and investment direction, business structure and business model are completely unable to support the realization of strategic goals	Serious weakness Development direction partly deviates from the strategic goals, and investment direction, business structure and business model are unable to support the realization of strategic goals at a larger extent	General weakness Development direction slightly deviates from the strategic goals, and investment direction, business structure and business model are unable to fully support the realization of strategic goals

	fraudulent activities, or any significant fraud or risk event occurs that causes a substantial loss and a serious negative impact; (2) An enterprise makes correction to the financial report issued; (3) A certified public accountant finds that there is a significant error in the financial report, but the internal control does not discover it when conducting internal control; (4) The Audit Committee and the internal audit organ's supervision over the internal control is invalid. (5) Other standards determined by each enterprise based on industry characteristics and business operation characteristics. If a weakness or combination of weaknesses results in the inability to prevent or detect and correct the following behaviors/issues, or if the weakness or combination of weaknesses can directly lead to the occurrence of the following behaviors/issues, the weakness or combination of weaknesses is identified as a significant weakness: (1) Fraud or risk events occur, causing substantial losses and negative impacts; (2) Failure to select and apply accounting policies in accordance with generally accepted accounting principles; (3) Failure to establish anti-fraud procedures and control measures; (4) Failure to establish or implement corresponding	Strategy implementation is blocked, almost all indicators of strategy implementation cannot be completed as planned	Strategy implementation is blocked, most of indicators of strategy implementation cannot be completed as planned	Strategy implementation is blocked, part of indicators of strategy implementation cannot be completed as planned
		Severe deficiency in the system, systemic failure of internal control, leading to significant deviation of the Company's operations and management actions from control objectives	The Company's systems and internal control mechanisms have significant weaknesses, resulting in the Company's operations and management activities deviating considerably from control objectives.	Weaknesses in company systems or internal control mechanisms, such as gaps or incomplete processes, may lead to minor deviations from control objectives in operations and management.
		Failure of democratic decision-making procedures, significant decision-making errors, or ineffective execution may result in substantial losses.	Errors in democratic decision-making procedures or inadequate execution of decisions, resulting in significant losses	The losses caused by democratic decision-making procedures or inadequate decision execution are not significant.
		Senior and middle management personnel and key technical personnel experience significant turnover, severely impacting the Company's operations and development.	The turnover rate of middle and senior management personnel and key technical staff is relatively high, significantly impacting the Company's operations and development.	General employee turnover has little impact on the Company's operations and development.
		Severe damage to overall employee motivation may trigger large-scale group incidents or significantly undermine corporate culture and cohesion.	To a large extent, it undermines the overall employees' work enthusiasm, leading to negativity, laziness, and a significant reduction in work efficiency, which has an important adverse impact on corporate culture and cohesion.	Reduced employee motivation and efficiency may have adverse impacts on corporate culture and cohesion.
		Employees' management capabilities and professional skills fall significantly behind business development needs across the board.	Employees' management capabilities and professional skills lag significantly behind business development needs in certain key areas.	Employees' management capabilities and professional skills lag behind business development needs in certain areas.

	control mechanisms for the accounting treatment of non-routine or special transactions, and lack of corresponding compensatory controls; (5) One or more weaknesses exist in the control of the year-end financial reporting process, and there is no reasonable assurance that the prepared financial statements achieve the objectives of being true and accurate. General weaknesses refer to the control weaknesses other than material and serious weaknesses mentioned above. If the same weakness occurs multiple times within a short period in the same unit or business, causing economic losses, consideration should be given to upgrading the level of internal control weakness identification.			
Quantitative standard	The misstatement in financial statements or loss caused by the defect or combination of defects may exceed the materiality level of the financial statements: A misstatement greater than RMB50 million of operating revenue is considered a material weakness, a misstatement greater than RMB20 million of operating revenue is considered a serious weakness, and a misstatement not exceeding RMB20 million of operating revenue is considered a general weakness.	The judging standard was the net profit attributable to the Company's shareholders in the consolidated financial statements audited in last year.		
		Material weakness	Serious weakness	General weakness
		Non-financial reporting weaknesses such as major investment mistakes, legal disputes, and serious violations of laws and regulations have caused losses exceeding RMB50 million of the operating revenue.	Non-financial reporting weaknesses such as serious investment mistakes, legal disputes, and violations of laws and regulations have caused losses exceeding RMB20 million of the operating revenue.	Non-financial reporting weaknesses such as investment mistakes, legal disputes, and violations of laws and regulations have caused losses not exceeding RMB20 million of the operating revenue.
Number of material weaknesses in internal control over financial reporting				0
Number of material weaknesses in internal control not related to financial reporting				0
Number of serious weaknesses in internal control over financial reporting				0

Number of serious weaknesses in internal control not related to financial reporting	0

Note: The percentages of evaluated entities' combined assets and operating income to consolidated total assets and operating income have been deducted the corresponding financial data of the merged company.

Opinion paragraph in the independent auditor's report on internal control	
We believe that China Merchants Port Group Co., Ltd. has maintained effective internal control over financial reporting in all material respects as of 31 December 2025 as per the Basic Rules for Enterprise Internal Control and relevant regulations.	
Independent auditor's report on internal control disclosed or not	Disclosed
Disclosure date	3 April 2026
Index to such report disclosed	For details, see www.cninfo.com.cn
Type of the auditor's opinion	Unmodified unqualified opinion
Material weaknesses in internal control not related to financial reporting	None

Indicate by tick mark whether any modified opinion is expressed in the independent auditor's report on the Company's internal control.

☐ Yes √ No

Indicate by tick mark whether the independent auditor's report on the Company's internal control is consistent with the internal control self-evaluation report issued by the Company's Board.

√ Yes ☐ No

Indicate by tick mark whether the Company was issued any modified opinion by the independent auditor on its internal control for the Reporting Period or last year.

☐ Yes √ No

XIV Rectifications of Problems Identified by Self-inspection in the Special Action for Listed Company Governance

Upon a comprehensive self-inspection, the Company has adhered to the combination of the leadership of the Communist Party of China and corporate governance throughout operations and complied with relevant laws, regulations, and normative documents, such as improving the internal

governance mechanism, refining the governance system, and disclosing information in an open and transparent manner.

XV Environmental Information Disclosure

Indicate whether the listed company or any of its major subsidiaries is included in the list of companies that are required by law to disclose environmental information.

√ Yes □ No

Number of companies included in the list of companies that are required by law to disclose environmental information		3
No.	Company	Index to the report on required environmental information
1	Bulk Cargo Branch of Zhanjiang Port (Group) Co., Ltd. (Operation Area 1)	https://www-app.gdeei.cn/gdeepub/front/dal/report/list?entName=%E6%B9%9B%E6%B1%9F%E6%B8%AF%EF%BC%88%E9%9B%86%E5%9B%A2%EF%BC%89%E8%82%A1%E4%BB%BD%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8%E6%95%A3%E6%9D%82%E8%B4%A7%E5%88%86%E5%85%AC%E5%8F%B8&reportType=&areaCode=&entType=&reportDateStartStr=&reportDateEndStr=
2	Zhanjiang Port Petrochemical Terminal Co., Ltd.	https://www-app.gdeei.cn/gdeepub/front/dal/report/list?entName=%E6%B9%9B%E6%B1%9F%E6%B8%AF%E7%9F%B3%E5%8C%96%E7%A0%81%E5%A4%B4%E6%9C%89%E9%99%90%E8%B4%A3%E4%BB%BB%E5%85%AC%E5%8F%B8&reportType=&areaCode=&entType=&reportDateStartStr=&reportDateEndStr=
3	Bulk Cargo Branch of Zhanjiang Port (Group) Co., Ltd. (Operation Area 3)	https://www-app.gdeei.cn/gdeepub/front/dal/report/list?entName=%E6%B9%9B%E6%B1%9F%E6%B8%AF%EF%BC%88%E9%9B%86%E5%9B%A2%EF%BC%89%E8%82%A1%E4%BB%BD%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8%E6%95%A3%E6%9D%82%E8%B4%A7%E5%88%86%E5%85%AC%E5%8F%B8%EF%BC%88%E4%BD%9C%E4%B8%9A%E4%B8%89%E5%8C%BA%EF%BC%89&reportType=&areaCode=&entType=&reportDateStartStr=&reportDateEndStr=

XVI Corporate Social Responsibility (CSR)

In 2025, CMPort deeply implemented the concept of sustainable development, systematically

advancing social responsibility work around core areas such as ecological protection, educational support, overseas responsibility, and rural revitalization, achieving fruitful results.

1. Ecological Environmental Protection

The Company actively supports the protection of the ecological environment and the maintenance of biodiversity in the areas where we operate. Each subsidiary collaborates closely with professional research institutions to systematically carry out ecological protection work.

Significant achievements are achieved in coral reef conservation in Sri Lanka. HIPG and the Ocean University of Sri Lanka jointly completed a coral reef baseline study. The research results released in August 2025 show that the artificial reef formed under the breakwater of Hambantota Port has become one of the most biodiverse coral reefs in southern Sri Lanka, with a live coral coverage rate of 35%, far exceeding the local average of less than 20% for other coral reefs. It is home to more than eight species of fish unique to the area, proving that proper ecological management can lead to the thriving development of "artificial habitats." The relevant achievements were reported by mainstream Sri Lankan media and Xinhua News Agency. HIPG simultaneously conducted a beach cleaning campaign to continuously protect the marine ecological environment.

Wildlife protection and harmonious coexistence between humans and elephants are promoted. HIPG, in collaboration with the Sri Lanka Wildlife and Nature Protection Society, the Elephant Transit Home of the Department of Wildlife Conservation, and other organizations, continuously carries out the "Save Alipanch" project, providing annual support for the care of 50 orphaned young elephants to promote harmonious coexistence between humans and elephants.

The ecological and environmental monitoring system in Brazil is well-developed. TCP carried out 19 environmental monitoring programs, focusing on the protection of endangered species such as the gray dolphin and green turtle, while simultaneously monitoring physical environmental indicators such as water quality, noise, and air quality. In 2025, TCP organized an environmental kayaking initiative, where 73 volunteers removed approximately one ton of waste from the Itiberê River. TCP also collaborated with the Federal University of Paraná to complete a port logistics decarbonization report and partnered with the municipal environmental authority to plant over 600

native trees.

Domestic ecological restoration has been remarkably effective. Under the guidance of the Zhanjiang Marine and Fisheries Bureau, Zhanjiang Port carried out the first phase of the container terminal expansion project in the Baoman Port Area between May and July 2025. During the project, six rounds of marine stock enhancement activities were conducted. A total of 33,400,000 black sea bream, 84,670,000 Penaeus monodon, 49,110,000 Tegillarca granosa, 80,960,000 Meretrix meretrix, and 260,000 Chinese horseshoe crabs were released into the sea. These efforts have effectively improved the local marine ecological environment and helped conserve aquatic biodiversity. Shantou China Merchants Port organized 43 party members to participate in the improvement of the living environment. Before the implementation of the project, a marine biological ecological survey was conducted to provide a scientific basis for green construction.

Environmental public welfare activities are diverse and colorful. Qianhaiwan Property, in collaboration with Shekou Community Foundation, organized the green public welfare initiative themed Ecological Light, Ushering in Green Shekou, conducting sustainable development public welfare lectures. The South China Operations Center, under the theme Let Nature Be More at Ease, educated residents on waste classification standards and advocated for the concept of green living.

2. Educational Support and Youth Development

The Rural Education Charity Programme celebrates its tenth anniversary with a revitalized upgrade. Since 2015, the Company has initiated the Rural Education Charity Programme, establishing a “Summer camp - Growth camp - Support camp” three-in-one child care service system. This system covers 25 rural schools, benefiting nearly 30,000 children and creating opportunities for parent-child reunions for 260 port families. In May 2025, the volunteer team visited primary schools in Wuhua County, Lianping County, Zhanjiang City, and other locations to hold four public welfare growth camp activities, bringing care to nearly 800 rural children. In December, the tenth-anniversary themed event of the project was successfully held in Shunde, Foshan. The first “China Merchants C Me Fly Sci-Tech Innovation Space” was officially unveiled, and the project brand “Harbor for Future” was newly launched. This marks the project’s renewal and upgrade from rural education assistance to focusing on the co-development of science and

technology innovation for youth in port and surrounding communities. The project was awarded the Three-star Quality Project at the 2025 Shenzhen Public Welfare and Charity Project Competition, and was selected as a typical case of Guangdong International Volunteer Service under the "Yue Zhi Si Hai" Initiative.

Advancement of campus public welfare are continued. Shantou Port carried out the "Hand in Hand, Painting the Blueprint of Dreams" series of activities. The South China Breakbulk Operations Center organized a visit for students from Dongwan Primary School in Nanshan District to the port and donated reclining desks and chairs to improve students' lunchtime rest conditions.

Science education reaches youth. During the National Science Popularization Month in September 2025, the South China Operations Center transformed Mawan Smart Port into a "National Smart Port Science Popularization Demonstration Base." Youth took the opportunity to observe advanced technologies such as unmanned container truck intelligent dispatching up close, building a bridge between transportation technology and the public. In December, led by CMPort and co-organized by Shunde New Port, Xingtan Leung Kau Kui Junior High School and the Chinese University of Hong Kong, Shenzhen jointly conducted a collaborative innovation activity in science and technology education. Through advanced technology lectures and interactive science and innovation booths, the event provided students with a science popularization education experience, broadened their technological horizons, and offered practical references for the integration of science and technology education in primary and secondary schools with university resources.

3. Overseas Responsibility and International Exchange

Implementation of the C Blue Training Program is deepened. In 2025, CMPort successfully held three sessions of the C Blue Training Program, establishing an international youth exchange system covering both spring and autumn seasons and targeting groups from different countries. In May, the 14th Launch Class, themed "National Prosperity through Ports and Shipping, and a Deep Commitment to Ecological Civilization", welcomed 28 participants from 19 countries who visited Chongqing, Yichang, and Shenzhen to conduct an in-depth study of the development achievements of the Three Gorges on the Yangtze River and the construction of smart ports. In July, to promote

the practical application of C Blue training, we innovatively organized a C Blue Sri Lanka special class, inviting 16 Sri Lankan university students to China for study and exchange. We precisely selected ten outstanding students for internships in key positions at CICT, among whom seven successfully gained employment due to their outstanding overall performance, thereby establishing a sustainable talent pipeline for the local talent team of overseas projects. In October, the 16th Far Sailing Class, themed "Exploring the Origins and Future Drivers of Port and Shipping Development," involved 18 participants from 11 countries engaging in in-depth study and research in Beijing, Shanghai, and Shenzhen. A total of 62 international youths were invited to China for exchanges throughout the year.

Rapid response to Sri Lanka flood relief was made. In 2025, Sri Lanka was hit by the intense tropical cyclone Ditwah and suffered the most severe natural disaster in recent years. The Company promptly initiated multi-level public welfare assistance, assisting the China Merchants Foundation in donating USD150,000 to the Sri Lanka Red Cross Society, specifically for emergency relief for disaster victims, procurement of basic living materials, and post-disaster reconstruction support. At the same time, HIPG arranged for the canteen to urgently prepare 1,000 meals to be delivered to the disaster area. CICT distributed relief supplies to 28 affected employees' families and urgently procured food, medicine, and agricultural tools for donation to disaster areas around Colombo and Hambantota, helping disaster victims quickly resume normal production and life.

After a decade of cultivation, the wheelchair tennis program has yielded fruitful results. With the support of the China Merchants Foundation, CICT has been funding the Sri Lanka Wheelchair Tennis Program since 2015, helping local disabled youth participate in tennis. After nearly ten years of development, the athlete's world ranking has risen to 44th place, becoming an important link in sports exchanges between China and Sri Lanka. In 2025, the project organized three domestic open competitions and arrange participation in international competitions in Malaysia and France.

The "China Merchants Silk Road Love Villages" program is deeply integrated into international exchanges. Under the support of the China Merchants Foundation, HIPG continues to carry out the "China Merchants Silk Road Love Villages" program, focusing on Kendagasman Village, benefiting over 2,200 residents. In September 2025, representatives of the beneficiary

groups were invited to China to attend the Second International Exchange Conference on the Joint Implementation of the Global Development Initiative by International Civil Society and to participate in project showcases.

The Brazil TCP Multi-dimensional Community Welfare Program has been widely recognized. The Public Welfare Project "Claws of Kaikala" addresses the actual difficulties faced by the residents of Piaçaguera Island, such as inconvenient travel and the lack of standardized veterinary care for pets. It dispatches a modified pet medical treatment boat to deliver professional medical services right to the residents' "doorsteps," providing blood parasite testing, vaccinations, and health guidance, thereby considering both pet health and community public health. This project was featured in a special report by People's Daily. In terms of youth development, the "Building Stronger Five-a-Side Football" project provides free services to approximately 600 participants, establishing training centers in multiple schools. Ninety percent of the adult team players come from the project, and four players have been sent to the national league, making it a cradle for sports talent. The "Islands, Art, and Vaudeville" project conducted 34 environmental-themed performances in ten island communities, integrating ecological awareness into cultural arts. In addition, TCP raised BRL20,000 through the sale of commemorative books and donated the proceeds to the Paranaguá Women's Cancer Support Association. It also conducted community tourism training programs to encourage local participation in festivals. With these achievements, TCP received the SESI SDG 2025 Seal, the Paraná Climate Seal, and the Ministry of Ports and Airports Sustainable Development Bronze Seal. The Mutual Support Project was also selected for inclusion in the National Confederation of Industry's COP30 Sustainable Business Casebook.

The HIPG Community Public Welfare Program achieves multi-dimensional coverage. In 2025, HIPG continued to deepen the friendship between China and Sri Lanka by integrating local actual needs through livelihood assistance and cultural integration. In the cultural and religious domain, it supported the Vesak Festival lamp-lighting ceremony at Seetharamaya Temple, organized ice cream donation activities, and enriched community cultural life. It also provided weekly refreshments to students at Sri Seelawimala Samudraramaya Buddhist College to support their nutritional needs. In terms of social welfare, it assisted the Guangdong Buddhist Association in donating living supplies to 600 impoverished households in the Kenda "Hope Village," conveying the friendship between

China and Sri Lanka. Through a series of livelihood assistance and cultural exchanges, HIPG has established a deep emotional bond with the local community.

Community welfare and youth development in Indonesia are promoted. NPH supports the regular operation of three community reading centers, and the Cahaya Ilmu holiday event has attracted 35 children to participate. The Internship Program for Fresh Graduates admitted 25 participants, among whom 12 successfully obtained employment, and the "University Knowledge Sharing Program" cooperated with three universities to hold seven activities, covering 62 students. Scholarships totaling IDR135,500,000 were awarded to 67 children of outstanding employees. IDR5,000,000 was monthly donated to the Annas Foundation, supporting 380 families of former dockworkers. The annual disaster relief investment was IDR20,640,000.

Togo LCT continues to deepen ecological protection. Since 2012, LCT has annually allocated special funds for turtle protection and rescue, systematically conducting juvenile turtle breeding and release, habitat ecological monitoring, and adult turtle rescue activities. At the same time, it implemented a "remove one, replant two" double compensation planting plan for the mangroves removed during the project. It collaborated with local environmental organizations to cultivate seedlings and protect the biodiversity of the Togo coastline. The newly planted mangroves have now gradually formed forests and are growing well, becoming a vivid practice of ecological co-construction between the Company and the community.

Moving forward, the Company will continue to deepen international exchanges and social responsibility practices, actively fulfilling the mission of a central enterprise. We aim to integrate social responsibility with corporate development more profoundly, contributing more to the sustainable development of the economy and society.

Please refer to the 2025 Sustainability Report of China Merchants Port Group Co., Ltd. for the fulfilment of social responsibilities in the Reporting Period for details.

XVII Poverty Alleviation and Rural Revitalization Efforts

Zhanjiang Port, a subsidiary of CMPort, thoroughly implements the strategic deployment of the Central Committee for comprehensively advancing rural revitalization. It has established a

responsibility system where “main leaders take charge, leaders in charge focus on key areas, and special working groups implement tasks.” The Company continuously assigns two key personnel to be stationed in Haian Town, Xuwen County, dedicated to advancing various tasks related to rural revitalization. In 2025, Zhanjiang Port made a targeted donation of RMB1 million to relevant charitable organizations in Zhanjiang City for rural revitalization projects, with a cumulative investment exceeding RMB1.5 million to improve infrastructure in the assisted areas.

Significant achievements in key projects. The Baoxi Village Cultural Square, built with an investment of RMB420,000 as a key project of the “Project of Promoting the High-quality Development of Villages, Towns, and Counties”, has become a cultural and tourism check-in landmark in Nanji Village and was recommended by Xuwen County as a typical case of rural construction in Zhanjiang City. An investment of RMB520,000 was used to upgrade and renovate the Macheng Village Farmer’s Market in Haian Town, which not only expanded the village-level collective economy, but also completely solved the “messy, dirty and poor” problems of the traditional market, effectively facilitating the lives of villagers. In recent years, Zhanjiang Port has cumulatively completed infrastructure projects such as the repair and reinforcement of the Macheng Village Committee’s water tower, road upgrades, water pipeline renewal, and the installation of solar street lights, effectively improving the rural living environment.

Precise coverage of livelihood assistance. The village working group, in collaboration with village committee cadres, regularly visits households that have been lifted out of poverty and those receiving minimum living allowances. They dynamically update the system data for over 30 households that have been lifted out of poverty and develop a “one household, one policy” assistance plan for farmers at risk of returning to poverty. During the Spring Festival and Mid-autumn Festival in 2025, we extended our regards to a total of 54 individuals, including households under poverty monitoring, veteran Party members, and children in difficult circumstances. We distributed RMB27,000 in consolation funds, allowing the rural community to deeply feel the care and warmth of the Party organization. The staff stationed in the town actively engaged in tasks such as improving the living environment and promoting cultural and health initiatives. They focused precisely on environmental improvement, enhancement of rural appearance, optimization of public services, and strengthening of grassroots governance, leading to a significant improvement in the

overall appearance of the countryside.

Part V Significant Events

I Fulfilment of Commitments

1. Commitments of the Company's Actual Controller, Shareholders, Related Parties, and Acquirers, as well as the Company Itself and other Entities Fulfilled in the Reporting Period or Ongoing at the Period-end

Commitment	Promisor	Type of commitment	Details of commitment	Date of commitment making	Term of commitment	Fulfilment
Commitments made in acquisition documents or shareholding alteration documents	CMGD and Broadford Global	Commitments on horizontal competition, related-party transaction and capital occupation	Commitment on safeguarding independence of CMPort made by CMGD and its person acting in concert Broadford Global: to safeguard the independence of finance, institutions, business and personnel of CMPort as well as independence and integrity of assets of CMPort.	15 March 2018	The commitment on safeguarding independence of CMPort is effective for a long time; the commitment on regulating related-party transactions is effective during the period when CMGD and its persons acting in concert possess control power over the Company	Ongoing
	CMGD and Broadford Global	Commitments on horizontal competition, related-party transaction and capital occupation	Commitment on regulating related-party transaction made by CMGD and corresponding persons acting in concert- Broadford Global: 1. CMGD/Broadford Global will make a great effort to reduce related-party transaction between CMGD/Broadford Global and its related parties as well as CMPort. Inevitable business dealings or transactions shall be conducted as per marketization principle and fair price and the obligation of information disclosure shall be fulfilled pursuant to provisions; 2. CMGD/Broadford Global and its related parties ensure they will strictly observe related stipulations of laws, regulations, normative documents and Articles of Association of CMPort and equally execute shareholders' rights and fulfil shareholders' obligations together with other shareholders in line with legal program as well as won't seek improper interest with actual controller's status or damage legitimate interest of CMPort and other shareholders; 3. The above commitment is continuously effective during the period when CMGD/Broadford Global has	15 March 2018	The commitment on safeguarding independence of CMPort is effective for a long time; the commitment on regulating related-party transaction	Ongoing

			the right to control CMPort. In case of losses incurred by CMGD/Broadford Global failing to fulfil the above commitment to CMPort, CMGD will bear corresponding compensation responsibility.		s is effective during the period when CMGD and its persons acting in concert possess control power over the Company	
	CMG	Commitments on horizontal competition, related-party transaction and capital occupation	Commitment on regulating related-party transaction: 1. China Merchants Group will try its best to reduce related-party transaction between it and its related parties and CMPort. Inevitable business dealings or transactions shall be conducted as per marketization principle and fair price and the obligation of information disclosure shall be fulfilled pursuant to provisions; 2. China Merchants Group ensure they will strictly observe related stipulations of laws, regulations, normative documents and Articles of Association of CMPort and equally execute shareholders' rights and fulfil shareholders' obligations together with other shareholders in line with legal program as well as won't seek improper interest with actual controller's status or damage legitimate interest of CMPort and other shareholders; 3. The above commitment is continuously effective during the period when China Merchants Group has the right to control CMPort. In case of losses incurred by China Merchants Group failing to fulfil the above commitment to CMPort, China Merchants Group will bear corresponding compensation responsibility.	15 March 2018	Effective until no-longer to be the actual controller of the Company	Ongoing
Commitments made in time of asset restructuring	CMPID	Commitments on horizontal competition, related-party transaction and capital occupation	Commitment on avoiding horizontal competition: 1. CMPID and other enterprise controlled by CMPID fail to engage in or participate in business or activity which is similar with and constitutes or likely constitutes competitive relation with main business conducted by CMPort and the enterprise controlled by it now; 2. CMPID will try its best to promote CMPID and other enterprise controlled by CMPID not to directly or indirectly engage in or participate in or assist to engage in or participate in any business or activity which constitutes or likely constitutes competitive relation with main business conducted by CMPort and the enterprise controlled by it now and in the future independently or together with others; 3. In case of discovering any new business opportunity which constitutes or likely constitutes direct or indirect competitive relation with main business of CMPort or the enterprise controlled by it, CMPID or CMPID and other enterprise controlled by it will immediately notify CMPort in written as well as make a great effort to promote such business opportunity to be provided to CMPort or the enterprise controlled by it firstly according to reasonable and fair terms and conditions; 4. In case of CMPort or the enterprise controlled by it waiving such competitive new business opportunity and CMPID or/and other enterprise controlled by it engaging in such competitive business, CMPort or the enterprise controlled by it will have the right to purchase any stock rights, assets or other rights and interests in the above competitive business from CMPID or/and other enterprise controlled by it once or several times at any moment, or CMPort will select entrusted operation, leasing or contract operation of assets or businesses of CMPID or/and other enterprise controlled by it in the above competitive business as per the mode permitted by national laws and regulations; 5. When CMPID and other enterprise controlled by it plans to	26 July 2018	Effective until no-longer to be the largest shareholder of the Company	Ongoing

			transfer, sell, rent out, conduct licensed use of or transfer or allow to use assets and businesses which constitutes or likely constitutes direct or indirect competitive relationship with main business of CMPort or the enterprise controlled by it in other way, CMPID and other enterprise controlled by it will provide the right of priority assignment to CMPort or the enterprise controlled by it and promise to make a great effort to promote other enterprise controlled by CMPID provide CMPort or the enterprise controlled by it with the right of priority assignment under the above situation; 6. As of the date when the commitment letter is provided, CMPID promises to compensate all actual losses, damages and expenses arising from violation of any clause in the commitment letter by CMPID or the enterprise controlled by it to CMPort or the enterprise controlled by it.			
	CMPID	Commitments on horizontal competition, related-party transaction and capital occupation	Commitment on regulating related-party transaction: 1. CMPID and other enterprise controlled by it will make a great effort to avoid and reduce related-party transaction between CMPort and economic entity controlled by it; 2. CMPID and other enterprise controlled by it will exercise stockholder's rights in accordance with related provisions of relevant laws and regulations as well as Articles of Association of CMPort and fulfil the obligation of vote avoidance at the moment of voting for related-party transactions involved by CMPID and other enterprise controlled by it at the stockholders' meeting; 3. As for related-party transaction which is inevitable or occurs due to reasonable reason, CMPID will carry out transaction pursuant to the principle of openness, fairness and justice for market transaction and based on fair and reasonable market price, perform related-party transaction decision-making process and legally fulfil information disclosure obligation to safeguard benefits of CMPort and other shareholders of CMPort in line with provisions of laws, regulations, normative documents and Articles of Association of CMPort; 4. It's ensured that no legitimate interest of CMPort and other shareholders of CMPort is damaged by related-party transaction based on status and influence of CMPort; 5. CMPID will promote other enterprise controlled by it to observe the commitment of Subparagraph 1-4; 6. In case of CMPID and other enterprise controlled by it violating the above commitment, causing rights and interests of CMPort and its shareholders are damaged, CMPID will take corresponding compensation responsibility according to law.	26 July 2018	Effective until no-longer to be the largest shareholder of the Company	Ongoing
	CMPID	Commitments on horizontal competition, related-party transaction and capital occupation	Commitment about keeping independence of CMPort: 1. After the transaction is completed, CMPID will strictly observe related provisions regarding independence of listed Companies from CSRC and won't violate standard operating procedures of CMPort based on the first majority shareholder, conduct excessive intervention of operation and management activities of CMPort and its subsidiary, embezzle benefits of CMPort and its subsidiary or damage legitimate interest of CMPort and other shareholders; 2. CMPID will ensure CMPort is independent from CMPID and related parties in the aspects of business, asset, finance, personnel and institution; 3. CMPID ensures independence of CMPort, CMPID and other enterprise controlled by it fail to occupy capitals and resources of CMPort based on violation in any way and will strictly observe provisions of rules and regulations for avoiding occupation of related party funds from CMPort as well as related laws, regulations and normative documents; 4. The commitment letter takes effect as of the signature date of CMPID as well as is legally binding upon CMPID. CMPID ensures it will strictly fulfil various commitments in the commitment letter and will take corresponding legal responsibility for losses incurred to CMPort due to violation of related commitment.	26 July 2018	Effective until no-longer to be the largest shareholder of the Company	Ongoing
	CMG	Commitments on	Commitment on avoiding horizontal competition: 1. China Merchants Group and the enterprise controlled by it (excluding	26 July 2018	Effective until no-	Ongoi

		horizontal competition, related-party transaction and capital occupation	CMPort Holdings and the enterprise controlled it) fail to engage in or participate in any business or activity which is similar with and constitutes or likely constitute direct or indirect competitive relationship with main business conducted by CMPort and the enterprise controlled by it now; 2. China Merchants Group will try its best to promote enterprises controlled by it(except for CMPort and the enterprise controlled by it) not to directly or indirectly engage in or participate in or assist to engage in or participate in any business or activity which constitutes or likely constitutes competitive relation with main business conducted by CMPort and the enterprise controlled by it now and in the future independently or together with others; 3. In case of discovering any new business opportunity which constitutes and likely constitutes direct or indirect competitive relation with main business of CMPort or the enterprise controlled by it, China Merchants Group or enterprise controlled by it(except for CMPort and the enterprise controlled by it) will immediately notify CMPort in written as well as make a great effort to promote such business opportunity to be provided to CMPort or the enterprise controlled by it firstly according to reasonable and fair terms and conditions; 4. In case of CMPort or the enterprise controlled by it waives such competitive new business opportunity and China Merchants Group or the enterprise controlled by it (except for CMPort and the enterprise controlled by it) engaging in such competitive business, CMPort or the enterprise controlled by it will be entitled to purchase any equities, assets and other rights and interests in the above competitive business from China Merchants Group or the enterprise controlled by it (except for CMPort and the enterprise controlled by it) once or several times at any moment or CMPort will select entrusted operation, leasing or contract operation of assets or businesses of China Merchants Group or the enterprise controlled by it (except for CMPort and the enterprise controlled by it) in the above competitive business according to the mode permitted by national laws and regulations; 5. When China Merchants Group and the enterprise controlled by it (except for CMPort and the enterprise controlled by it) plans to transfer, sell, lease, allow to use or transfer or allow to use asset and business which constitutes or likely constitutes direct or indirect competitive relationship with main business of CMPort or the enterprise controlled by it in other way, China Merchants Group and the enterprise controlled by it (except for CMPort and the enterprise controlled by it) will provide the right of priority assignment for CMPort or the enterprise controlled by it and promise to make a great effort to promote the enterprise controlled by China Merchants Group to provide the of priority assignment for CMPort or the enterprise controlled by it under the above situation; 6. As of the date when the commitment letter is provided, China Merchants Group promises to compensate all actual losses, damages and expenses arising from violation of any clause in the commitment letter by China Merchants Group or the enterprise controlled by it to CMPort or the enterprise controlled by it.		longer to be the actual controller of the Company	ng
	CMG	Commitments on horizontal competition, related-party transaction and capital occupation	Commitment on regulating related-party transaction: 1. China Merchants Group and other enterprise controlled by it will make a great effort to avoid and reduce related-party transaction between CMPort and economic entity controlled by it; 2. China Merchants Group and other enterprise controlled by it will exercise stockholder's rights in accordance with related provisions of relevant laws and regulations as well as Articles of Association of CMPort and fulfil the obligation of vote avoidance at the moment of voting for related-party transactions involved by China Merchants Group and other enterprise controlled by it at the stockholders' meeting; 3. As	26 July 2018	Effective until no-longer to be the actual controller of the Company	Ongoing

			for related transaction which is inevitable or occurs due to reasonable reason, China Merchants Group will carry out transaction pursuant to the principle of openness, fairness and justice for market transaction and based on fair and reasonable market price, perform related-party transaction decision-making process and legally fulfil information disclosure obligation to safeguard benefits of CMPort and other shareholders of CMPort in line with provisions of laws, regulations, normative documents and Articles of Association of CMPort; 4. It's ensured that no legitimate interest of CMPort and other shareholders of CMPort is damaged by related-party transaction based on status and influence of CMPort; 5. China Merchants Group promotes other enterprise controlled by it to observe the commitment set forth in Subparagraph 1-4 above; 6. In case of China Merchants Group and other enterprise controlled by it violating the above commitment, causing rights and interests of CMPort and its shareholders are damaged, China Merchants Group will take corresponding compensation responsibility according to law.			
	CMG	Commitments on horizontal competition, related-party transaction and capital occupation	Commitment about keeping independence of CMPort: 1. After the transaction is completed, China Merchants Group will strictly observe related provisions regarding independence of listed companies from CSRC and won't violate standard operating procedures of CMPort based on actual controller's status, conduct excessive intervention of operation and management activities of CMPort and its subsidiary, embezzle benefits of CMPort and its subsidiary or damage legitimate interest of CMPort and other shareholders; 2. China Merchants Group will ensure CMPort is independent from China Merchants Group and related parties in the aspects of business, asset, finance, personnel and institution; 3. China Merchants Group ensures independence of CMPort, China Merchants Group and other enterprise controlled by it fail to occupy capitals and resources of CMPort based on violation in any way and will strictly observe provisions of rules and regulations for avoiding occupation of related party funds from CMPort as well as related laws, regulations and normative documents; 4. The commitment letter takes effect as of the signature date of China Merchants Group as well is legally binding upon China Merchants Group. China Merchants Group ensures it will strictly fulfil various commitments in the commitment letter and will take corresponding legal responsibility for losses incurred to listed Company due to violation of related commitment.	26 July 2018	Effective until no-longer to be the actual controller of the Company	Ongoing
	CMG	Other commitment	Commitment letter about perfecting the property ownership certificate for land and house property of CMPort Holdings and the enterprise subordinate to it: 1. China Merchants Group will spare no effort to assist, promote and drive CMPort Holdings and the enterprise subordinate to it to standardize, perfect and solve ownership defects of properties such as land and house property; 2. The following situations happen to CMPort Holdings and the enterprise subordinate to it before completion of the transaction: (1) Land use right of ownership certificate which is being handled, the house property failing to be timely handled (except for results incurred by force majeure, law, policy, government administration behavior and change in planned use of the land instead of CMPort Holdings and the enterprise subordinate to it); Or (2) Land use right of ownership certificate, the property ownership certificate failing to be handled (except for results incurred by force majeure, law, policy, government administration behavior and change in planned use of the land of CMPort Holdings and the enterprise subordinate to it); Or (3) In case of nonstandard other land use right and house property (except for results incurred by force majeure, law, policy, government administration behavior and change in planned use of the land instead of CMPort Holdings	26 July 2018	Effective until no-longer to be the actual controller of the Company	Ongoing

			and the enterprise subordinate to it) and encountering actual losses (including but not limited to compensation, fine, expenditure and benefit lost), China Merchants Group will timely and fully compensate CMPort.			
	CMG	Other commitment	Commitment letter about real estate leased by CMPort Holdings and the enterprise subordinate to it: In case of nonstandard situation of the leased property significantly influencing use of CMPort Holdings and the Company subordinate to it to engage in operation of normal business, China Merchants Group will actively take effective measures (including but not limited to arranging to provide the property with identical or similar conditions to be used for operation of related Company) to promote business operation of related Company to be conducted normally and alleviate or eliminate adverse effect; In case of nonstandard of the leased property causing CMPort Holdings and the enterprise subordinate to it produce actual additional expenditures or losses (such as third-party compensation), China Merchants Group will actively coordinate and negotiate with other related party to support normal operation of CMPort Holdings and the enterprise subordinate to it to the great extent and avoid or control continuous enlargement of the damage; At the same time, China Merchants Group agrees compensate CMPort Holdings and the enterprise subordinate to it in cash for actual losses incurred to CMPort Holdings and the enterprise subordinate to it for this reason to relieve or eliminate adverse effect.	26 July 2018	Effective until no-longer to be the actual controller of the Company	Ongoing
	CMG	Other commitment	Commitment letter about allotted land of the enterprise subordinate to China Merchants Port Holdings Company Limited from China Merchants Group: In case that the above allotted land is withdrawn or needs to be translated into assignment land due to policy adjustment in the future after the transaction is completed, China Merchants Group will actively coordinate with CMPort and related companies such as China Merchants Group International Port (Qingdao) Co., Ltd. and Shantou China Merchants Port Group Co., Ltd. to handle the transfer procedure or take other feasible countermeasures. In case of any actual loss (excluding land-transferring fees or rent, fees paid for taking rural land, ownership registration fees, taxes and dues and other related expenses to be paid by Chiwan Wharf or above-mentioned related companies according to provisions of laws and regulations) incurred to CMPort or above-mentioned related companies for this reason, China Merchants Group will timely and fully compensate actual loss incurred to CMPort or above-mentioned related companies.	26 July 2018	Effective until no-longer to be the actual controller of the Company	Ongoing
	CMG	Other commitment	Commitment letter about undertaking the accreditation fees of property ownership certificate for the perfection of the land and house property of CMPort Holdings and the enterprise subordinate to it: In case of defective land use right and house property involved by the Company subordinate to CMPort Holdings on account of operation (namely land use right and house property of the Company subordinate to CMPort Holdings without complete ownership certificate existing before the transaction is completed), incurring registration fees such as taxes and dues, compensation and fine in the process of perfecting legal procedures of defective land use right and house property by the subordinate to CMPort Holdings, China Merchants Group will timely and fully compensate to the Company subordinate to CMPort Holdings for undertaking.	14 September 2018	Effective until no-longer to be the actual controller of the Company	Ongoing
	CMG	Other commitment	Commitment letter about related matters of CMPort after the transaction is completed: After the transaction is completed, Chiwan Wharf will become port business asset management headquarters and domestic capital operation platform of China Merchants Group, deeply participate in integration of domestic regional port assets and enlarge the scale of domestic listed assets to make net profit of CMPort Holdings (00144.HK)	30 September 2018	Before 3 November 2029 and CMG is the actual controller of the	Ongoing

			enjoyed as per the rights and interests in the consolidated statement of listed Company in recent one fiscal year fail to exceed 50% net profit of consolidated statement of the listed Company and net asset of CMPort Holdings (00144.HK) enjoyed in light of rights and interests in the consolidated statement of listed Company in recent one fiscal year fail to exceed 30% net asset in the consolidated statement of the listed Company within 3-5 years after the transaction is completed.		Company	
	CMG	Other commitment	China Merchants Group and all its directors, supervisors and administrative officers ensure the transaction report, its abstract, other information provided for the transaction and application document are true, accurate and complete without false record, misleading statement or important omission as well as take individual and joint legal liability for false record, misleading statement or important omission. If the information provided or disclosed by this transaction is suspected of false records, misleading statements or major omissions, and is investigated by the judicial authorities or investigated by the China Securities Regulatory Commission (CSRC), the directors, supervisors or senior managers of China Merchants Group do not transfer the shares that have interests in listed Company, and submit the written application and stock account of the suspension of the transfer to the Board of Directors of the CMPort within two trading days after receiving the filing inspection notice, and the Board of Directors shall apply for lock-up on behalf of the CMG Hong Kong to the Stock Exchange and Registration and Settlement Company. In case of failing to file a locking application within two transaction days and after the Board of Directors is authorized for verification, identity information and account information on directors, supervisors or administrative officers of China Merchants Group will be directly submitted to Stock Exchange and Registration and Settlement Company with locking applied; In case of Board of Directors failing to submit identity information and account information on directors, supervisors or administrative officers of China Merchants Group to Stock Exchange and Registration and Settlement Company, Stock Exchange and Registration and Settlement Company will be authorized to directly lock related shares. In case that the situation of violating laws and rules is found upon investigation conclusion, directors, supervisors or administrative officers of China Merchants Group promise locked shares are voluntarily used for compensating related investors.	26 July 2018	Effective continuously	Ongoing
	CMG Hong Kong	Other commitment	1. CMG Hong Kong ensures related information provided for the transaction is true, accurate and complete without false record, misleading statement or important omission; 2. CMG Hong Kong ensures the data provided to CMPort and all intermediary organs participating in the transaction is true, accurate and complete original written data or data copy. Data copy is consistent with original data and signature and seal of all the documents are true. The signatory of such documents is legally authorized and effectively signs such documents without any false record, misleading statement or important omission; 3. CMG Hong Kong ensures descriptions and confirmations issued for the transaction is true, accurate and complete without false record, misleading statement or important omission; 4. CMG Hong Kong ensures that statutory disclosure and report obligation has been performed, and no contracts, agreements, arrangements or miscellaneous that should have been disclosed exists; 5. The CMG Hong Kong made the commitment that if the information provided or disclosed by this transaction is suspected of false records, misleading statements or major omissions, and is investigated by the judicial authorities or investigated by the China Securities Regulatory Commission (CSRC), it does not transfer the shares that have interests in listed Company, and submit the	26 July 2018	Effective continuously	Ongoing

			written application and stock account of the suspension of the transfer to the Board of Directors of the CMPort within two trading days after receiving the filing inspection notice, and the Board of Directors shall apply for lock-up on behalf of the CMG Hong Kong to the Stock Exchange and Registration and Settlement Company. In case of failing to file a locking application within two transaction days and after the Board of Directors is authorized for verification, identity information and account information on CMG Hong Kong will be directly submitted to Stock Exchange and Registration and Settlement Company with locking applied; In case of Board of Directors failing to submit identity information and account information on CMG Hong Kong to Stock Exchange and Registration and Settlement Company, Stock Exchange and Registration and Settlement Company will be authorized to directly lock related shares. If the investigation finds that there is a violation of the law, CMG Hong Kong committed to lock the shares voluntarily for the relevant investor compensation; 6. If CMG Hong Kong promises to related document, data and information provided in the reorganization process aren't true, accurate or complete or are with false record, misleading statement or important omission, CMG Hong Kong is willing to legally bear corresponding legal responsibility; 7. In case of CMG Hong Kong violating the above promise, incurring losses to CMPort, CMG Hong Kong will take corresponding compensation responsibility.			
	CMPID	Other commitment	1. CMPID ensures related information provided for the transaction is true, accurate and complete without false record, misleading statement or important omission; 2. CMPID ensures the data provided to CMPort and all intermediary organs participating in the transaction is true, accurate and complete original written data or data copy. Data copy is consistent with original data and signature and seal of all the documents are true. The signatory of such documents is legally authorized and effectively signs such documents without any false record, misleading statement or important omission; 3. CMPID ensures description and confirmation provided for the transaction are true, accurate and complete without any false record, misleading statement or important omission; 4. CMPID ensures that statutory disclosure and report obligation has been performed, and no contracts, agreements, arrangements or miscellaneous that should have been disclosed exists; 5. The CMPID made the commitment that if the information provided or disclosed by this transaction is suspected of false records, misleading statements or major omissions, and is investigated by the judicial authorities or investigated by the China Securities Regulatory Commission (CSRC), it does not transfer the shares that have interests in CMPort, and submit the written application and stock account of the suspension of the transfer to the Board of Directors of the CMPort within two trading days after receiving the filing inspection notice, and the Board of Directors shall apply for lock-up on behalf of the CMG Hong Kong to the Stock Exchange and Registration and Settlement Company. If the application for lock-up is not submitted within two transaction days, the Board of Directors is authorized to verify and submit the identity information and account information of CMPID directly to the Stock Exchange and Registration and Settlement Company and apply for lock-up; If the Board of Directors fails to submit the identity information and account information of the CMPID to the Stock Exchange and Registration and Settlement Company, then the Stock Exchange and Registration and Settlement Company shall be authorized to directly lock the relevant shares. If the investigation finds that there is a violation of the law, CMPID committed to lock the shares voluntarily for the relevant investor compensation; 6. If CMPID promises to	26 July 2018	Effective continuously	Ongoing

			related document, data and information provided in the reorganization process aren't true, accurate or complete or are with false record, misleading statement or important omission, CMPID is willing to legally bear corresponding legal responsibility; 7. In case of CMPID violating the above commitment, incurring losses to CMPort, CMPID will take corresponding compensation responsibility.			
	CMPort Holdings	Other commitment	1. CMPort Holdings ensures related information provided for the transaction is true, accurate and complete without false record, misleading statement or important omission; 2. CMPort Holdings ensures the data provided to CMPort and all intermediary organs participating in the transaction is true, accurate and complete original written data or data copy. Data copy is consistent with original data and signature and seal of all the documents are true. The signatory of such documents is legally authorized and effectively signs such documents without any false record, misleading statement or important omission; 3. CMPort Holdings ensures description and confirmation provided for the transaction are true, accurate and complete without any false record, misleading statement or important omission; 4. CMPort Holdings ensures that statutory disclosure and report obligation has been performed, and no contracts, agreements, arrangements or miscellaneous that should have been disclosed exists; 5. CMPort Holdings made the commitment that if the information provided or disclosed by this transaction is suspected of false records, misleading statements or major omissions, and is investigated by the judicial authorities or investigated by the China Securities Regulatory Commission (CSRC); CMPort Holdings committed that if CMPort Holdings violated the above promise, incurring losses to CMPort, CMPort Holdings will take corresponding compensation responsibility.	26 July 2018	Effective continuously	Ongoing
	CMG	Other commitment	1. China Merchants Group ensures related information provided for the transaction is true, accurate and complete without false record, misleading statement or important omission; 2. China Merchants Group ensures the data provided to CMPort and all intermediary organs participating in the transaction is true, accurate and complete original written data or data copy. Data copy is consistent with original data and signature and seal of all the documents are true. The signatory of such documents is legally authorized and effectively signs such documents without any false record, misleading statement or important omission; 3. China Merchants Group ensures descriptions and confirmations issued for the transaction is true, accurate and complete without false record, misleading statement or important omission; 4. China Merchants Group ensures that statutory disclosure and report obligation has been performed, and no contracts, agreements, arrangements or miscellaneous that should have been disclosed exists; 5. China Merchants Group made the commitment that if the information provided or disclosed by this transaction is suspected of false records, misleading statements or major omissions, and is investigated by the judicial authorities or investigated by the China Securities Regulatory Commission (CSRC), it does not transfer the shares that have interests in CMPort, and submit the written application and stock account of the suspension of the transfer to the Board of Directors of the CMPort within two trading days after receiving the filing inspection notice, and the Board of Directors shall apply for lock-up on behalf of China Merchants Group to the Stock Exchange and Registration and Settlement Company. In case of failing to file a locking application within two transaction days and after the Board of Directors is authorized for verification, identity information and account information of China Merchants Group will be directly submitted to Stock Exchange and Registration and Settlement Company with locking applied; In case of Board of Directors	26 July 2018	Effective continuously	Ongoing

			failing to submit identity information and account information of China Merchants Group to Stock Exchange and Registration and Settlement Company, Stock Exchange and Registration and Settlement Company will be authorized to directly lock related shares. If the investigation finds that there is a violation of the law, China Merchants Group committed to lock the shares voluntarily for the relevant investor compensation; 6. If China Merchants Group promises to related document, data and information provided in the reorganization process aren't true, accurate or complete or are with false record, misleading statement or important omission, China Merchants Group is willing to legally bear corresponding legal responsibility; In case of China Merchants Group violating the above promise, incurring losses to CMPort, China Merchants Group will take corresponding compensation responsibility.			
	Chiwan Wharf and all directors, supervisors and senior management	Other commitment	Chiwan Wharf and all its directors, supervisors and administrative officers ensure the transaction report, its abstract, other information provided for the transaction and application document are true, accurate and complete without false record, misleading statement or important omission as well as take individual and joint legal liability for false record, misleading statement or important omission. If the information provided or disclosed by this transaction is suspected of false records, misleading statements or major omissions, and is investigated by the judicial authorities or investigated by the China Securities Regulatory Commission (CSRC), the directors, supervisors, or senior managers of Chiwan Wharf do not transfer the shares that have interests in CMPort, and submit the written application and stock account of the suspension of the transfer to the Board of Directors of the CMPort within two trading days after receiving the filing inspection notice, and the Board of Directors shall apply for lock-up on behalf of them to the Stock Exchange and Registration and Settlement Company. In case of failing to file a locking application within two transaction days and after the Board of Directors is authorized for verification, identity information and account information on directors, supervisors or administrative officers of Chiwan Wharf will be directly submitted to Stock Exchange and Registration and Settlement Company with locking applied; In case of Board of Directors failing to submit identity information and account information on directors, supervisors or administrative officers of Chiwan Wharf to Stock Exchange and Registration and Settlement Company, Stock Exchange and Registration and Settlement Company will be authorized to directly lock related shares. In case that the situation of violating laws and rules is found upon investigation conclusion, directors, supervisors or administrative officers of Chiwan Wharf promise locked shares are voluntarily used for compensating related investors.	26 July 2018	Effective continuously	Ongoing
Other commitments made to minority shareholders	China Nanshan Development (Group) Inc.	Other commitment	CND Group will irrevocably and unconditionally agrees it will ensure transferee of such land use right and its successor and assignee will be fully exempted from responsibility for the above matters in case of CMPort encountering losses, needing to bear expenses and liabilities, undergoing claim for compensation or needing to file a lawsuit due to any actual or potential illegal and unenforceable issues incurred by land use agreement and relevant documents signed and to be signed by it.	20 March 2001; 18 June 2003; 29 September 2004	Effective continuously	Ongoing
	China Nanshan Development (Group) Inc.	Other commitment	In order to properly solve the issue regarding the ownership of the land of 270,692 square meters transferred to CMPort by CND Group as a contribution, CND Group hereby irrevocably undertakes as follows: 1. CND Group affirms the historical fact that it contributed to the restructuring and listing of Chiwan Wharf with the right to use 270,692 square meters of land in 1993. Besides, it affirms	2 July 2020	Effective continuously	Ongoing

			that the 270,692 square meters of land has been transferred to CMPort (formerly known as Chiwan Wharf) and the right to use the land is owned by CMPort. 2. CND Group will continue keeping the original undertaking and ensure that the signing of the relevant agreement will not damage CMPort's rights and interests of 148,119 square meters of land transferred in 1993 to CMPort (formerly, Chiwan Wharf) as a contribution. 3. CND Group will continue giving full play to its advantages to fully support land-related authorities in Shenzhen City to secure CMPort's right to use the 270,692 square meters of land. Moreover, CND Group will continue to actively assist CMPort in going through the corresponding procedures for the change of ownership of property rights and perfect legal procedures related to the right to use the land (e.g., defining the boundary line of land, land surveying, and claiming for the certificate of land). In addition, CND Group undertakes to cover all costs incurred accordingly (including the land premium). 4. All consequent losses to CMPort shall be borne by CND Group, should the latter break the above undertaking. Furthermore, CND Group will shoulder all liabilities for damage, if the asset integrity of the listed company, CMPort, is damaged.			
Commitments made in IPO or refinancing	CMG	Commitments when refinancing	CMPort issued 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised in this non-public offering is RMB10,917,111,500. In order to ensure that the compensation measures for the dilution of immediate returns in this non-public offering can be effectively implemented, in accordance with the *Opinions of the General Office of the State Council on Further Strengthening the Work of Protection of the Legitimate Rights and Interests of Minority Investors in the Capital Markets* (G.B.F. [2013 No. 110), the *Guiding Opinions on Matters concerning the Dilution of Immediate Return in Initial Public Offering, Refinancing and Material Asset Restructuring* (Announcement of the China Securities Regulatory Commission [2015] No. 31) and other laws, regulations and normative documents, as the controlling shareholder and actual controller of the issuer of the non-public offering, I hereby make a commitment as follows concerning the dilution of immediate returns and compensation measures in connection with the non-public offering: 1. I will not interfere in the operation and management activities of the Company beyond its authority and will not encroach on its interests. 2. From the date of issuance of this commitment to the completion of the non-public offering of the Company, if the regulatory authority has other requirements on the measures to compensate the returns and the relevant provisions of the commitment, and the commitment cannot meet the relevant requirements of the regulatory authority, I will make a supplementary commitment in accordance with relevant regulations.	13 July 2021	Effective continuously	Fulfilled
	CMG	Commitments when refinancing	CMPort issued 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised by this non-public offering is RMB10,917,111,500, which will be subscribed by Seaport Group in a lump sum in cash. As the actual controller of CMPort, the company hereby make a commitment as follows: In connection with this non-public offering, the company does not provide financial assistance, compensation, promise of benefits or other similar arrangements to Seaport Group, directly or through its stakeholders.	16 November 2021	Effective continuously	Fulfilled
	Broadford Global	Commitments when refinancing	CMPort issued 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised in this non-public offering is RMB10,917,111,500. In order to ensure that the compensation measures for the dilution of immediate returns in this non-public offering can be effectively implemented, in accordance with the *Opinions of the General Office of the State Council on Further Strengthening the Work*	13 July 2021	Effective continuously	Fulfilled

			of Protection of the Legitimate Rights and Interests of Minority Investors in the Capital Markets (G.B.F. [2013 No. 110), the *Guiding Opinions on Matters concerning the Dilution of Immediate Return in Initial Public Offering, Refinancing and Material Asset Restructuring* (Announcement of the China Securities Regulatory Commission [2015] No. 31) and other laws, regulations and normative documents, as the controlling shareholder and actual controller of the issuer of the non-public offering, I hereby make a commitment as follows concerning the dilution of immediate returns and compensation measures in connection with the non-public offering: 1. I will not interfere in the operation and management activities of the Company beyond its authority and will not encroach on its interests. 2. From the date of issuance of this commitment to the completion of the non-public offering of the Company, if the regulatory authority has other requirements on the measures to compensate the returns and the relevant provisions of the commitment, and the commitment cannot meet the relevant requirements of the regulatory authority, I will make a supplementary commitment in accordance with relevant regulations.			
	Broadford Global	Commitments when refinancing	CMPort issued 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised by this non-public offering is RMB10,917,111,500, which will be subscribed by Seaport Group in a lump sum in cash. As the controlling shareholder of CMPort, the company hereby make a commitment as follows: In connection with this non-public offering, the company does not provide financial assistance, compensation, promise of benefits or other similar arrangements to Seaport Group, directly or through its stakeholders.	16 November 2021	Effective continuously	Fulfilled
	Directors and senior management of CMPort	Commitments when refinancing	CMPort issued 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised in this non-public offering is RMB10,917,111,500. In order to ensure that the compensation measures for the dilution of immediate returns in this non-public offering can be effectively implemented, in accordance with the *Opinions of the General Office of the State Council on Further Strengthening the Work of Protection of the Legitimate Rights and Interests of Minority Investors in the Capital Markets* (G.B.F. [2013 No. 110), the *Guiding Opinions on Matters concerning the Dilution of Immediate Return in Initial Public Offering, Refinancing and Material Asset Restructuring* (Announcement of the China Securities Regulatory Commission [2015] No. 31) and other laws, regulations and normative documents, as a director and senior management member of the issuer of the non-public offering, I hereby make a commitment as follows concerning the dilution of immediate returns and compensation measures in connection with the non-public offering: 1. I will not transfer benefits to other units or individuals for free or under unfair conditions, nor will I damage the interests of the Company in other ways. 2. I will regulate my personal business consumption behavior. 3. I will not use the Company's assets to engage in investment and consumption activities unrelated to the performance of my duties. 4. The salary system formulated by the board of directors or the remuneration committee is linked to the implementation of the Company's return compensation measures. 5. If the Company intends to implement equity incentives, the exercise conditions of such equity incentive are linked to the implementation of the Company's return compensation measures. 6. From the date of issuance of this commitment to the completion of the non-public offering of the Company, if the regulatory authority has other requirements on the measures to	13 July 2021	Effective continuously	Fulfilled

			compensate the returns and the relevant provisions of the commitment, and the commitment cannot meet the relevant requirements of the regulatory authority, I will make supplementary commitments in accordance with relevant regulations.			
	CMPort	Commitments when refinancing	CMPort issued 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, the fund raised in this non-public offering is RMB10,917,111,500. In order to further ensure the use of the funds raised in this non-public offering, the Company makes statements as follows: 1. The Company intends to use the proceeds of this non-public share offering to supplement working capital and repay debts, and it does not involve real estate development projects. 2. The fund raised by the Company in this non-public offering shall not be used for real estate development or in a disguised form.	29 September 2021	Effective continuously	Fulfilled
	CMPort	Commitments when refinancing	CMPort issued 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised by this non-public offering is RMB10,917,111,500, which will be subscribed by Seaport Group in a lump sum in cash. The Company hereby makes commitments as follows: In connection with this non-public offering, the Company does not make a commitment on guarantee income or disguised guarantee income to Seaport Group, nor does it provide financial assistance, compensation, promise of benefits or other similar arrangements to Seaport Group, directly or through its stakeholders.	29 September 2021	Effective continuously	Fulfilled
	CMPort	Commitments when refinancing	CMPort issued 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised by this non-public offering is RMB10,917,111,500. The Company hereby makes the following commitments regarding the Qualification Certificate of Real Estate Development Enterprise of the People's Republic of China (Number: SH.F.K.Z. (2017) No. 879) obtained by Shenzhen Jinyu Rongtai Investment Development Co., Ltd (hereinafter referred to as "Jinyu Rongtai"), a wholly-owned subsidiary of the Company: The Company will actively coordinate Jinyu Rongtai to handle the cancellation of the aforesaid real estate development qualification certificate. Within 30 days after approval of relevant laws and regulations, regulatory regulations and competent housing authorities, Jinyu Rongtai will apply to the competent housing department for the cancellation of real estate development qualification registration. Before the cancellation or expiration of the qualification, the Company and Jinyu Rongtai will not use the qualification to engage in real estate development and operation and other related businesses. After qualification cancellation or invalidity, qualification renewal or new real estate development qualification will not be handled.	19 November 2021	Effective continuously	Ongoing
	CMPort	Commitments when refinancing	CMPort issued 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised by this non-public offering is RMB10,917,111,500, which will be subscribed by Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd. in a lump sum in cash. The Company makes commitments in connection with the fund raised in this non-public offering as follows: The proceeds from this non-public offering of shares will not flow into China Nanshan Development (Group) Co., Ltd. through any direct or indirect means.	16 December 2021	Effective continuously	Fulfilled
	CMPort	Commitments when refinancing	CMPort issued 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised by this non-public offering is RMB10,917,111,500, which will be subscribed by Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd. in a lump sum in cash. The Company hereby makes commitments as follows: Prior to the completion of the use of the fund raised in this non-public offering or within 36 months after the fund is raised, no	7 January 2022	Effective continuously	Fulfilled

			additional investment (including capital increase, loan, guarantee and capital investment in other forms) shall be made in industrial funds and M&A funds that do not conform to the Company's upstream and downstream industrial chain or the Company's main business and strategic development direction.			
Other commitments	CMPort	Commitments when subscribing shares of Ningbo Port	Ningbo Port issued A shares to CMPort in a non-public manner. As the subscription target of Ningbo Port's 2021 non-public offering of A-shares, CMPort irrevocably makes the following statements and commitments: Ningbo Port's 2021 non-public offering of A-shares is Ningbo Port's non-public offering of A-shares to CMPort. After the completion of Ningbo Port's non-public offering of A-shares to CMPort, the business relationship and management relationship between Ningbo Zhoushan Port Group, Seaport Group and the subordinate enterprises controlled by them and Ningbo Port will not change substantially, and it will not lead to new or potential competition in the same industry between Ningbo Port and Ningbo Zhoushan Port Group, Seaport Group and the subordinate enterprises controlled by them. Assuming that 3,646,971,029 shares are issued (i.e., 23.07% of the total share capital prior to issuance), after the completion of Ningbo Port's non-public offering of A-shares to CMPort, CMPort holds 20.98% shares of Ningbo Port and 2.10% shares of Ningbo Port through China Merchants Ningbo. Thus, CMPort holds 23.08% shares of Ningbo Port in total. It will not lead to changes in the controlling shareholder and actual controller of Ningbo Port, so it will not lead to new or potential competition between Ningbo Port and CMPort and its controlling shareholder and actual controller. CMPort warrants that it has the right to enter into this Letter of Statements and Commitments, and once this Letter of Statements and Commitments is entered into by CMPort, it will constitute an effective, legal and binding responsibility upon the CMPort, and this Letter of Statements and Commitments will remain valid and irrevocable during the period when CMPort is as a shareholder of Ningbo Port. CMPort warrants that it will strictly fulfil all commitments in this Letter of Statements and Commitments. In case of any loss caused to Ningbo Port due to its violation of this Letter of Statements and Commitments, CMPort will bear relevant legal responsibilities.	13 July 2021	Effective continuously	Ongoing
	CMPort	Commitments when subscribing shares of Ningbo Port	CMPort fully subscribed the shares issued through non-public offering by Ningbo Port with cash. It is expected that after the issuance, CMPort and its subsidiary China Merchants Ningbo will hold about 23.08% of shares of Ningbo Port in total. CMPort and Ningbo Port continue to be independent from each other in assets, personnel, finance, organization and business. The A-shares issued by Ningbo Port to CMPort through non-public offering will not affect the independent operation ability of Ningbo Port. The statements on the independent operation of Ningbo Port after the completion of its non-public offering of A-shares to CMPort are as follows: i. Independent assets After the non-public offering of A-shares by Ningbo Port to CMPort, Ningbo Port still has complete and independent ownership of all its assets, which are strictly separated from the assets of CMPort and completely operated independently. There is no mixed operation, unclear assets, or fund or assets occupied by CMPort. ii. Independent personnel After the non-public offering of A-shares by Ningbo Port to CMPort, Ningbo Port will continue to have an independent and complete labor and personnel management system, which is completely independent from CMPort. The selection of directors, supervisors, managers and other senior management personnel recommended by CMPort to Ningbo Port shall be carried out through legal procedures. CMPort shall not interfere with the personnel appointment and removal decisions made by	13 July 2021	Effective continuously	Ongoing

			the board of directors and the general meeting of Ningbo Port. iii. Independent finance After the non-public offering of A-shares by Ningbo Port to CMPort, Ningbo Port will continue to maintain an independent financial accounting department, operate an independent accounting system and independent a financial management system. It will keep its independent bank account and will not share the bank account with CMPort. It will pay taxes independently and make independent financial decisions, and CMPort will not interfere in the use of funds of Ningbo Port. CMPort will not interfere with the use of funds of Ningbo Port in any illegal or rule-violating way, and Ningbo Port will not provide guarantee for other enterprises controlled by CMPort. No Ningbo Port's financial employee will work part-time in CMPort. iv. Independent organizations Ningbo Port will continue to maintain a sound corporate governance structure of joint-stock company. It has an independent and complete organizational structure. Its general meeting, board of directors, independent directors, board of supervisors and senior management exercise their functions and powers independently in accordance with laws, regulations and articles of association. It is in no subordinate or controlling relationship with the functional departments of other enterprises controlled by CMPort. v. Independent business Ningbo Port has an independent management system, assets, personnel, venues and brands to carry out business independently, and the ability to operate independently and continuously in the market. CMPort will not intervene in Ningbo Port's business activities other than the exercise of its rights as a shareholder.			
	CMPort	Commitments when subscribing shares of Ningbo Port	Ningbo Port issued A-shares to CMPort in a non-public manner. As the subscription target of Ningbo Port's 2021 non-public offering of A-shares, CMPort makes the following commitments: The fund used by CMPort to subscribe for the 2021 non-public offering of A-shares by Ningbo Port in accordance with the *Share Subscription Agreement between Ningbo Zhoushan Port Company Limited and China Merchants Port Group Co., Ltd.* is self-owned fund or self-raised fund. There is no external fund raising, proxy holding, structural arrangement or direct or indirect use of funds of Ningbo Zhoushan Port Company Limited and its related parties for this subscription. There is no financial support, compensation, promise of income or other arrangements by Ningbo Zhoushan Port Company Limited or its controlling shareholder or actual controller to CMPort directly or through its stakeholders.	13 July 2021	Effective continuously	Fulfilled
	CMPort	Commitments when subscribing shares of Ningbo Port	CMPort fully subscribed the shares issued through non-public offering by Ningbo Port with cash. It is expected that after the issuance, CMPort and its subsidiary China Merchants Ningbo will hold about 23.08% of shares of Ningbo Port in total. CMPort's statements on non-transfer within 36 months after completion of subscription are as follows: The shares non-publicly offered by Ningbo Port that CMPort subscribes shall not be transferred within 36 months from the date of the end of the non-public offering of A-shares by Ningbo Port to CMPort. The shares derived from the company's distribution of stock dividends and the conversion of capital reserve fund into equity regarding the shares subscribed for by CMPort through this non-public offering shall also comply with the above lock-in arrangement.	13 July 2021	Effective continuously	Fulfilled
	CMPort	Commitments when subscribing shares of Ningbo	CMPort makes the following commitments regarding the reduction of shares involved in the 2021 non-public offering of A-shares by Ningbo Port: 1. CMPort, its persons acting in concert and related parties controlled by CMPort have not reduced their holdings of shares	18 November 2021	Effective continuously	Fulfilled

		Port	of Ningbo Port from the six months prior to benchmark pricing date of Ningbo Port's 2021 non-public offering of A-shares to the date of issuance of this Letter of Commitment. 2. CMPort, its persons acting in concert and related parties controlled by CMPort will not have the plan to reduce their holdings of shares of Ningbo Port from the date of issuance of this Letter of Commitment to the six months after the completion of Ningbo Port's 2021 non-public offering of A-shares. 3. CMPort, its persons acting in concert and related parties controlled by CMPort will not violate Article 44 of the *Securities Law of the People's Republic of China*. 4. In case of any violation of the above commitments, the income from the reduction in holdings of shares of Ningbo Port obtained by CMPort, its persons acting in concert and related parties controlled by CMPort will all be owned by Ningbo Port, and they bear the legal liabilities arising therefrom according to law.			
	CMPort	Commitments when subscribing shares of Ningbo Port	Ningbo Port intends to offer 3,646,971,029 RMB-denominated ordinary shares (A shares) to CMPort in a non-public manner, and the Company intends to participate in the subscription as a strategic investor and undertakes as follows: In addition to becoming a strategic investor of Ningbo Port via subscribing for the shares offered in a non-public manner this time, the Company does not subscribe for the shares offered in a non-public manner by any listed company in the same industry as Ningbo Port as a strategic investor and will not do so within 36 months upon obtaining the shares offered by Ningbo Port in a non-public manner this time.	28 July 2022	Effective continuously	Fulfilled
Whether fulfilled on time	Yes					
Specific reasons for failing to fulfil commitments on time and plans for next step (if any)	N/A					

2. Where there Had Been an Earnings Forecast for an Asset or Project and the Reporting Period Was still within the Forecast Period, Explain why the Forecast Has Been Reached for the Reporting Period.

☐ Applicable √ Not applicable

3. Performance Commitments Involved by the Company

☐ Applicable √ Not applicable

II Occupation of the Company's Capital by the Controlling Shareholder or Its Related Parties for Non-Operating Purposes

☐ Applicable √ Not applicable

During the Reporting Period, the controlling shareholder or its related parties did not occupy capital or repay for non-operating purposes. KPMG Huazhen LLP issued the Special Report on Occupation of the Company's Capital by the Controlling Shareholder, the Actual Controller and Other Related Parties, and please refer to www.cninfo.com.cn for details.

III Irregularities in the Provision of Guarantees

☐ Applicable √ Not applicable

No such cases in the Reporting Period.

IV Explanations Given by the Board of Directors Regarding the Independent Auditor's "Modified Opinion" on the Financial Statements of the Latest Period

☐ Applicable √ Not applicable

V Explanations Given by the Board of Directors and Independent Directors (if any) Regarding the Independent Auditor's "Modified Opinion" on the Financial Statements of the Reporting Period

☐ Applicable √ Not applicable

VI YoY Changes to Accounting Policies, Estimates or Correction of Material Accounting Errors

☐ Applicable √ Not applicable

VII YoY Changes to the Scope of the Consolidated Financial Statements

In January 2025, China United Tally Co., Ltd. Shantou (hereinafter referred to as 'China Tally'), an associate of the Company's subsidiary Shantou Port, absorbed Shantou Zhongli Wailun tally Co., Ltd. (hereinafter referred to as 'Shantou Zhongli'), a subsidiary of Shantou Port. After the transaction, Shantou Port holds 62.50% shares of China Tally, which contributs to business combination not involving enterprises under common control. Consequently, China Tally has been in the scope of consolidation for the current year. Shantou Zhongli was deregistered on 14 February

2025 after the transaction.

VIII Engagement and Disengagement of Independent Auditor

Current independent auditor

Name of the domestic independent auditor	KPMG Huazhen LLP
The Company's payment to the domestic independent auditor (RMB'0,000)	722.45
How many consecutive years the domestic independent auditor has provided audit service for the Company	2
Names of the certified public accountants from the domestic independent auditor writing signatures on the auditor's report	Wu Huihuang, Li Dan
How many consecutive years the certified public accountants have provided audit service for the Company	2
Name of the overseas independent auditor (if any)	KPMG
The Company's payment to the overseas independent auditor (RMB'0,000) (if any)	388.13
How many consecutive years the overseas independent auditor has provided audit service for the Company (if any)	2
Names of the certified public accountants from the overseas independent auditor writing signatures on the auditor's report (if any)	Li Lingde
How many consecutive years the certified public accountants have provided audit service for the Company (if any)	2

Indicate by tick mark whether the independent auditor was changed for the Reporting Period.

☐ Yes √ No

Independent auditor, financial advisor or sponsor engaged for the audit of internal controls:

Approved by the 4th Meeting of the 11th Board of Directors and the 2024 Annual General Meeting of Shareholders, the Company was approved to engage KPMG Huazhen LLP as the 2025 independent auditor for the audit of annual financial statements and internal control in the year. The audit price for 2025 annual financial statements was RMB10.7658 million and the audit price for internal control was RMB340,000. The total expense was RMB11.1058 million.

IX Possibility of Delisting after Disclosure of this Report

☐ Applicable √ Not applicable

X Insolvency and Reorganization

☐ Applicable √ Not applicable

No such cases in the Reporting Period.

XI Major Legal Matters

☐ Applicable √ Not applicable

No such cases in the Reporting Period.

Other legal matters

Basic situation of lawsuit (arbitration)	Lawsuit amount (RMB'0,000)	Whether form into estimated liabilities	Process of lawsuit (arbitration)	Trial results and influences of lawsuit (arbitration)	Situation of execution of judgment of lawsuit (arbitration)	Disclosure date	Disclosure index
Summary of Brazil TCP Case	96,071.01	Partly	In progress	No significant influence	-	-	-
Summary of other matters not meeting the disclosure standards for major lawsuits (arbitrations)	8,235.78	No	In progress	No significant influence	-	-	-

XII Punishments and Rectifications

☐ Applicable √ Not applicable

No such cases in the Reporting Period.

XIII Credit Quality of the Company as well as Its Controlling Shareholder and Actual Controller

☐ Applicable √ Not applicable

XIV Major Related-Party Transactions

1. Continuing Related-Party Transactions

Related party	Relationship with the Company	Type of transaction	Specific transaction	Pricing principle	Transaction price (RMB'0,000)	Total value (RMB'0,000)	As % of the total value of all the same-type transactions	Approved transaction line (RMB'0,000)	Over the approved line or not	Way of settlement	Obtainable market price for same-type transactions (RMB'0,000)	Disclosure date	Index to disclosed information

Sinotrans Limited and its subsidiaries	Under the control of ultimate shareholder	Render service and lease to related party, receive service and lease from related party	Labor cost, demurrage, lease, etc.	Market price	14,542.12	14,542.12	24.25%	15,025.28	No	Settled monthly	14,542.12	3 April 2025	www.cninfo.com.cn (Announcement No. 2025-020)
China Nanshan Development (Group) Co., Ltd. and its subsidiaries	Affiliated legal person	Render service and lease to related party, receive service and lease from related party	Lease, labor cost, service revenue, etc.	Market price	13,453.17	13,453.17	22.44%	13,251.8	Yes	Settled monthly	13,453.17	3 April 2025	www.cninfo.com.cn (Announcement No. 2025-020)
China Merchants Shekou Industrial Zone Holdings Co., Ltd. and its subsidiaries	Under the control of ultimate shareholder	Render service and lease to related party, receive service and lease from related party	Labor cost, lease expense of land and houses	Market price	12,060.11	12,060.11	20.11%	11,556.81	Yes	Settled monthly	12,060.11	3 April 2025	www.cninfo.com.cn (Announcement No. 2025-020)
Other related party	Note	Render service and lease to related party, receive service and lease from related party	Labor and lease, etc.	Market price	19,902.91	19,902.91	33.20%	17,276.94	Yes	Settled monthly	19,902.91	3 April 2025	www.cninfo.com.cn (Announcement No. 2025-020)
Total				--	--	59,958.31	--	57,110.83	--	--	--	--	--
Large-amount sales return in detail				None									

Give the actual situation in the Reporting Period (if any) where an estimate had been made for the total value of continuing related-party transactions by type to occur in the Reporting Period	The Proposal on Recognition of 2024 Continuing Related-party Transactions and the Forecast of 2025 Continuing Related-party Transactions was reviewed and approved on the 2024 Annual General Meeting of Shareholders on 23 May 2025, which allowed the Company and subsidiaries to conduct continuing business transactions including providing or receiving leases and labor services. The amount of continuing related-party transactions in 2025 is estimated to be RMB571 million.The significant difference between the actual occurrence and the forecast of the Company's continuing related-party transactions in 2025 is due to the actual market demand and business development needs of the Company. It belongs to the normal operation adjustment of the Company and has not had a great impact on the daily operation and performance of the Company. The transaction prices are determined in accordance with market principles, and the pricing is fair, fair and just, without harming the interests of the Company and minority shareholders.
Reason for any significant difference between the transaction price and the market reference price (if applicable)	N/A

Note: Other related parties are the current directors and senior managers of the company or the directors, supervisors and senior managers of the company who have left the office for less than 12 months as legal persons or other organizations (except the company and the holding company) or the subsidiaries of the company's actual controller China Merchants Group Co., LTD. (except the company and the holding company).

2. Related-Party Transactions Regarding Purchase or Sales of Assets or Equity Interests

☐ Applicable √ Not applicable

3. Related Transactions Regarding Joint Investments in Third Parties

☐ Applicable √ Not applicable

4. Credits and Liabilities with Related Parties

Whether there are credits and liabilities with non-operating related parties

√ Yes ☐ No

Credits receivable with related parties

Related party	Related relationship with the Company	Forming reason	Whether there is occupation on non-operating capital or not	Beginning balance (RMB'0,000)	Increased in the Reporting Period (RMB'0,000)	Recovered in the Reporting Period (RMB'0,000)	Interest rate	Interest in the Reporting Period (RMB'0,000)	Ending balance (RMB'0,000)
China Merchants Bank	The ultimate controlling shareholder of the Company has major influence on it	Bank deposits/Structured deposit	No	340,400.24	5,676,975.99	5,831,425.80	0.10%-1.95%	3,904.74	185,950.43
Effects of credits with	The above credits receivable with related parties were mainly deposits in financial institutions which has								

related parties on the Company's operating results and financial conditions	no major influence on the Company's operating results and financial conditions.

Liabilities payable with related parties

Related party	Related relationship with the Company	Forming reason	Beginning balance (RMB'0,000)	Increased in the Reporting Period (RMB'0,000)	Recovered in the Reporting Period (RMB'0,000)	Interest rate	Interest in the Reporting Period (RMB'0,000)	Ending balance (RMB'0,000)
China Merchants Bank	The ultimate controlling shareholder of the Company has major influence on it	Borrowing	272,939.58	248,919.21	290,450.35	1.85%-3.17%	6,065.83	231,408.44
Effects of liabilities with related parties on the Company's operating results and financial conditions	The above liabilities payable with related parties were mainly financial institution loans which had no major influence on the Company's operating results and financial conditions.							

5. Transactions with Related Finance Companies

Deposit business

Related party	Related relationship with the Company	Daily maximum limits (RMB'0,000)	Interest rate range	Beginning balance (RMB'0,000)	Actual amount		Ending balance (RMB'0,000)
					Total deposited amount (RMB'0,000)	Total withdrawn amount (RMB'0,000)	
China Merchants Group Finance Co., Ltd.	Same ultimate controlling shareholder	500,000.00	0.35%-1.85%	474,599.16	2,997,323.37	2,998,603.69	473,318.85

Loan business

Related party	Related relationship with the Company	Loan limit (RMB'0,000)	Interest rate range	Beginning balance (RMB'0,000)	Actual amount		Ending balance (RMB'0,000)
					Total loan amount (RMB'0,000)	Total repaid amount (RMB'0,000)	
China Merchants Group Finance Co., Ltd.	Same ultimate controlling shareholder	1,000,000.00	2.02%-3.30%	99,208.55	69,851.69	46,650.19	122,410.05

Credit or other finance business

Related party	Related relationship with the Company	Type of business	Total amount (RMB'0,000)	Actual amount (RMB'0,000)
China Merchants Group Finance Co., Ltd.	Same ultimate controlling shareholder	Credit	1,000,000.00	122,410.05

6. Transactions with Related Parties by Finance Company Controlled by the Company

☐ Applicable √ Not applicable

7. Other Major Related-Party Transactions

(1) On 12 March 2025, the Company disclosed the Announcement on Progress of the Related-Party Transactions regarding Establishing Joint Venture via Investment and Selling Assets by the Wholly-owned Subsidiary (Announcement No.: 2025-010).

(2) The Company held the 4th Meeting of the 11th Board of Directors on 1 April 2025, and reviewed and approved the Proposal on the Related-Party Transactions Regarding Making Deposits in and Obtaining Loans from China Merchants Bank in 2025, which was submitted to the 2024 Annual General Meeting of Shareholders of the Company for deliberation. The Company held the 2024 Annual General Meeting of Shareholders on 23 May 2025, and deliberated and approved the Proposal on the Related-Party Transactions Regarding Making Deposits in and Obtaining Loans from China Merchants Bank in 2025. In 2025, the maximum deposit balance of the Company and its subsidiaries with China Merchants Bank shall not exceed RMB10 billion, and the maximum credit balance shall not exceed RMB15 billion. And the Company and its subsidiaries were approved to use temporarily idle funds to purchase structured deposits and low-risk wealth management products from China Merchants Bank, within the maximum deposit balance. For details, please refer to the Announcement on the Related-Party Transactions Regarding Making Deposits in and Obtaining Loans from China Merchants Bank in 2025 (Announcement No. 2025-021) disclosed by the Company on 3 April 2025, and the Announcement on the Resolutions of the 2024 Annual General Meeting of Shareholders (Announcement No. 2025-039) disclosed by the Company on 24 May 2025.

(3) The Company held the 4th Meeting of the 11th Board of Directors on 1 April 2025, and reviewed and approved the Proposal for Development of Financial Leasing Business and Related-Party Transactions with Related Parties in 2025, which was submitted to the 2024 Annual General Meeting of Shareholders of the Company for deliberation. The Company held its 2024 Annual General Meeting of Shareholders on 23 May 2025, and reviewed and approved the Proposal on

Development of Financial Leasing Business and Related-Party Transactions with Related Parties in 2025. For details, please refer to the Announcement on Development of Financial Leasing Business and Related-Party Transactions with Related Parties in 2025 (Announcement No. 2025-022) disclosed by the Company on 3 April 2025, and the Announcement on the Resolutions of the 2024 Annual General Meeting (Announcement No. 2025-039) disclosed by the Company on 24 May 2025.

(4) The Company held the 4th Meeting of the 11th Board of Directors on 1 April 2025, and reviewed and approved the Proposal on Renewal of the Financial Services Agreement and Related-Party Transaction with China Merchants Group Finance Co., Ltd., which was submitted to the 2024 Annual General Meeting of Shareholders of the Company for deliberation. The Company held its 2024 Annual General Meeting of Shareholders on 23 May 2025, and reviewed and approved the Proposal on Renewal of the Financial Services Agreement and Related-Party Transaction with China Merchants Group Finance Co., Ltd. For details, please refer to the Announcement on Renewal of the Financial Services Agreement and Related-Party Transaction with China Merchants Group Finance Co., Ltd. (Announcement No. 2025-023) disclosed by the Company on 3 April 2025, and the Announcement on the Resolutions of the 2024 Annual General Meeting of Shareholders (Announcement No. 2025-039) disclosed by the Company on 24 May 2025.

(5) The Company held the 4th Meeting of the 11th Board of Directors on 1 April 2025, and reviewed and approved the Proposal on Related-Party Transactions Possibly Incurred in Financial Derivatives Trading in 2025, which was submitted to the 2024 Annual General Meeting of Shareholders of the Company for deliberation. The Company held its 2024 Annual General Meeting of Shareholders on 23 May 2025, and reviewed and approved the Proposal on Related-Party Transactions Possibly Incurred in Financial Derivatives Trading in 2025. For details, please refer to the Announcement on Related-Party Transactions Possibly Incurred in Financial Derivatives Trading in 2025 (Announcement No. 2025-026) disclosed by the Company on 3 April 2025, and the Announcement on the Resolutions of the 2024 Annual General Meeting of Shareholders (Announcement No. 2025-039) disclosed by the Company on 24 May 2025.

(6) The Company held the 4th Extraordinary Meeting of the 11th Board of Directors in 2025 dated 29 October 2025, and reviewed and approved the Proposal on a Majority-Owned Subsidiary

Providing Financial Assistance to its Minority-Owned Subsidiary and Related-Party Transaction, which was submitted to the Second Extraordinary Meeting of Shareholders of the Company in 2025 for deliberation. The Company held its Second Extraordinary Meeting of Shareholders in 2025 dated 17 November 2025, and reviewed and approved the Proposal on a Majority-Owned Subsidiary Providing Financial Assistance to its Minority-Owned Subsidiary and Related-Party Transaction. For details, please refer to the Announcement on a Majority-Owned Subsidiary Providing Financial Assistance to its Minority-Owned Subsidiary and Related-Party Transaction (Announcement No. 2025-069) disclosed by the Company on 31 October 2025, and the Announcement on the Resolutions of the Second Extraordinary Meeting of Shareholders in 2025 (Announcement No. 2025-081) disclosed by the Company on 18 November 2025.

Information on the disclosure website for current announcements on significant related-party transactions:

Name of provisional reports	Disclosure date	Website
Announcement on Progress of the Related-Party Transactions regarding Establishing Joint Venture via Investment and Selling Assets by the Wholly-owned Subsidiary	12 March 2025	www.cninfo.com.cn (Announcement No. 2025-010)
Announcement on the Related-Party Transactions Regarding Making Deposits in and Obtaining Loans from China Merchants Bank in 2025	3 April 2025	www.cninfo.com.cn (Announcement No. 2025-021)
Announcement on Development of Financial Leasing Business and Related-Party Transactions with Related Parties in 2025	3 April 2025	www.cninfo.com.cn (Announcement No. 2025-022)
Announcement on Renewal of the Financial Services Agreement and Related-Party Transaction with China Merchants Group Finance Co., Ltd.	3 April 2025	www.cninfo.com.cn (Announcement No. 2025-023)
Announcement on Related-Party Transactions Possibly Incurred in Financial Derivatives Trading in 2025	3 April 2025	www.cninfo.com.cn (Announcement No. 2025-026)
Announcement on a Majority-Owned Subsidiary Providing Financial Assistance to its Minority-Owned Subsidiary and Related-Party Transaction	31 October 2025	www.cninfo.com.cn (Announcement No. 2025-069)

XV Major Contracts and Execution thereof

1. Entrustment, Contracting and Leases

(1) Entrustment

☐ Applicable √ Not applicable

No such cases in the Reporting Period.

(2) Contracting

☐ Applicable √ Not applicable

No such cases in the Reporting Period.

(3) Leases

☐ Applicable √ Not applicable

No such cases in the Reporting Period.

2. Major guarantees

(1) Guarantees

Unit: RMB'0,000

Guarantees provided by the Company and its subsidiaries for external parties (exclusive of those for subsidiaries)										
Guarantee-receiving entity	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
Terminal Link SAS	N/A	5,724.71	11 June 2013	5,724.71	General guarantee	No	No	About 20 years	No	Yes
Terminal Link SAS	31 March 2022	11,365.57	25 January 2023	11,365.57	Joint-liability	No	No	About 7 years	No	Yes
Terminal Link SAS (note 1)	3 April 2025	14,057.60	-	-	-	-	-	-	-	-
KHOR AMBADO FZCO	30 March 2019	20,242.94	24 May 2019	15,809.59	Joint-liability	No	No	About 13 years	No	Yes
Total approved line for such guarantees in the Reporting Period (A1)		14,057.60		Total actual balance of such guarantees in the Reporting Period (A2)		0.00				
Total approved line for such guarantees at the end of the Reporting Period (A3)		51,390.82		Total actual balance of such guarantees at the end of the Reporting Period (A4)		32,899.86				
Guarantee between the Company to its subsidiaries										
Guarantee-receiving entity	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
-	-	-	-	-	-	-	-	-	-	-

Total approved line for such guarantees in the Reporting Period (B1)	0.00	Total actual amount of such guarantees in the Reporting Period (B2)	0.00
Total approved line for such guarantees at the end of the Reporting Period (B3)	0.00	Total actual balance of such guarantees at the end of the Reporting Period (B4)	0.00

Guarantees provided between subsidiaries

Guarantee-receiving entity	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
China Merchants International Terminal (Qingdao) Co., LTD	4 April 2023	50,000.00	8 January 2024	13,237.05	Joint-liability	No	Yes	About 4 years	No	No
China Merchants Finance Company Limited	3 August 2015	-	3 August 2015	-	General guarantee	No	No	About 10 years	Yes	No
CMHI Finance (BVI) Co., Ltd	6 August 2018	421,728.00	6 August 2018	421,728.00	General guarantee	No	No	About 10 years	No	No
CMHI Finance (BVI) Co., Ltd	26 September 2020	-	9 October 2020	-	General guarantee	No	No	About 5 years	Yes	No
CMHI Finance (BVI) Co., Ltd	31 March 2022	351,440.00	1 June 2022	351,440.00	General guarantee	No	Yes	About 5 years	No	No
COLOMBO INTERNATIONAL CONTAINER TERMINALS LIMITED	N/A	4,920.16	-	-	-	-	-	-	-	-
COLOMBO INTERNATIONAL CONTAINER TERMINALS LIMITED	N/A	17,572.00	16 September 2012	17,572.00	General guarantee	No	No	Infinite	No	No
Shenzhen Haixing Harbor Development Company Ltd.	30 March 2019	219,090.00	26 June 2019	83,145.51	Joint-liability	No	No	About 18 years	No	No
PT PBM Adipurusa	N/A	-	24 September 2021	-	General guarantee	No	No	About 5 years	No	No
CMHI Finance (BVI) Co., Ltd (note 1)	3 April 2025	357,930.00	-	-	-	-	-	-	-	-
Shenzhen Haixing Harbor	3 April 2025	132,000.00	-	-	-	-	-	-	-	-

Development Company Ltd. (note 1)										
Ansujie Terminal Storage Service (Shenzhen) Co., Ltd. (note 1)	3 April 2025	465,000.00	-	-	-	-	-	-	-	-
Total approved line for such guarantees in the Reporting Period (C1)			954,930.00	Total actual amount of such guarantees in the Reporting Period (C2)						0.00
Total approved line for such guarantees at the end of the Reporting Period (C3)			2,019,680.16	Total actual balance of such guarantees at the end of the Reporting Period (C4)						887,122.56
Total guarantee amount (total of the three kinds of guarantees above)										
Total guarantee line approved in the Reporting Period (A1+B1+C1)			968,987.60	Total actual guarantee amount in the Reporting Period (A2+B2+C2)						-
Total approved guarantee line at the end of the Reporting Period (A3+B3+C3)			2,071,070.98	Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)						920,022.42
Total guarantee balance (A4+B4+C4) as % of the Company's equity										14.29%
Of which:										
Balance of guarantees provided for shareholders, actual controller and their related parties (D)										32,899.86
Balance of debt guarantees provided directly or indirectly for obligors with an over 70% debt/asset ratio (E)										788,977.59
Amount by which the total guarantee amount exceeds 50% of the Company's equity (F)										-
Total of the three amounts above (D+E+F)										821,877.45
Joint responsibilities possibly borne in the Reporting Period for undue guarantees (if any)										None
Provision of external guarantees in breach of the prescribed procedures (if any)										None

Note 1: To meet the external investment and daily operation and management needs of the Company and its majority- and minority-owned subsidiaries, the Company convened a Board meeting on 1 April 2025, and approved the Proposal on the External Guarantee Progress of the Company in 2024 and the Expected New External Guarantee Line in the Next 12 Months. For details, please refer to the Announcement on the External Guarantee Progress of the Company in 2024 and the Expected New External Guarantee Line in the Next 12 Months (Announcement No. 2025-024), disclosed on http://www.cninfo.com.cn dated 3 April 2025. This proposal was approved at the Company's 2024 Annual General Meeting of Shareholders. As of the date of this Report, no such guarantee has actually been incurred.

Particulars of guarantees adopting complex methods

☐ Applicable √ Not applicable

3. Cash Entrusted to Other Entities for Management

(1) Cash Entrusted for Wealth Management

☐ Applicable √ Not applicable

No such cases in the Reporting Period.

(2) Entrusted Loans

Overview of entrusted loans in the Reporting Period

☐ Applicable √ Not applicable

No such cases in the Reporting Period.

4. Other Major Contracts

☐ Applicable √ Not applicable

No such cases in the Reporting Period.

XVI Use of Raised Funds

☐ Applicable √ Not applicable

No such cases in the Reporting Period.

XVII Other Significant Events

☐ Applicable √ Not applicable

There were no other significant events requiring explanation during the Reporting Period.

XVIII Significant Events of Subsidiaries

☐ Applicable √ Not applicable

Part VI Share Changes and Shareholder Information

I Share Changes

1. Share Changes

Unit: share

	Before		Increase/decrease in the Reporting Period (+/-)					After	
	Shares	Percentage (%)	New issues	Shares as dividend converted from profit	Shares as dividend converted from capital reserves	Other	Subtotal	Shares	Percentage (%)
I. Restricted shares	576,709,537	23.0563%	0	0	0	-576,709,537	-576,709,537	0	0.0000%
1. Shares held by state	0	0.0000%	0	0	0	0	0	0	0.0000%
2. Shares held by state-owned legal person	576,709,537	23.0563%	0	0	0	-576,709,537	-576,709,537	0	0.0000%
3. Shares held by other domestic investors	0	0.0000%	0	0	0	0	0	0	0.0000%
Including: Shares held by domestic legal person	0	0.0000%	0	0	0	0	0	0	0.0000%
Shares held by domestic natural person	0	0.0000%	0	0	0	0	0	0	0.0000%
4. Shares held by foreign investors	0	0.0000%	0	0	0	0	0	0	0.0000%
Including: Shares held by foreign legal person	0	0.0000%	0	0	0	0	0	0	0.0000%
Shares held by foreign natural	0	0.0000%	0	0	0	0	0	0	0.0000%

person									
II. Unrestricted shares	1,924,598,944	76.9437%	0	0	0	557,243,241	557,243,241	2,481,842,185	100.0000%
1. RMB ordinary shares	1,744,703,514	69.7516%	0	0	0	557,243,241	557,243,241	2,301,946,755	92.7515%
2. Domestically listed foreign shares	179,895,430	7.1921%	0	0	0	0	0	179,895,430	7.2485%
3. Overseas listed foreign shares	0	0.0000%	0	0	0	0	0	0	0.0000%
4. Other	0	0.0000%	0	0	0	0	0	0	0.0000%
III. Total shares	2,501,308,481	100.0000%	0	0	0	-19,466,296	-19,466,296	2,481,842,185	100.0000%

Reasons for the share changes:

During the Reporting Period, the Company increased its share capital by a total of 351,400 shares as a result of the independent exercise of options under the Stock Option Incentive Plan. On 10 October 2025, the Company completed the retirement procedures for 19,817,696 A-stock shares repurchased at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. As such, the total share capital of the Company changed from 2,501,308,481 shares to 2,481,842,185 shares.

Approval of the share changes:

☐ Applicable √ Not applicable

Transfer of share ownership:

☐ Applicable √ Not applicable

Effects of the share changes on the basic and diluted earnings per share, equity per share attributable to the Company’s ordinary shareholders and other financial indicators of the prior year and the prior accounting period, respectively:

In 2025, the Company reported basic earnings per share of RMB1.85 and diluted earnings per share of RMB1.85, and equity per share attributable to the Company's ordinary shareholders of RMB25.93. During the Reporting Period, the Company increased its share capital by a total of

351,400 shares as a result of the independent exercise of options under the Stock Option Incentive Plan. On 10 October 2025, the Company completed the retirement procedures for 19,817,696 A-stock shares repurchased at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. As such, the total share capital of the Company changed from 2,501,308,481 shares to 2,481,842,185 shares. By the measurement of the Company's total share capital as at the beginning of 2025, irrespective of the effects of the independent exercise of the Stock Option Incentive Plan and the retirement of the repurchased shares, the basic earnings per share, diluted earnings per share and equity per share attributable to the Company's ordinary shareholders were RMB1.85, RMB1.85 and RMB25.73, respectively, for 2025.

Other information that the Company considers necessary or is required by the securities regulator to be disclosed:

☐ Applicable √ Not applicable

2. Changes in Restricted Shares

Name of shareholder	Opening restricted shares	Increase in restricted shares during the period	Restricted shares unlocked during the period	Closing restricted shares	Reason for restriction	Date of unlocking
Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd.	576,709,537	0	576,709,537	0	According to applicable laws and regulations and the shareholder's commitment	14 November 2025
Total	576,709,537	0	576,709,537	0	--	--

II Issuance and Listing of Securities

☐ Applicable √ Not applicable

III Shareholders and Actual Controller

1. Shareholders and Their Shareholdings at the Period-End

Unit: share

Number of ordinary shareholders at the period-end	29,864 (20,110 A-shareholders and 9,754 B-shareholders)	Number of ordinary shareholders at the month-end prior to the disclosure of this Report	27,189 (17,534 A-shareholders and 9,655 B-shareholders)	Number of preferred shareholders with resumed voting rights at the period-end (if any)	0	Number of preferred shareholders with resumed voting rights at the month-end prior to the disclosure of this Report (if any)	0

5% or greater shareholders or top 10 shareholders (exclusive of shares lent in refinancing)							
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held at the period-end	Increase/decrease in the Reporting Period	Restricted shares held	Unrestricted shares held	Shares in pledge or frozen
China Merchants Port Investment Development Company Limited	Overseas legal person	46.28%	1,148,648,648	0	0	1,148,648,648	0
Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd.	State-owned legal person	23.24%	576,709,537	0	0	576,709,537	0
China Merchants Gangtong Development (Shenzhen) Co., Ltd.	State-owned legal person	14.94%	370,878,000	0	0	370,878,000	0
Shenzhen Infrastructure Investment Fund-Shenzhen Infrastructure Investment Fund Partnership (Limited Partnership)	Fund and wealth management products etc.	2.61%	64,850,182	0	0	64,850,182	0
Broadford Global Limited	State-owned legal person	2.23%	55,314,208	0	0	55,314,208	0
China-Africa Development Fund	State-owned legal person	0.63%	15,610,368	0	0	15,610,368	0
Zou Yanmin	Domestic natural person	0.29%	7,262,075	2,381,666	0	7,262,075	0
Li Runrong	Domestic natural person	0.25%	6,164,175	6,164,175	0	6,164,175	0
Hong Kong Securities Clearing Company Ltd.	Overseas legal person	0.20%	5,023,375	-3,452,766	0	5,023,375	0

PICC Life Insurance Company Limited－Traditional-General Insurance Product	Fund and wealth management products etc.	0.20%	4,941,900	4,941,900	0	4,941,900	0

Strategic investors or general legal person becoming top-ten ordinary shareholders due to placing of new shares (if any)	Among the foregoing shareholders, Shenzhen Infrastructure Investment Fund-Shenzhen Infrastructure Investment Fund Partnership (Limited Partnership) subscribed for 64,850,182 shares of the Company offered in a non-public manner in 2019 for raising supporting funds at RMB17.16 per share. The subscribed shares were floated on Shenzhen Stock Exchange on 4 November 2019, and the lock-in period lasted until 4 November 2020. China-Africa Development Fund subscribed for 64,102,564 shares of the Company offered in a non-public manner in 2019 for raising supporting funds at RMB17.16 per share. The subscribed shares were floated on Shenzhen Stock Exchange on 4 November 2019, and the lock-in period lasted until 4 November 2020. Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd. subscribed for 576,709,537 shares of the Company offered in a non-public manner at RMB18.50 per share. The subscribed shares were floated on Shenzhen Stock Exchange on 12 October 2022, and the lock-in period lasts until 12 October 2025.
Related or acting-in-concert parties among the shareholders above	1. Broadford Global Limited is entrusted to manage the 74.66% shares of Rainbow Reflection Limited held by China Merchants Holdings (Hong Kong) Company Limited, and China Merchants Port Investment Development Company Limited is the wholly-owned subsidiary of Rainbow Reflection Limited. 2. Broadford Global Limited is the controlling shareholder of China Merchants Gangtong Development (Shenzhen) Co., Ltd. The Company does not know whether the other unrestricted shareholders are related parties or not.
Above shareholders involved in entrusting/being entrusted and giving up voting rights	Broadford Global Limited is entrusted to manage the 74.66% shares of Rainbow Reflection Limited held by China Merchants Holdings (Hong Kong) Company Limited, and China Merchants Port Investment Development Company Limited is the wholly-owned subsidiary of Rainbow Reflection Limited.
Special account for share repurchases (if any) among the top 10 shareholders	None

Top 10 unrestricted shareholders (exclusive of shares lent in refinancing or locked-up shares of senior management)

Name of shareholder	Unrestricted shares held at the period-end	Shares by type	
		Type	Shares
China Merchants Port Investment Development Company Limited	1,148,648,648	RMB ordinary share	1,148,648,648
Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd.	576,709,537	RMB ordinary share	576,709,537
China Merchants Gangtong Development (Shenzhen) Co., Ltd.	370,878,000	RMB ordinary share	370,878,000
Shenzhen Infrastructure Investment Fund-Shenzhen Infrastructure Investment Fund Partnership (Limited Partnership)	64,850,182	RMB ordinary share	64,850,182
Broadford Global Limited	55,314,208	Domestically listed foreign share	55,314,208
China-Africa Development Fund	15,610,368	RMB ordinary share	15,610,368
Zou Yanmin	7,262,075	Domestically listed foreign share	7,262,075
Li Runrong	6,164,175	RMB ordinary share	6,164,175
Hong Kong Securities Clearing Company Ltd.	5,023,375	RMB ordinary share	5,023,375

PICC Life Insurance Company Limited－Traditional- General Insurance Product	4,941,900	RMB ordinary share	4,941,900
Related or acting-in-concert parties among the shareholders above	1. Broadford Global Limited is entrusted to manage the 74.66% shares of Rainbow Reflection Limited held by China Merchants Holdings (Hong Kong) Company Limited, and China Merchants Port Investment Development Company Limited is the wholly-owned subsidiary of Rainbow Reflection Limited. 2. Broadford Global Limited is the controlling shareholder of China Merchants Gangtong Development (Shenzhen) Co., Ltd. The Company does not know whether the other unrestricted shareholders are related parties or not.		
Top 10 ordinary shareholders involved in securities margin trading (if any)	N/A		

5% or greater shareholders, top 10 shareholders and Top 10 unrestricted shareholders involved in refinancing shares lending

☐ Applicable √ Not applicable

Changes in top 10 shareholders and top 10 unrestricted shareholders due to refinancing shares lending/return compared with the prior period

☐ Applicable √ Not applicable

Indicate by tick mark whether any of the top 10 ordinary shareholders or the top 10 unrestricted ordinary shareholders of the Company conducted any promissory repo during the Reporting Period.

☐ Yes √ No

No such cases in the Reporting Period.

2. Controlling Shareholder

Nature of the controlling shareholder: Controlled by a central state-owned legal person

Type of the controlling shareholder: legal person

Name of controlling shareholder	Legal representative/person in charge	Date of establishment	Business registration number	Principal activity
Broadford Global Limited	Yu Zhiliang, Chen Chengdi, Liang Jian	27 November 2017	68550019	Port services, bonded logistic and cold chain services, property development and investment
Shareholdings of the controlling shareholder in other listed companies at home or abroad in this Reporting Period	N/A			

Change of the controlling shareholder in the Reporting Period:

☐ Applicable √ Not applicable

No such cases in the Reporting Period.

3. Actual Controller and Its Acting-in-Concert Parties

Nature of the actual controller: Central institution for state-owned assets management

Type of the actual controller: legal person

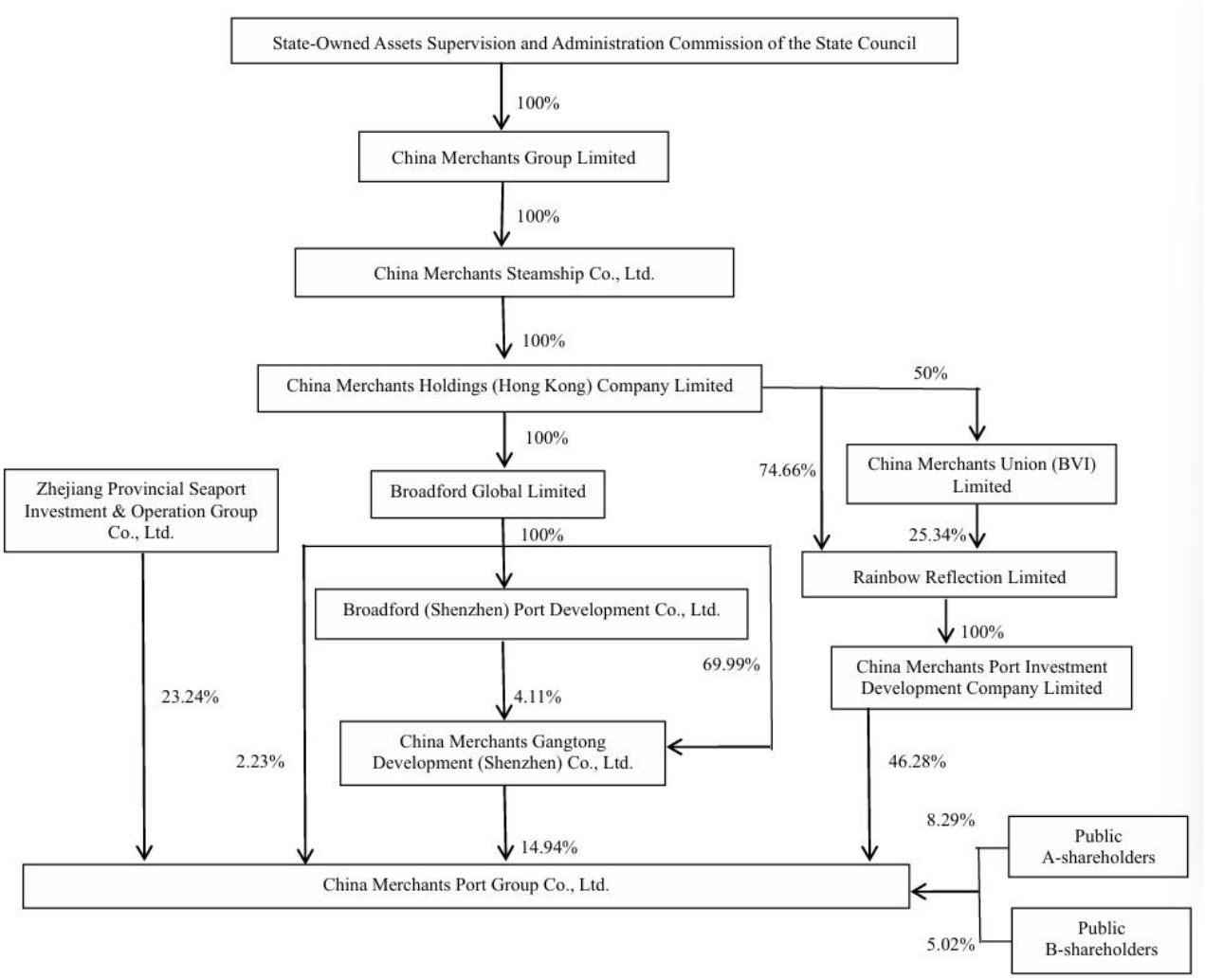
Name of actual controller	Legal representative/person in charge	Date of establishment	Unified social credit code	Principal activity
China Merchants Group	Miao Jianmin	14 October 1986	91110000100005220B	Lease and agency of water/land passenger-cargo transportation, water/land conveyance and facilities; investment and management of port and storage business; salvage, refloatation and tugboat; industrial production; construction, repairing, checking and marketing of shipping, offshore petroleum drilling equipment; repairing and checking of drilling platform and drilling container; overall contracting of water/land construction projects and the related offshore petroleum development projects, and their construction organization and logistic services; procurement, supply and sale of water/land communication and transportation equipment; export and import business of transportation; investment and management of finance, insurance, trust, securities, futures business; investment and management of tourism, hotels, catering services and relevant service; real estate development, management and consultancy of property; investment and management of petroleum and chemical industry; investment and operation of infrastructure of communication; overseas assets management. Development and management of Shenzhen Shekou Industrial Zone and Fujian Zhangzhou Development Zone. (The market body shall independently choose business items and carry out business activities according to law. For items requiring approval according to law, the market body must obtain approval from related authorities before carrying out the business activities. The market body shall not engage in business activities that are banned and restricted in the national and municipal industrial policies.)
Shareholdings of the actual controller in other listed companies at home or abroad in this Reporting Period	China Merchants Group holds: 74.35% shares of China Merchants Land Limited; 72.15% share of China Merchants Port Holdings Company Limited; 71.00% shares of Liaoning Port Co., Ltd.; 62.42% shares of China Merchants Expressway Network &Technology Holdings Co., Ltd; 60.20% shares of Sinotrans Limited; 58.76% shares of China Merchants Shekou Industrial Zone Holdings Co., Ltd.; 54.48% shares of China Merchants Energy Shipping Co., Ltd; 51.48% shares of China Merchants Property Operation & Service Co., Ltd.; 51.00% of shares of PT Nusantara Pelabuhan Handal Tbk; 44.17% shares of China Merchants Securities Co. Ltd.; 30.77% shares of Nanjing Tanker Corporation; 29.97% shares of China Merchants Bank Co., Ltd; 28.30% shares of Humanwell Healthcare (Group) Co., Ltd.; 27.59% shares of China Merchants China Direct Investments Limited.			

Change of the actual controller during the Reporting Period:

☐ Applicable √ Not applicable

No such cases in the Reporting Period.

Ownership and control relations between the actual controller and the Company:



Note: The Company disclosed the Announcement on the Proposed Change in Shareholding Structure of the Controlling Shareholder on 14 December 2024, in which Broadford Global Limited, the controlling shareholder of the Company, transferred 74.66% of the shares of Rainbow Reflection Limited held by China Merchants Holdings (Hong Kong) Company Limited, and at the same time, all the aforesaid transferred shares were entrusted to Broadford Global Limited for management by China Merchants Holdings (Hong Kong) Company Limited.

On 24 January 2025, the Company received the updated registers of members of Rainbow Reflection Limited and Broadford Global Limited, and was informed that China Merchants Holdings (Hong Kong) Company Limited was registered as a shareholder of Rainbow Reflection Limited (holding 21,120,986,262 ordinary shares in the share capital of Rainbow Reflection Limited, representing 74.66% of the total share capital of Rainbow Reflection Limited), and Broadford Global Limited had completed the share cancellation procedures. Since then, the transfer and trusteeship of shares were completed and the change in the shareholding structure of the controlling

shareholder was completed. For specific details, please refer to the announcement released by our company on January 25, 2025 regarding the completion of changes in the shareholding structure of the controlling shareholder.

Indicate by tick mark whether the actual controller controls the Company via trust or other ways of asset management.

☐ Applicable √ Not applicable

4. Number of Accumulative Pledged Shares held by the Company's Controlling Shareholder or the Largest Shareholder as well as Its Acting-in-Concert Parties Accounts for 80% of all shares of the Company held by Them

☐ Applicable √ Not applicable

5. Other 10% or Greater Corporate Shareholders

Name of corporate shareholders	Legal representative/person in charge	Date of establishment	Registered capital	Business scope or management activities
China Merchants Port Investment Development Company Limited	Yu Zhiliang, Chen Chengdi, Liang Jian	15 November 2013	HKD28,287,989,241	Investment management of equities and others
Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd.	Tao Chengbo	30 July 2014	RMB50 billion	The exploration and utilization of marine resources, marine industry investment, the management of marine and port resources and capital operations, port investment, construction, and operations, shipping services, commodity reserves, trading, and processing (excluding hazardous chemicals), marine engineering construction, and port engineering design and supervision. (Business activities that require approval in accordance with laws shall be subject to approval by relevant authorities.)

China Merchants Gangtong Development (Shenzhen) Co., Ltd.	Zhang Ya	16 January 2018	RMB13,495,525,700	Provision of management services for ports (without involving special administrative measures on the access of foreign investment); port information inquiries, economic information consultation, corporate management consultation, business information consultation, brand management consultation and logistics information consultation (excluding restricted items in each case); technical development and sales of ship machinery and equipment; technical services in respect of port loading and unloading equipment; supporting businesses in respect of the design, sales, import and export of loading and unloading tools, mechanical and electrical products and non-ferrous metal products (excluding precious metals) (Commodities that involve state trading, quota, license and special administrative regulations shall be operated through the application pursuant to related state regulations); technical development and technical services in respect of modern logistics information systems; supply chain management and related supporting services; design of logistics plans; planning of corporate image; planning of cultural exchange activities (without involving special administrative measures on the access of foreign investment); marketing planning; and planning of brand image. (In each case, any item forbidden by laws, administrative regulations and the State Council shall be excluded and restricted items shall be operated upon the attainment of the permission), licensed business item: none

6. Limitations on Shareholding Decrease by the Company's Controlling Shareholder, Actual Controller, Reorganizer and Other Commitment Makers

☐ Applicable √ Not applicable

IV Specific Implementation of Share Repurchases in the Reporting Period

Progress on any share repurchases

Disclosure time of plan	Number of shares to be repurchased (share)	% of total share capital	Amount to be repurchased (RMB'0.000)	Proposed repurchase period	Repurchase usage	Number of shares repurchased (Share)	The number of repurchased shares as % of the underlying

							shares covered by the Equity Incentive Plan (if any)
20 October 2024	6,190,500 to 12,349,200	0.25% to 0.49%	19,500-38,900	29 October 2024 to 28 October 2025	All repurchased shares will be cancelled with correspondin g reduction of the registered capital of the Company.	19,817,696	N/A

The Company held the 7th Extraordinary Meeting of the 11th Board of Directors in 2024 and the 3rd Extraordinary General Meeting of Shareholders in 2024 respectively on 18 October 2024 and 29 October 2024, at which the *Proposal on Repurchase of the Company's Shares via Centralized Bidding Trading* was reviewed and approved, and the Company was allowed to repurchased shares of it via centralized bidding trading on the Shenzhen Stock Exchange with its own funds or self-financing funds. All repurchased shares shall be cancelled with the corresponding reduction of the registered capital. The repurchase price shall not exceed RMB31.50/share; the total amount fund for repurchase shall not be less than RMB195 million (inclusive) and not more than RMB389 million (inclusive); and the period for the implementation of the repurchase shall be 12 months from the date on which this share repurchase plan was approved by the general meeting of shareholders of the Company. For details, please refer to the *Announcement on the Resolutions of the 7th Extraordinary Meeting of the 11th Board of Directors in 2024*(Announcement No. 2024-078) and the *Announcement on Repurchase of the Company's Shares via Centralized Bidding Trading*(Announcement No. 2024-079)disclosed by the Company on www.cninfo.com.cn on 20 October 2024, and the *Announcement on the Resolutions of the 3rd Extraordinary General Meeting of Shareholders in 2024* (Announcement No. 2024-084) disclosed by the Company on www.cninfo.com.cn on 30 October 2024.

In accordance with the *Guidelines for Self-Regulation of Listed Companies of Shenzhen Stock Exchange No. 9 -Share Repurchase* and other relevant regulations, the Company has opened a special securities account for share repurchase with Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, which is solely for the purpose of repurchasing the

Company's shares. For details, please refer to the *Repurchase Report*(Announcement No. 2024-092)disclosed by the Company on 5 December 2024 on www.cninfo.com.cn.

The above-mentioned share repurchase has been completed, with 19,817,696 shares retired. The number of shares retired is consistent with the number of shares actually repurchased. The Company completed the retirement procedures for the aforementioned shares at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on 10 October 2025.

Progress on reducing the repurchased shares by means of centralized bidding:

☐ Applicable √ Not applicable

V Preference Shares

☐ Applicable √ Not applicable

No preference shares in the Reporting Period.

Part VII Bonds

I Enterprise Bonds

☐ Applicable √ Not applicable

No enterprise bonds in the Reporting Period.

II Corporate Bonds

1. Basic Information of the Corporate Bonds

Unit: RMB'0,000

Name	Abbr.	Code	Date of issuance	Value date	Maturity	Bonds balance	Interest rate	Way of redemption	Trading place
2022 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for professional investors) (Phase I)	22 CMPort 01	148052	29 August 2022 to 30 August 2022	30 August 2022	30 August 2025	0.00	2.69%	Simple interest is adopted and calculated by year. No compound interest is calculated. Interests are paid once every year and principals paid in lump sum at maturity. In the last instalment, the interests are paid together with principal repayment.	Shenzhen Stock Exchange
2024 Public Offering of Sci-Tech Innovation Corporate Bonds of China Merchants Port Group Co., Ltd. (for professional investors) (Phase I)	24 CMPort K1	148877	22 August 2024 to 23 August 2024	23 August 2024	23 August 2029	200,000.00	2.18%	Simple interest is adopted and calculated by year. No compound interest is calculated. Interests are paid once every year and principals paid in lump sum at maturity. In the last instalment, the interests are paid together with principal repayment.	Shenzhen Stock Exchange
2025 Public Offering of	25 CMPort	524409	22 August 2025 to 25	25 August 2025	25 August 2028	300,000.00	1.82%	Simple interest is adopted and	Shenzhen Stock

Sci-Tech Innovation Corporate Bonds of China Merchants Port Group Co., Ltd. (for professional investors) (Phase I)	K1		August 2025					calculated by year. No compound interest is calculated. Interests are paid once every year and principals paid in lump sum at maturity. In the last instalment, the interests are paid together with principal repayment.	Exchange
Appropriate arrangement of the investors (if any)			The Company's bonds are publicly issued to professional institutional investors						
Applicable trading mechanism			Match-and-deal, negotiate-and-deal, click-and-deal, inquire-and-deal, bid-and-deal						
Risk of termination of listing transactions (if any) and countermeasures			None						

Overdue bonds

☐ Applicable √ Not applicable

2. The Trigger and Execution of the Option Clause of the Issuers or Investors and the Investor Protection Clause

☐ Applicable √ Not applicable

3. Intermediaries

Bond	Intermediary	Office address	Signature accountant	Contact person of intermediary	Contact number
2022 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for professional investors) (Phase I)	Lead Underwriter and Trustee: CITIC Securities Co., Ltd.	18F CITIC Securities Tower, No.8 Zhongxin 3rd Road, Futian District, Shenzhen	Not applicable	Feng Yuan	0755-23835062
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing	Not applicable	Liu Yongzhao, Chen Shanshan	010-85191300
	Credit rating agency: China Chengxin International	Room 60101, Building 1, No. 2 Nanzhugan Hutong,	Not applicable	Zhong Ting, Liang Ziqiu	027-87339288

	Credit Rating Co., Ltd.	Dongcheng District, Beijing			
	Auditor: Deloitte Touche Tohmatsu Certified Public Accountants LLP	30th Floor, Bund Center, No. 222 East Yan'an Road, Shanghai	Li Weihua, Wang Hongmei	Wang Hongmei	021-61418888
2024 Public Offering of Sci-Tech Innovation Corporate Bonds of China Merchants Port Group Co., Ltd. (for professional investors) (Phase I)	Lead Underwriter and Trustee: CITIC Securities Co., Ltd.	18F CITIC Securities Tower, No.8 Zhongxin 3rd Road, Futian District, Shenzhen	Not applicable	Feng Yuan	0755-23835062
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing	Not applicable	Liu Yongzhao, Chen Shanshan	010-85191300
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing	Not applicable	Zhong Ting, Liang Ziqiu	027-87339288
	Auditor: Deloitte Touche Tohmatsu Certified Public Accountants LLP	30th Floor, Bund Center, No. 222 East Yan'an Road, Shanghai	Li Weihua, Wang Hongmei	Wang Hongmei	021-61418888
2025 Public Offering of Sci-Tech Innovation Corporate Bonds of China Merchants Port Group Co., Ltd. (for professional investors) (Phase I)	Lead Underwriter and Trustee: CITIC Securities Co., Ltd.	18F CITIC Securities Tower, No.8 Zhongxin 3rd Road, Futian District, Shenzhen	Not applicable	Feng Yuan	0755-23835062
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing	Not applicable	Liu Yongzhao, Chen Shanshan	010-85191300
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing	Not applicable	Shi, Peng Junxian	027-87339288
	Auditor:	30th Floor,	Xu Xiangzhao,	Li Weihua	021-61418888

	Deloitte Touche Tohmatsu Certified Public Accountants LLP	Bund Center, No. 222 East Yan'an Road, Shanghai	Li Weihua		
	Auditor: KPMG Huazhen LLP	8th Floor, East Tower 2, Oriental Plaza, 1 East Chang An Avenue, Dongcheng District, Beijing	Wang Jie, Wu Huihuang	Wu Huihuang	010-85085000

Indicate by tick mark whether above intermediary changed in the Reporting Period

☐ Yes √ No

4. Use of Raised Funds

Unit: RMB'0,000

Code	Abbr.	Total amount	Agreed usage of the raised funds	Amount spent	Actual use of raised funds (by usage, excluding temporarily supplementing working capital)	Actual use of funds in each category	Unused amount	Operation of special account for raised funds (if any)	Rectification of raised funds for violation operation (if any)	Whether is consistent with the usage, using plan and other agreements stipulated in the raising specification
148052	22 CMPort 01	300,000.00	Equity investment	300,000.00	Equity investment	Equity investment	0.00	None	None	Yes
148877	24 CMPort K1	200,000.00	Repayment of corporate bonds	200,000.00	Repayment of corporate bonds	Repayment of corporate bonds	0.00	None	None	Yes
524409	25 CMPort K1	300,000.00	Repayment of corporate bonds	300,000.00	Repayment of corporate bonds	Repayment of corporate bonds	0.00	None	None	Yes

The raised funds were used for project construction

☐ Applicable √ Not applicable

The Company changed the usage of above funds raised from bonds during the Reporting Period.

☐ Applicable √ Not applicable

5. Adjustment of Credit Rating Results during the Reporting Period

☐ Applicable √ Not applicable

6. Execution and Changes of Guarantee, Repayment Plan and Other Repayment Guarantee Measures as well as Influence on Equity of Bond Investors during the Reporting Period

☐ Applicable √ Not applicable

III Debt Financing Instruments of Non-financial Enterprises

1. Basic Information of Debt Financing Instruments of a Non-financial Enterprise

Unit: RMB'0,000

Name	Abbr.	Code	Date of issuance	Value date	Maturity	Bonds balance	Interest rate	Way of redemption	Trading place
Medium-term Notes of China Merchants Port Group Co., Ltd. (Phase I 2024) (Variety A)	24 CMPort MTN001A	102481314	1 April 2024	3 April 2024	3 April 2029	50,000.00	2.68%	Interests paid once every year and principals paid in lump sum on the redemption date	Interbank bond market
Medium-term Notes of China Merchants Port Group Co., Ltd. (Phase I 2024) (Variety B)	24 CMPort MTN001B	102481315	1 April 2024	3 April 2024	3 April 2034	150,000.00	2.80%	Interests paid once every year and principals paid in lump sum on the redemption date	Interbank bond market
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase II 2024)	24 CMPort SCP002	012482326	31 July 2024	1 August 2024	28 April 2025	0.00	1.95%	Principals and interest paid in lump sum at maturity	Interbank bond market
Super-short-term Commercial Papers of China	24 CMPort SCP003	012483722	25 November 2024	26 November 2024	25 May 2025	0.00	1.96%	Principals and interest paid in lump sum	Interbank bond

Merchants Port Group Co., Ltd. (Phase III 2024)								at maturity	market
Medium-term Notes of China Merchants Port Group Co., Ltd. (Phase II 2024) (Variety A)	24 CMPort MTN002A	102482957	10 July 2024	12 July 2024	12 July 2027	80,000.00	2.10%	Interests paid once every year and principals paid in lump sum on the redemption date	Interbank bond market
Medium-term Notes of China Merchants Port Group Co., Ltd. (Phase II 2024) (Variety B)	24 CMPort MTN002B	102482958	10 July 2024	12 July 2024	12 July 2029	120,000.00	2.30%	Interests paid once every year and principals paid in lump sum on the redemption date	Interbank bond market
Medium-term Notes of China Merchants Port Holdings Company Limited (Phase I 2025)	25 CMPort Holdings MTN001	102581356.IB	24 March 2025	25 March 2025	25 March 2028	200,000.00	1.98%	Interests paid once every year and principals paid in lump sum on the redemption date	Interbank bond market
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase I 2025)	25 CMPort SCP001	012581169	19 May 2025	20 May 2025	16 November 2025	0.00	1.51%	Principals and interest paid in lump sum at maturity	Interbank bond market
Medium-term Notes of China Merchants Port Group Co., Ltd. (Phase I 2025)	25 CMPort MTN001	102584687	7 November 2025	10 November 2025	10 November 2028	200,000.00	1.76%	Interests paid once every year and principals paid in lump sum on the redemption date	Interbank bond market
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase II 2025)	25 CMPort SCP002	012581169	12 November 2025	13 November 2025	7 August 2026	200,000.00	1.58%	Principals and interest paid in lump sum at maturity	Interbank bond market
Appropriat	N/A								

e arrangement of the investors (if any)	
Applicable trading mechanism	Inquiry
Risk of termination of listing transactions (if any) and countermeasures	None

Matured bonds unredeemed

☐ Applicable √ Not applicable

2. Triggering and Implementation of Issuer or Investor Option Clauses and Investor Protection Clauses

☐ Applicable √ Not applicable

3. Intermediaries

Bond	Intermediary	Office address	Signature accountant	Contact person of intermediary	Contact number
Medium-term Notes of China Merchants Port Group Co., Ltd. (Phase I 2024)	Lead Underwriter: China Merchants Bank Co., Ltd.	China Merchants Bank Shenzhen Branch Building, No. 2016 Shennan Avenue, Shenzhen, Guangdong Province	Uninvolved	Luo Yingying, Gan Yawen	0755-88023712
	Co-lead Underwriter: China International Capital Corporation Limited	33th Floor, Building 2, China World Offices, No. 1 Jianguomen Outer Street, Dongcheng District, Beijing		Qiu Suofu	010-65051166
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street,		Liu Yongzhao, Chen Shanshan	010-8519 1300

		Dongcheng District, Beijing			
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing		Zhong Ting, Liang Ziqiu	027-87339288
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase II 2024)	Lead Underwriter: China Merchants Bank Co., Ltd.	China Merchants Bank Shenzhen Branch Building, No. 2016 Shennan Avenue, Shenzhen, Guangdong Province	Uninvolved	Luo Yingying, Gan Yawen	0755-88023712
	Co-lead Underwriter: Industrial Bank Co. Ltd.	15th Floor, Industrial Bank Building, No. 20 Chaoyangmen North Street, Chaoyang District, Beijing		Zhang Hao, Wu Dan	010-89926629、0755-82049629
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing		Liu Yongzhao, Chen Shanshan	010-85191300
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing		Zhong Ting, Liang Ziqiu	027-87339288
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase III 2024)	Lead Underwriter: Bank of China Limited	No. 1 Fuxingmen Inner Street, Xicheng District, Beijing, China	Uninvolved	Li Xintong	010-66595024
	Co-lead Underwriter: China Merchants Bank Co., Ltd.	China Merchants Bank Shenzhen Branch Building, No. 2016 Shennan		Luo Yingying, Gan Yawen	0755-88023712

		Avenue, Shenzhen, Guangdong Province			
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing		Liu Yongzhao, Chen Shanshan	010-85191300
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing		Zhong Ting, Liang Ziqiu	027-87339288
Medium-term Notes of China Merchants Port Group Co., Ltd. (Phase II 2024)	Lead Underwriter: China Merchants Bank Co., Ltd.	China Merchants Bank Shenzhen Branch Building, No. 2016 Shennan Avenue, Shenzhen, Guangdong Province	Uninvolved	Luo Yingying, Gan Yawen	0755-88023712
	Co-lead Underwriter: China Guangfa Bank Co., Ltd.	Guangfa Bank Building, No. 713 Dongfeng East Road, Yuexiu District, Guangzhou, Guangdong Province		Zhong Shaohao	020-38321066
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing		Liu Yongzhao, Chen Shanshan	010-8519 1300
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing		Zhong Ting, Liang Ziqiu	027-87339288
Medium-term Notes of China	Lead Underwriter:	China Merchants	Uninvolved	Luo Yingying, Gan Yawen	0755-88023712

Merchants Port Holdings Company Limited (Phase I 2025)	China Merchants Bank Co., Ltd.	Bank Shenzhen Branch Building, No. 2016 Shennan Avenue, Shenzhen, Guangdong Province			
	Co-lead Underwriter: Industrial and Commercial Bank of China	No. 55 Fuxingmen Inner Street, Xicheng District, Beijing, China		He Shiyue	010-81011218
	Co-lead Underwriter: China Construction Bank Corporation	Tower 1, Chang'an Xingrong Center, No. 1 Naoshikou Avenue, Xicheng District, Beijing		Zhou Peng	010-67596478
	Co-lead Underwriter: Agricultural Bank of China Limited	No. 69 Jianguomen Inner Street, Dongcheng District, Beijing		Wang Ran	010-85106324
	Co-lead Underwriter: Bank of China Limited	No. 1 Fuxingmen Inner Street, Xicheng District, Beijing, China		Zhang Shun	010-66595482
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing		Liu Yongzhao, Chen Shanshan	010-8519 1300
	Law firm: Zhong Lun Law Firm Limited Liability Partnership	4th Floor, Jardine House, One Connaught Place, Central, Hong Kong		Xu Jianhui	852-22987689
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing		Shi Shi, Peng Junxian	027-87339288

Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase I 2025)	Lead Underwriter: China Merchants Bank Co., Ltd.	China Merchants Bank Shenzhen Branch Building, No. 2016 Shennan Avenue, Shenzhen, Guangdong Province	Uninvolved	Luo Yingying, Gan Yawen	0755-88023712
	Co-lead Underwriter: China Construction Bank Corporation	Tower 1, Chang'an Xingrong Center, No. 1 Naoshikou Avenue, Xicheng District, Beijing		Zhou Peng	010-67596478
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing		Liu Yongzhao, Chen Shanshan	010-85191300
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing		Shi Shi, Peng Junxian	027-87339288
Medium-term Notes of China Merchants Port Group Co., Ltd. (Phase I 2025)	Lead Underwriter: China Construction Bank Corporation	Tower 1, Chang'an Xingrong Center, No. 1 Naoshikou Avenue, Xicheng District, Beijing	Uninvolved	Gao Guangxi	010-67594972
	Co-lead Underwriter: Industrial and Commercial Bank of China	No. 55 Fuxingmen Inner Street, Xicheng District, Beijing, China		Tu Zihao	010-81012568
	Co-lead Underwriter: China Merchants Bank Co., Ltd.	China Merchants Bank Shenzhen Branch Building, No. 2016 Shennan Avenue,		Cao Chong, Gan Yawen	0755-88026130

		Shenzhen, Guangdong Province			
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing		Liu Yongzhao, Chen Shanshan	010-8519 1300
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing		Shi Shi, Peng Junxian	027-87339288
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase II 2025)	Lead Underwriter: China Merchants Bank Co., Ltd.	China Merchants Bank Shenzhen Branch Building, No. 2016 Shennan Avenue, Shenzhen, Guangdong Province	Uninvolved	Cao Chong, Gan Yawen	0755-88026130
	Co-lead Underwriter: China Construction Bank Corporation	Tower 1, Chang'an Xingrong Center, No. 1 Naoshikou Avenue, Xicheng District, Beijing		Gao Guangxi	010-67594972
	Co-lead Underwriter: Industrial and Commercial Bank of China	No. 55 Fuxingmen Inner Street, Xicheng District, Beijing, China		Tu Zihao	010-81012568
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing		Liu Yongzhao, Chen Shanshan	010-8519 1300
	Credit rating agency: China Chengxin International	Room 60101, Building 1, No. 2 Nanzhugan Hutong,		Shi Shi, Peng Junxian	027-87339288

	Credit Rating Co., Ltd.	Dongcheng District, Beijing			

Indicate by tick mark whether above intermediary changed in the Reporting Period

☐ Yes √ No

4. Use of Raised Funds

Unit: RMB'0,000

Abbr.	Total amount	Agreed usage of the raised funds	Amount spent	Unused amount	Operation of special account for raised funds (if any)	Rectification of raised funds for violation operation (if any)	Whether is consistent with the usage, using plan and other agreements stipulated in the raising specification
24 CMPort MTN001A	50,000.00	Supplementing the working capital of the Company and its subsidiaries and repaying matured debts	50,000.00	0.00	None	None	Yes
24 CMPort MTN001B	150,000.00	Supplementing the working capital of the Company and its subsidiaries and repaying matured debts	150,000.00	0.00	None	None	Yes
24 CMPort SCP002	200,000.00	Supplementing the working capital of the Company and its subsidiaries and repaying matured debts	200,000.00	0.00	None	None	Yes
24 CMPort SCP003	200,000.00	Supplementing the working capital of the Company and its subsidiaries and repaying matured debts	200,000.00	0.00	None	None	Yes
24 CMPort MTN002A	80,000.00	Supplementing the working capital of the Company and its subsidiaries and repaying matured debts	80,000.00	0.00	None	None	Yes
24 CMPort MTN002B	120,000.00	Supplementing the working capital of the Company and its subsidiaries and repaying matured debts	120,000.00	0.00	None	None	Yes

24 CMPort SCP001	200,000.00	Supplementing the working capital of the Company and its subsidiaries and repaying matured debts	200,000.00	0.00	None	None	Yes
25 CMPort Holdings MTN001	200,000.00	Supplementing the working capital of the Company and its subsidiaries and repaying matured debts	200,000.00	0.00	None	None	Yes
25 CMPort SCP001	200,000.00	Supplementing the working capital of the Company and its subsidiaries and repaying matured debts	200,000.00	0.00	None	None	Yes
25 CMPort MTN001	200,000.00	Supplementing the working capital of the Company and its subsidiaries and repaying matured debts	200,000.00	0.00	None	None	Yes
25 CMPort SCP002	200,000.00	Supplementing the working capital of the Company and its subsidiaries and repaying matured debts	200,000.00	0.00	None	None	Yes

The raised funds were used for project construction

☐ Applicable √ Not applicable

The Company changed the usage of above funds raised from bonds during the Reporting Period.

☐ Applicable √ Not applicable

5. Adjustment of Credit Rating Results during the Reporting Period

☐ Applicable √ Not applicable

6. Execution and Changes of Guarantee, Repayment Plan and Other Repayment Guarantee Measures as well as Influence on Equity of Bond Investors during the Reporting Period

☐ Applicable √ Not applicable

IV Convertible Corporate Bonds

☐ Applicable √ Not applicable

No such cases in the Reporting Period.

V Losses of Scope of Consolidated Financial Statements during the Reporting Period Exceeding 10% of Net Assets up the Period-end of Last Year

☐ Applicable √ Not applicable

VI Matured Interest-bearing Debt excluding Bonds up the Period-end

☐ Applicable √ Not applicable

VII Whether there was any Violation of Rules and Regulations during the Reporting Period

☐ Yes √ No

VIII The Major Accounting Data and the Financial Indicators of the Recent 2 Years of the Company up the Period-end

Item	31 December 2025	31 December 2024	Change
Current ratio	77.93%	79.27%	-1.69%
Debt/asset ratio	35.96%	36.40%	-0.44%
Quick ratio	76.29%	77.36%	-1.38%
	2025	2024	Change
Net profit after deducting non-recurring gains and losses (RMB'0,000)	443,754.74	404,703.16	9.65%
EBITDA/debt ratio	21.20%	21.28%	-0.08%
Interest cover (times)	5.30	4.49	18.04%
Cash-to-interest cover (times)	5.80	5.05	14.85%
EBITDA-to-interest cover (times)	7.99	6.92	15.46%
Loan repayment ratio	100.00%	100.00%	-
Interest payment ratio	100.00%	100.00%	-

Part VIII Financial Statements

I Independent Auditor’s Report

Type of the independent auditor’s opinion	Standard and unqualified auditor's report
Date of signing this report	1 April 2026
Name of the independent auditor	KPMG Huazhen LLP
Reference number of Audit Report	KPMG (Shen) Zi No. 2607559
Name of the certified public accountants	Wu Huihuang, Li Dan

II Financial Statements

See attached.

China Merchants Port Group Co., Ltd.

Board of Directors

Dated 3 April 2026

CHINA MERCHANTS PORT GROUP CO., LTD.

FINANCIAL STATEMENTS
FOR THE YEAR FROM 1 JANUARY TO 31 DECEMBER 2025

CHINA MERCHANTS PORT GROUP CO., LTD.

FINANCIAL STATEMENTS AND AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

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AUDITOR'S REPORT

毕马威华振审字第 2607559 号

To all the shareholders of China Merchants Port Group Co., Ltd.,

I. Audit Opinion

We have audited the accompanying financial statements of China Merchants Port Group Co., Ltd. ("China Merchants Port Group"), which comprise the consolidated and company balance sheets as at 31 December 2025, the consolidated and company income statements, the consolidated and company cash flow statements, the consolidated and company statements of changes in shareholders' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company financial position of China Merchants Port Group as at 31 December 2025, and the consolidated and company financial performance and cash flows of China Merchants Port Group for the year then ended in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

II. Basis for the Opinion

We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants ("CSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of China Merchants Port Group in accordance with the Independence Standards for Chinese Certified Public Accountants No. 1 – Independence Requirements for Audit and Review Engagements, as applicable to audits of financial statements of public interest entities and the China Code of Ethics for Certified Public Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. Key Audit Matters

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

<table>
<tr><th colspan="2">Subsequent measurement of long-term equity investments in associates</th></tr>
<tr><td colspan="2">Refer to Note (IV) 14 accounting policy to the financial statements, Note (VIII) 12 to the consolidated financial statements, and Note (XX) 2 to China Merchants Port Group's financial statements.</td></tr>
<tr><th>The Key Audit Matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>As at 31 December 2025, the carrying amount of China Merchants Port Group's long-term equity investments in associates amounts to RMB 93,811,201,555.24 , accounting for 71.45% of the total shareholder's equity. For the year ended 31 December 2025, the investment income from associates recognised under the equity method amounts to RMB 6,035,646,183.31, accounting for 67.77% of the consolidated net profit.

Since the amount of income from investments in associates recognised by China Merchants Port Group for the year is significant, we determine the above-mentioned subsequent measurement of the long-term equity investments in associates as a key audit matter of the consolidated financial statements.</td><td>Our audit procedures to the key audit matter included the following:
Understand and evaluate the design and operation effectiveness of internal control over key financial statements related to the subsequent measurement of long-term equity investments of associated enterprises;
Evaluate the independence and professional competence of auditors of important joint ventures;
Participate in the risk assessment process of important joint venture auditors based on the purpose of group audit, and evaluate whether the audit evidence obtained by the risk assessment procedures implemented by them can provide an appropriate basis for identifying and evaluating the risk of material misstatement (RMM) of the group's financial statements;
Communicate with important joint venture auditors on matters related to the assessment of risk of material misstatement (RMM) of the Group's financial statements, and evaluate the appropriateness of further audit procedures they have implemented to address risk of material misstatement (RMM) of the Group's financial statements;</td></tr>
</table>

III. Key Audit Matters - continued

The Key Audit Matter	How the matter was addressed in our audit
	• Communicate with the auditors of important joint ventures about the important matters that may affect the consolidated financial statements found during the audit, the procedures implemented and the conclusions reached; • Evaluate the appropriateness of the management's consolidated adjustment to the financial information of the joint venture based on the accounting policies of China Merchants Port Group, including checking the supporting documents of the relevant difference adjustment and the accuracy of the subsequent measurement of the long-term equity investments of the joint venture based on the adjustment.
Goodwill impairment	
Refer to Note (IV) 7 accounting policy to the financial statements, Note (VIII) 20 to the consolidated financial statements.	
The Key Audit Matter	**How the matter was addressed in our audit**
As at 31 December 2025, the carrying amount of the goodwill presented in the consolidated financial statements of China Merchants Port Group is RMB 6,176,416,050.77.	Our audit procedures to the key audit matter included the following: • Understand and evaluate the design and operation effectiveness of internal control over key financial statements related to goodwill impairment; • Evaluate whether the management's identification of assets groups, the method of allocating goodwill to assets groups or assets group portfolios, and the method used to determine the recoverable amount meet the requirements of the Accounting Standards for Business Enterprises;

III. Key Audit Matters - continued

The Key Audit Matter	How the matter was addressed in our audit
The management of China Merchants Port Group conducts impairment testing on goodwill at the end of each year. Management compares the book value of the assets group or assets group combination containing the apportioned goodwill with its recoverable amount to determine whether it is necessary to withdraw the impairment. The recoverable amount is the higher of the net amount of the fair value of the assets group or the combination of assets groups minus the disposal expenses and the present value of the estimated future cash flow. The determination of the present value of expected future cash flows involves significant management judgments, especially the estimation of key assumptions such as revenue growth rate and discount rate. Since the book value of goodwill is materiality to the financial statements, and the impairment testing of goodwill involves management's major judgments and estimates, these judgments are inherently uncertain, and may be affected by management bias's bias, we recognise the impairment of goodwill as a key audit matter.	• Based on our understanding of the Based on our understanding of the industry in which China Merchants Port Group is located, and taking into account the historical operation of relevant asset groups and other external information, evaluate the rationality of the revenue growth rate adopted by management in determining the present value of the expected future cash flow; • Use the work of our valuation experts to evaluate the appropriateness of the valuation method and the reasonableness of the discount rate used by the management to determine the present value of the estimated future cash flow of the relevant asset group; • Carry out sensitivity analysis on the key assumptions of revenue growth rate and discount rate adopted by management, evaluate the possible impact of changes in key assumptions on the evaluation results of goodwill impairment, and whether there is any sign of management bias; • Compare the key assumptions adopted by management when preparing the present value of estimated cash flow in the previous year with the actual situation of the current year to evaluate whether there is any sign of management bias; • Evaluate whether the disclosure of goodwill impairment and key assumptions adopted in the financial statements meet the requirements of the Accounting Standards for Business Enterprises.

IV. Other Information

China Merchants Port Group’s management is responsible for the other information. The other information comprises all the information included in 2025 annual report of China Merchants Port Group, other than the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

V. Responsibilities of the Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standards for Business Enterprises, and for the design, implementation and maintenance of such internal control necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing China Merchants Port Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate China Merchants Port Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing China Merchants Port Group’s financial reporting process.

VI. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within China Merchants Port Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

VI. Auditor's Responsibilities for the Audit of the Financial Statements - continued

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

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

KPMG Huazhen LLP

Certified Public Accountants
Registered in the People's
Republic of China

吴惠煌(Engagement Partner)

Beijing, China

李丹

1 April 2026

CHINA MERCHANTS PORT GROUP CO., LTD.

As at 31 DECEMBER 2025

Consolidated Balance Sheet

RMB

Item	Notes	Closing Balance	Opening Balance
Current Assets:			
Cash and bank balances	(VIII)1	15,374,846,360.79	16,630,400,701.13
Including: Cash deposited in the finance company	(XV)6(1)	4,733,188,415.27	4,745,991,554.35
Financial assets held for trading	(VIII)2	7,578,824,365.75	5,685,135,472.01
Derivative financial assets		-	-
Bills receivable	(VIII)3	151,029,884.15	270,127,883.63
Accounts receivable	(VIII)4	1,297,166,857.70	1,193,408,383.78
Receivables under financing	(VIII)5	114,680,738.25	-
Prepayments	(VIII)6	82,819,198.95	59,177,117.22
Funds receivable under centralised management		-	-
Other receivables	(VIII)7	1,012,655,278.64	1,166,499,343.90
Including: Dividends receivable	(VIII)7	576,943,449.36	554,387,723.94
Inventories	(VIII)8	307,216,425.15	269,958,020.34
Including: Raw materials		288,311,631.73	260,819,412.56
Goods in stock (finished products)		9,419,494.95	4,683,965.30
Data resources		-	-
Contract assets		-	-
Assets held for sale		-	-
Non-current assets due within one year	(VIII)9	-	34,997,992.08
Other current assets	(VIII)10	158,947,975.17	251,697,812.77
Total current assets		26,078,187,084.55	25,561,402,726.86
Non-current Assets:			
Debt investments		-	-
Other debt investments		-	-
Long-term receivables	(VIII)11	3,874,516,647.46	3,777,373,574.70
Long-term equity investments	(VIII)12	103,073,100,064.87	100,018,029,894.96
Investments in other equity instruments	(VIII)13	141,766,365.15	139,451,887.05
Other non-current financial assets	(VIII)14	28,768,810.95	28,524,600.31
Investment properties	(VIII)15	3,157,951,323.78	3,288,690,070.60
Fixed assets	(VIII)16	30,442,884,297.82	30,689,217,791.45
Including: Cost of fixed assets		57,478,268,295.87	55,832,500,023.64
Accumulated depreciation		26,823,319,777.57	24,930,618,296.33
Provision for impairment of fixed assets		212,280,683.43	213,290,383.06
Construction in progress	(VIII)17	3,403,583,431.48	3,311,109,996.59
Right-of-use assets	(VIII)18	8,965,304,928.17	8,957,352,063.54
Intangible assets	(VIII)19	17,643,855,579.95	17,335,082,422.84
Including: Data resources		5,616,273.79	6,251,120.27
Development costs	(IX)2	34,234,599.73	63,395,053.69
Including: Data resources		-	-
Goodwill	(VIII)20	6,176,416,050.77	5,933,310,929.34
Long-term deferred expenses	(VIII)21	919,719,245.18	940,404,479.94
Deferred tax assets	(VIII)22	355,487,521.84	365,481,207.77
Other non-current assets	(VIII)23	718,921,542.98	1,109,025,181.81
Total non-current assets		178,936,510,410.13	175,956,449,154.59
TOTAL ASSETS		205,014,697,494.68	201,517,851,881.45

The accompanying notes form part of the financial statements.

Consolidated Balance Sheet - continued

RMB

Item	Notes	Closing Balance	Opening Balance
Current liabilities:			
Short-term borrowings	(VIII)24	19,775,820,831.32	12,791,242,141.69
Financial liabilities held for trading		-	-
Derivative financial liabilities		-	-
Bills payable	(VIII)25	-	1,536,194.00
Accounts payable	(VIII)26	739,900,492.35	785,830,532.33
Advance payments received	(VIII)27	12,191,454.52	14,576,237.84
Contract liabilities	(VIII)28	446,822,948.79	267,888,272.62
Employee benefits payable	(VIII)29	1,297,834,679.20	1,168,592,349.15
Including: Payroll payable		1,252,447,318.40	1,126,682,376.20
Welfare payable		-	-
Taxes payable	(VIII)30	913,284,472.54	725,165,726.32
Including: Taxes payable		904,515,326.51	714,248,068.55
Other payables	(VIII)31	2,034,923,078.95	1,923,980,312.98
Including: Dividends payable	(VIII)31	135,169,470.79	132,334,744.28
Liabilities held for sale		-	-
Non-current liabilities due within one year	(VIII)32	6,042,522,685.33	10,506,682,795.60
Other current liabilities	(VIII)33	2,199,301,417.02	4,061,201,760.72
Total current liabilities		33,462,602,060.02	32,246,696,323.25
Non-current Liabilities:			
Long-term borrowings	(VIII)34	7,439,956,123.50	15,582,593,255.65
Bonds payable	(VIII)35	20,709,787,532.29	13,875,559,119.52
Including: Preference shares		-	-
Perpetual bonds		-	-
Lease liabilities	(VIII)36	1,690,860,832.08	1,387,206,990.51
Long-term payables	(VIII)37	3,721,605,292.07	3,204,582,672.75
Long-term employee benefits payable	(VIII)38	546,386,377.62	655,658,044.98
Provisions	(VIII)39	185,493,182.45	159,435,795.50
Deferred income	(VIII)40	923,349,449.41	1,268,975,316.61
Deferred tax liabilities	(VIII)22	4,869,165,969.03	4,795,985,333.59
Other non-current liabilities	(VIII)41	164,442,477.36	182,720,254.84
Total non-current liabilities		40,251,047,235.81	41,112,716,783.95
TOTAL LIABILITIES		73,713,649,295.83	73,359,413,107.20

The accompanying notes form part of the financial statements.

Consolidated Balance Sheet - continued

RMB

Item	Notes	Closing Balance	Opening Balance
Shareholders' equity:			
Share capital	(VIII)42	2,481,842,185.00	2,501,308,481.00
Including: State capital		-	-
State-owned corporate capital		2,235,944,258.00	2,236,269,506.00
Collective capital		-	-
Private capital		227,577,129.00	240,947,591.00
Foreign capital		18,320,798.00	24,091,384.00
Other equity instruments		-	-
Including: Preference shares		-	-
Perpetual bonds		-	-
Capital reserve	(VIII)44	36,816,586,615.98	37,362,981,831.67
Less: Treasury shares	(VIII)43	-	50,559,789.14
Other comprehensive income	(VIII)45	-969,163,426.51	-1,558,381,237.45
Including: Translation difference of financial statements denominated in foreign currencies		-708,485,813.50	-1,030,995,258.63
Specific reserve	(VIII)46	57,278,650.39	40,074,647.27
Surplus reserve	(VIII)47	1,249,537,330.50	1,249,537,330.50
Including: Legal reserve		1,249,537,330.50	1,249,537,330.50
Arbitrary accumulation fund		-	-
Retained earnings	(VIII)48	24,729,748,576.84	21,957,778,579.11
Total equity attributable to shareholders of the Company		64,365,829,932.20	61,502,739,842.96
Non-controlling interests		66,935,218,266.65	66,655,698,931.29
TOTAL SHAREHOLDERS' EQUITY		131,301,048,198.85	128,158,438,774.25
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		205,014,697,494.68	201,517,851,881.45

The accompanying notes form part of the financial statements.

The financial statements were signed by the following:

Xu Song	Huang Zhenzhou	Liu Shixia
Legal Representative	Chief Financial Officer	Head of Accounting Department

Balance Sheet of the Company

RMB

Item	Notes	Closing Balance	Opening Balance
Current Assets:			
Cash and bank balances		2,754,342,020.39	4,051,544,937.38
Including: Cash deposited in the finance company		1,739,063,279.42	2,738,121,884.17
Financial assets held for trading		3,253,363,657.53	2,902,402,602.73
Derivative financial assets		-	-
Bills receivable		-	-
Accounts receivable		-	-
Receivables under financing		-	-
Prepayments		339,344.00	879,205.65
Funds receivable under centralised management		-	-
Other receivables	(XX)1	1,176,102,035.60	2,413,442,661.68
Including: Dividends receivable	(XX)1	148,813,646.87	965,690,879.89
Inventories		-	-
Including: Raw materials		-	-
Goods in stock (finished products)		-	-
Data resources		-	-
Contract assets		-	-
Assets held for sale		-	-
Non-current assets due within one year		155,510.11	-
Other current assets		10,184,446.02	8,783,543.80
Total current assets		7,194,487,013.65	9,377,052,951.24
Non-current Assets:			
Debt investments		-	-
Other debt investments		-	-
Long-term receivables		217,060,862.62	9,546,673.32
Long-term equity investments	(XX)2	56,471,842,754.45	56,009,282,172.30
Investments in other equity instruments		130,399,200.00	130,125,719.67
Other non-current financial assets		-	-
Investment properties		-	-
Fixed assets		24,431,510.36	25,785,696.83
Including: Fixed assets - cost		34,337,104.85	33,196,561.49
Accumulated depreciation		9,905,594.49	7,410,864.66
Provision for impairment of fixed assets		-	-
Construction in progress		1,014,339.62	607,774.34
Right-of-use assets		-	-
Intangible assets		87,413,564.25	55,685,403.63
Including: Data resources		-	-
Development costs		9,629,737.65	53,435,391.51
Including: Data resources		-	-
Goodwill		-	-
Long-term deferred expenses		554,450.68	287,141.10
Deferred tax assets		-	-
Other non-current assets		-	-
Total non-current assets		56,942,346,419.63	56,284,755,972.70
TOTAL ASSETS		64,136,833,433.28	65,661,808,923.94

The accompanying notes form part of the financial statements.

Balance Sheet of the Company - continued

RMB

Item	Notes	Closing Balance	Opening Balance
Current Liabilities:			
Short-term borrowings		-	136,552,893.75
Financial liabilities held for trading		-	-
Derivative financial liabilities		-	-
Bills payable		-	-
Accounts payable		-	-
Advance payments received		-	-
Contract liabilities		-	-
Employee benefits payable		68,938,370.19	57,295,154.90
Including: Payroll payable		68,787,532.24	57,135,815.24
Welfare payable		-	-
Taxes payable		4,410,347.86	2,967,430.48
Including: Taxes payable		4,410,347.86	2,967,430.48
Other payables		864,340,142.41	413,758,779.36
Including: Dividends payable		34,577,578.12	34,577,578.12
Liabilities held for sale		-	-
Non-current liabilities due within one year		4,107,494,323.34	3,126,770,180.31
Other current liabilities		2,037,223,115.04	4,020,214,246.58
Total current liabilities		7,082,406,298.84	7,757,558,685.38
Non-current Liabilities:			
Long-term borrowings		2,242,804,000.00	7,966,000,000.00
Bonds payable		11,000,000,000.00	6,000,000,000.00
Including: Preference shares		-	-
Perpetual bonds		-	-
Lease liabilities		-	-
Long-term payables		-	-
Long-term employee benefits payable		-	-
Provisions		-	-
Deferred income		-	11,000,000.00
Deferred tax liabilities		37,309,068.19	37,000,434.40
Other non-current liabilities		-	-
Total non-current liabilities		13,280,113,068.19	14,014,000,434.40
TOTAL LIABILITIES		20,362,519,367.03	21,771,559,119.78

The accompanying notes form part of the financial statements.

Balance Sheet of the Company - continued

RMB

Item	Notes	Closing Balance	Opening Balance
Shareholders' equity			
Share capital		2,481,842,185.00	2,501,308,481.00
Including: State capital		-	-
State-owned corporate capital		2,235,944,258.00	2,236,269,506.00
Collective capital		-	-
Private capital		227,577,129.00	240,947,591.00
Foreign capital		18,320,798.00	24,091,384.00
Other equity instruments		-	-
Including: Preference shares		-	-
Perpetual bonds		-	-
Capital reserve		37,426,664,891.68	37,773,833,882.62
Less: Treasury shares		-	50,559,789.14
Other comprehensive income		108,754,933.18	130,414,442.07
Including: Translation difference of financial statements denominated in foreign currencies		-	-
Specific reserve		-	-
Surplus reserve		1,249,537,330.50	1,249,537,330.50
Including: Legal reserve		1,249,537,330.50	1,249,537,330.50
Arbitrary accumulation fund		-	-
Retained earnings		2,507,514,725.89	2,285,715,457.11
Total shareholders' equity		43,774,314,066.25	43,890,249,804.16
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		64,136,833,433.28	65,661,808,923.94

The accompanying notes form part of the financial statements.

Consolidated Income Statement

RMB

Item	Notes	For the year ended 31 December	
		Current Year	Prior Year
I. Total operating income	(VIII)49	17,246,382,527.85	16,130,778,028.24
Including: Operating income		17,246,382,527.85	16,130,778,028.24
II. Total operating costs		13,239,243,126.94	13,409,015,440.91
Less: Operating costs	(VIII)49	9,656,187,248.28	9,196,016,692.35
Taxes and surcharges	(VIII)50	367,073,400.66	332,333,763.15
Selling and distribution expenses		-	-
General and administrative expenses	(VIII)51	1,533,391,292.39	1,821,544,282.18
Research and development expenses	(VIII)52	177,750,273.52	201,755,066.36
Financial expenses	(VIII)53	1,504,840,912.09	1,857,365,636.87
Including: Interest expenses		1,910,007,525.81	2,215,219,118.52
Interest income		379,520,826.85	477,430,320.41
Net exchange loss ("-" for gains)		-44,557,295.34	109,256,513.08
Add: Other income	(VIII)54	172,426,753.42	185,410,303.29
Investment income ("-" for losses)	(VIII)55	6,421,520,127.75	6,546,996,531.50
Including: Income from investments in associates and joint ventures	(VIII)55	6,324,208,650.73	6,441,005,613.25
Income arising from derecognition of financial assets measured at amortised cost		-	-
Net exposure hedging income ("-" for losses)		-	-
Gains from changes in fair value ("-" for losses)	(VIII)56	42,374,127.06	390,232,365.15
Reversal of credit impairment	(VIII)57	-290,616,620.93	272,994,309.08
Impairment losses ("-" for losses)	(VIII)58	-10,072,860.74	-8,880,788.88
Gains from asset disposals ("-" for losses)	(VIII)59	7,391,759.06	34,062,395.75

The accompanying notes form part of the financial statements.

Consolidated Income Statement - continued

RMB

Item	Notes	For the year ended 31 December	
		Current Year	Prior Year
III. Operating profit		10,350,162,686.53	10,142,577,703.22
Add: Non-operating income	(VIII)60	83,919,649.43	59,018,655.32
Including: Government grants		-	-
Less: Non-operating expenses	(VIII)61	57,795,398.52	70,252,101.73
IV. Profit before income tax		10,376,286,937.44	10,131,344,256.81
Less: Income tax expenses	(VIII)64	1,470,295,014.95	1,252,837,946.90
V. Net profit for the year		8,905,991,922.49	8,878,506,309.91
(I) Net profit classified by continuity of operations			
1. Net profit from continuing operation		8,905,991,922.49	8,878,506,309.91
2. Net profit from discontinued operation		-	-
(II) Net profit classified by ownership			
1. Attributable to shareholders of the Company		4,611,352,247.98	4,516,301,317.16
2. Non-controlling interests		4,294,639,674.51	4,362,204,992.75
VI. Other comprehensive income, net of tax	(VIII)45	1,426,044,252.93	-1,529,342,680.40
(I) Other comprehensive income (net of tax) attributable to shareholders of the Company		589,008,913.80	-654,754,643.10
1. Items that will not be reclassified to profit or loss		35,827,407.85	-102,848,966.14
(1) Remeasurement of defined benefit plan		23,088,562.44	-24,453,072.38
(2) Other comprehensive income recognised under the equity method		11,925,433.55	-64,909,867.66
(3) Changes in fair value of investments in other equity instruments		813,411.86	-13,486,026.10
(4) Changes in fair value of entity's own credit risk		-	-
(5) Others		-	-
2. Item that reclassified to profit or loss		553,181,505.95	-551,905,676.96
(1) Other comprehensive income recognised under the equity method		230,672,060.82	25,113,263.42
(2) Changes in fair value of other debt investments		-	-
(3) Amount of financial assets reclassified into other comprehensive income		-	-
(4) Credit losses of other debt investments		-	-
(5) Cash flow hedge reserve (effective part of cash flow hedging profit and loss)		-	-
(6) Translation differences arising from translation of foreign currency financial statements		322,509,445.13	-577,018,940.38
(7) Others		-	-
(II) Other comprehensive income (net of tax) attributable to non-controlling interests		837,035,339.13	-874,588,037.30
VII. Total comprehensive income for the year		10,332,036,175.42	7,349,163,629.51
(I) Attributable to shareholders of the Company		5,200,361,161.78	3,861,546,674.06
(II) Attributable to non-controlling interests		5,131,675,013.64	3,487,616,955.45
VIII. Earnings per share			
(I) Basic earnings per share (RMB/share)		1.85	1.81
(II) Diluted earnings per share (RMB/share)		1.85	1.81

The accompanying notes form part of the financial statements.

Income Statement of the Company

RMB

Item	Notes	For the year ended 31 December	
		Current Year	Prior Year
I. Total operating income	(XX)3	21,190,068.20	18,456,183.80
Including: Operating costs	(XX)3	3,739,443.84	3,739,443.84
Taxes and surcharges		1,195,169.13	1,304,373.74
Selling and distribution expenses		-	-
General and administrative expenses		185,237,799.33	157,158,232.51
Research and development expenses		8,137,624.92	17,042,748.71
Financial expenses		393,541,343.52	406,958,438.88
Including: Interest expenses		435,895,067.88	483,982,034.35
Interest income		54,998,360.11	85,684,756.27
Net exchange loss ("-" for losses)		8,468,483.63	2,351,741.58
Add: Other income		302,422.78	397,379.05
Investment income ("-" for losses)	(XX)4	2,626,531,594.62	2,453,196,389.65
Including: Income from investments in associates and joint ventures	(XX)4	1,227,350,189.01	1,154,581,593.08
Income arising from derecognition of financial assets measured at amortised cost		-	-
Net exposure hedging income ("-" for losses)		-	-
Gains from changes in fair value ("-" for losses)		3,782,835.61	4,999,863.00
Reversal of credit impairment ("-" for losses)		-	-
Impairment losses ("-" for losses)		-	-
Gains from asset disposals ("-" for losses)		-	-9,551.52
II. Operating profit		2,059,955,540.47	1,890,837,026.30
Add: Non-operating income		1,920,689.20	185,319.67
Including: Government grants			-
Less: Non-operating expenses		-	-
III. Profit before income tax		2,061,876,229.67	1,891,022,345.97
Less: Income tax expenses		240,263.71	471,198.63
IV. Net profit for the year		2,061,635,965.96	1,890,551,147.34
Net profit from continuing operations ("-" for net loss)		2,061,635,965.96	1,890,551,147.34
Net profit from discontinued operations ("-" for net loss)		-	-
V. Other comprehensive income, net of tax		-21,659,508.89	9,893,609.24
(I) Items that will not be reclassified to profit or loss		427,516.47	-14,557,437.08
1. Remeasurement of the defined benefit plan		-	-
2. Other comprehensive income recognised under the equity method		222,406.22	-1,085,453.65
3. Changes in fair value of investments in other equity instruments		205,110.25	-13,471,983.43
4. Changes in fair value of entity's own credit risk		-	-
5. Others		-	-
(II) Items that may be reclassified to profit or loss		-22,087,025.36	24,451,046.32
1. Other comprehensive income recognised under the equity method		-22,087,025.36	24,451,046.32
2. Changes in fair value of other debt investments		-	-
3. Amount of financial assets reclassified into other comprehensive income		-	-
4. Credit losses of other debt investments		-	-
5. Cash flow hedge reserve (effective part of cash flow hedging profit and loss)		-	-
6. Translation differences arising from translation of foreign currency financial statements		-	-
7. Others		-	-
VI. Total comprehensive income for the year		2,039,976,457.07	1,900,444,756.58

The accompanying notes form part of the financial statements.

Consolidated Cash Flow Statement

RMB

Item	Notes	For the year ended 31 December	
		Current Year	Prior Year
I. Cash flows from operating activities:			
Proceeds from sale of goods and rendering of services		17,599,258,943.33	16,589,207,291.70
Refund of taxes		28,876,015.22	180,073,212.01
Proceeds from other operating activities	(VIII)67(1)	979,067,512.74	1,413,169,094.11
Sub-total of cash inflows		18,607,202,471.29	18,182,449,597.82
Payment for goods and services		4,540,007,962.94	4,334,345,500.75
Payment to and for employees		3,655,492,281.56	3,464,632,790.50
Payment of various taxes		1,615,413,653.01	1,594,215,474.70
Payment for other operating activities	(VIII)67(1)	621,856,184.73	776,043,007.47
Sub-total of cash outflows		10,432,770,082.24	10,169,236,773.42
Net cash inflow from operating activities	(VIII)68(1)	8,174,432,389.05	8,013,212,824.40
II. Cash flows from investing activities:			
Proceeds from disposal of investments		48,319,800,000.00	27,563,331,868.18
Investment returns received		3,124,782,018.71	2,945,983,531.55
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		204,058,464.74	63,168,477.18
Net proceeds from disposal of subsidiaries and other business units		-	-
Proceeds from other investing activities	(VIII)67(2)	243,876,733.40	16,260,626.10
Sub-total of cash inflows		51,892,517,216.85	30,588,744,503.01
Payment for acquisition of fixed assets, intangible assets and other long-term assets		2,177,197,094.25	1,945,061,261.66
Payment for acquisition of investments		50,171,806,292.72	27,610,855,675.82
Net payment for acquisition of subsidiaries and other business units		12,986,529.91	293,358,563.60
Payment for other investing activities	(VIII)67(2)	198,813,248.05	261,140,547.34
Sub-total of cash outflows		52,560,803,164.93	30,110,416,048.42
Net cash inflow from investing activities		-668,285,948.08	478,328,454.59
III. Cash flows from financing activities:			
Proceeds from investors		7,225,165.59	76,758,234.49
Including: Proceeds from non-controlling shareholders of subsidiaries		-	43,561,800.00
Proceeds from borrowings		34,549,428,532.14	26,764,844,974.84
Proceeds from other financing activities	(VIII)67(3)	296,545,809.81	55,862,550.05
Sub-total of cash inflows		34,853,199,507.54	26,897,465,759.38
Repayments of borrowings		34,753,648,649.24	27,301,766,289.39
Payment for dividends, profit distributions or interest	(VIII)68(3)	6,676,591,884.69	6,961,913,964.29
Including: Dividends and profits paid to non-controlling shareholders of subsidiaries		3,163,208,603.63	3,553,580,816.50
Payment for other financing activities	(VIII)67(3)	2,194,782,463.37	539,924,528.35
Sub-total of cash outflows		43,625,022,997.30	34,803,604,782.03
Net cash outflow from financing activities		-8,771,823,489.76	-7,906,139,022.65
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-5,034,844.08	-88,946,332.53
V. Net increase in cash and cash equivalents	(VIII)68(1)	-1,270,711,892.87	496,455,923.81
Add: Cash and cash equivalents at the beginning of the year		16,515,069,554.91	16,018,613,631.10
VI. Cash and cash equivalents at the end of the year	(VIII)68(2)	15,244,357,662.04	16,515,069,554.91

The accompanying notes form part of the financial statements.

Cash Flow Statement of the Company

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Item	Notes	For the year ended 31 December	
		Current Year	Prior Year
I. Cash flows from operating activities:			
Proceeds from sale of goods and rendering of services		-	-
Refunds of taxes		220,631.35	4,722,220.72
Proceeds from other operating activities		157,346,724.18	465,774,682.36
Sub-total of cash inflows		157,567,355.53	470,496,903.08
Payment for goods and services		3,418,230.00	105,600.00
Payment to and for employees		106,957,419.23	99,220,574.59
Payment of various taxes		580,390.65	548,632.16
Payment for other operating activities		137,691,009.08	420,429,917.05
Sub-total of cash outflows		248,647,048.96	520,304,723.80
Net cash outflow from operating activities		-91,079,693.43	-49,807,820.72
II. Cash flows from investing activities:			
Proceeds from disposal of investments		21,124,800,000.00	10,500,000,000.00
Investment returns received		2,845,845,933.27	922,093,300.17
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		-	4,620.00
Net proceeds from disposals of subsidiaries and other business units		-	-
Proceeds from other investing activities		2,157,923,095.86	2,105,669,483.62
Sub-total of cash inflows		26,128,569,029.13	13,527,767,403.79
Payment for acquisition of fixed assets, intangible assets and other long-term assets		1,838,704.87	18,200,422.44
Payment for acquisition of investments		21,350,000,000.00	11,945,339,800.00
Net payment for acquisition of subsidiaries and other business units		-	-
Payment for other investing activities		1,645,853,857.02	1,990,013,432.08
Sub-total of cash outflows		22,997,692,561.89	13,953,553,654.52
Net cash inflow/(outflow) from investing activities		3,130,876,467.24	-425,786,250.73
III. Cash flows from financing activities:			
Proceeds from investors		7,225,165.59	33,196,434.49
Proceeds from borrowings		9,453,406,452.28	14,361,983,943.48
Proceeds from other financing activities		11,831,089.81	11,034,623.06
Sub-total of cash inflows		9,472,462,707.68	14,406,215,001.03
Repayments of borrowings		11,160,273,000.00	11,207,000,000.00
Payment for dividends, profit distributions or interests		2,296,327,290.40	1,920,172,028.00
Payment for other financing activities		354,268,537.81	68,463,301.09
Sub-total of cash outflows		13,810,868,828.21	13,195,635,329.09
Net cash (outflow)/inflow from financing activities		-4,338,406,120.53	1,210,579,671.94
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-614,028.81	312,670.57
V. Net (decrease)/increase in cash and cash equivalents ("-" for net decrease)		-1,299,223,375.53	735,298,271.06
Add: Cash and cash equivalents at the beginning of the year		4,016,283,989.90	3,280,985,718.84
VI. Cash and cash equivalents at the end of the year		2,717,060,614.37	4,016,283,989.90

The accompanying notes form part of the financial statements.

Consolidated Statement of Changes in Shareholders' Equity

RMB

Item	Current Year													
	Equity attributable to shareholders of the Company												Non-controlling interests	Total
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Including: Translation difference of financial statements denominated in foreign currencies	Specific reserve	Surplus reserve	Retained earnings	Subtotal		
		Preference shares	Perpetual bonds	Others										
I. Balance at the end of the previous year	2,501,308,481.00	-	-	-	37,362,981,831.67	50,559,789.14	-1,558,381,237.45	-1,030,995,258.63	40,074,647.27	1,249,537,330.50	21,957,778,579.11	61,502,739,842.96	66,655,698,931.29	128,158,438,774.25
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corrections of prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business combination involving entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at the beginning of the year	2,501,308,481.00	-	-	-	37,362,981,831.67	50,559,789.14	-1,558,381,237.45	-1,030,995,258.63	40,074,647.27	1,249,537,330.50	21,957,778,579.11	61,502,739,842.96	66,655,698,931.29	128,158,438,774.25
III. Changes in equity during the year	-19,466,296.00	-	-	-	-546,395,215.69	-50,559,789.14	589,217,810.94	322,509,445.13	17,204,003.12	-	2,771,969,997.73	2,863,090,089.24	279,519,335.36	3,142,609,424.60
(I) Total comprehensive income	-	-	-	-	-	-	589,008,913.80	322,509,445.13	-	-	4,611,352,247.98	5,200,361,161.78	5,131,675,013.64	10,332,036,175.42
(II) Shareholders' contributions of capital	-19,466,296.00	-	-	-	-546,395,215.69	-50,559,789.14	208,897.14	-	33,514.20	-	454,446.93	-514,604,864.28	-1,661,668,210.63	-2,176,273,074.91
1. Contribution by ordinary shareholders	351,400.00	-	-	-	5,489,164.28	-	-	-	-	-	-	5,840,564.28	-	5,840,564.28
2. Contribution by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Equity-settled share-based payments	-	-	-	-	-506,305.80	-	-	-	-	-	-	-506,305.80	-359,394.37	-865,700.17
4. Others	-19,817,696.00	-	-	-	-551,378,074.17	-50,559,789.14	208,897.14	-	33,514.20	-	454,446.93	-519,939,122.76	-1,661,308,816.26	-2,181,247,939.02
(III) Appropriation of profits	-	-	-	-	-	-	-	-	-	-	-1,839,836,697.18	-1,839,836,697.18	-3,202,040,013.42	-5,041,876,710.60
1. Appropriation for surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Including: Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Arbitrary accumulation fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Distribution to shareholders	-	-	-	-	-	-	-	-	-	-	-1,839,836,697.18	-1,839,836,697.18	-3,146,813,250.95	-4,986,649,948.13
3. Others	-	-	-	-	-	-	-	-	-	-	-	-	-55,226,762.47	-55,226,762.47
(IV) Transfers within equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Share capital increased by capital reserve transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Share capital increased by surplus reserve transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Transfer of surplus reserve to offset losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Changes arising from defined benefit plan transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Transfer of other comprehensive income to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Specific reserve	-	-	-	-	-	-	-	-	17,170,488.92	-	-	17,170,488.92	11,552,545.77	28,723,034.69
1. Appropriation during the year	-	-	-	-	-	-	-	-	64,383,426.24	-	-	64,383,426.24	63,217,592.53	127,601,018.77
2. Utilisation during the year	-	-	-	-	-	-	-	-	-47,212,937.32	-	-	-47,212,937.32	-51,665,046.76	-98,877,984.08
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Balance at the end of the year	2,481,842,185.00	-	-	-	36,816,586,615.98	-	-969,163,426.51	-708,485,813.50	57,278,650.39	1,249,537,330.50	24,729,748,576.84	64,365,829,932.20	66,935,218,266.65	131,301,048,198.85

Consolidated Statement of Changes in Shareholders' Equity - continued

RMB

Item	Prior Year													
	Equity attributable to shareholders of the Company												Non-controlling interests	Total
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Including: Translation difference of financial statements denominated in foreign currencies	Specific reserve	Surplus reserve	Retained earnings	Subtotal		
		Preference shares	perpetual bonds	others										
I. Balance at the end of the previous year	2,499,074,661.00	-	-	-	37,076,846,803.06	-	-903,626,594.35	-453,976,318.25	34,003,994.41	1,095,980,563.68	19,045,313,519.75	58,847,592,947.55	66,722,341,481.26	125,569,934,428.81
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corrections of prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business combination involving entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at the beginning of the year	2,499,074,661.00	-	-	-	37,076,846,803.06	-	-903,626,594.35	-453,976,318.25	34,003,994.41	1,095,980,563.68	19,045,313,519.75	58,847,592,947.55	66,722,341,481.26	125,569,934,428.81
III. Changes in equity during the year	2,233,820.00	-	-	-	286,135,028.61	50,559,789.14	-654,754,643.10	-577,018,940.38	6,070,652.86	153,556,766.82	2,912,465,059.36	2,655,146,895.41	-66,642,549.97	2,588,504,345.44
(I) Total comprehensive income	-	-	-	-	-	-	-654,754,643.10	-577,018,940.38	-	-	4,516,301,317.16	3,861,546,674.06	3,487,616,955.45	7,349,163,629.51
(II) Shareholders' contributions of capital	2,233,820.00	-	-	-	286,135,028.61	50,559,789.14	-	-	-	-	-	237,809,059.47	56,472,428.06	294,281,487.53
1. Contribution by ordinary shareholders	2,233,820.00	-	-	-	39,515,503.24	-	-	-	-	-	-	41,749,323.24	43,561,800.00	85,311,123.24
2. Contribution by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Equity-settled share-based payments	-	-	-	-	-6,138,284.56	-	-	-	-	-	-	-6,138,284.56	-1,909,854.96	-8,048,139.52
4. Others	-	-	-	-	252,757,809.93	50,559,789.14	-	-	-	-	-	202,198,020.79	14,820,483.02	217,018,503.81
(III) Appropriation of profits	-	-	-	-	-	-	-	-	-	153,556,766.82	-1,603,836,257.80	-1,450,279,490.98	-3,609,778,395.68	-5,060,057,886.66
1. Appropriation for surplus reserve	-	-	-	-	-	-	-	-	-	153,556,766.82	-153,556,766.82	-	-	-
Including: Legal reserve	-	-	-	-	-	-	-	-	-	153,556,766.82	-153,556,766.82	-	-	-
Arbitrary accumulation fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Distribution to shareholders	-	-	-	-	-	-	-	-	-	-	-1,450,279,490.98	-1,450,279,490.98	-3,554,586,317.66	-5,004,865,808.64
3. Others	-	-	-	-	-	-	-	-	-	-	-	-	-55,192,078.02	-55,192,078.02
(IV) Transfers within equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Share capital increased by capital reserve transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Share capital increased by surplus reserve transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Transfer of surplus reserve to offset losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Changes arising from defined benefit plan transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Transfer of other comprehensive income to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Specific reserve	-	-	-	-	-	-	-	-	6,070,652.86	-	-	6,070,652.86	-953,537.80	5,117,115.06
1. Appropriation during the year	-	-	-	-	-	-	-	-	59,210,779.71	-	-	59,210,779.71	58,293,123.14	117,503,902.85
2. Utilisation during the year	-	-	-	-	-	-	-	-	-53,140,126.85	-	-	-53,140,126.85	-59,246,660.94	-112,386,787.79
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Balance at the end of the year	2,501,308,481.00	-	-	-	37,362,981,831.67	50,559,789.14	-1,558,381,237.45	-1,030,995,258.63	40,074,647.27	1,249,537,330.50	21,957,778,579.11	61,502,739,842.96	66,655,698,931.29	128,158,438,774.25

The accompanying notes form part of the financial statements.

The Company's Statement of Changes in Shareholders' Equity

RMB

Item	For the year ended 31 December 2025											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Including: Translation difference of financial statements denominated in foreign currencies	Specific reserve	Surplus reserve	Retained earnings	Total
		Preference shares	perpetual bonds	others								
I. Balance at the end of the previous year	2,501,308,481.00	-	-	-	37,773,833,882.62	50,559,789.14	130,414,442.07	-	-	1,249,537,330.50	2,285,715,457.11	43,890,249,804.16
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-
Corrections of prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at the beginning of the year	2,501,308,481.00	-	-	-	37,773,833,882.62	50,559,789.14	130,414,442.07	-	-	1,249,537,330.50	2,285,715,457.11	43,890,249,804.16
III. Changes in equity during the year	-19,466,296.00	-	-	-	-347,168,990.94	-50,559,789.14	-21,659,508.89	-	-	-	221,799,268.78	-115,935,737.91
(I) Total comprehensive income	-	-	-	-	-	-	-21,659,508.89	-	-	-	2,061,635,965.96	2,039,976,457.07
(II) Shareholders' contributions of capital	-19,466,296.00	-	-	-	-347,168,990.94	-50,559,789.14	-	-	-	-	-	-316,075,497.80
1. Contribution by ordinary shareholders	351,400.00	-	-	-	5,860,358.48	-	-	-	-	-	-	6,211,758.48
2. Contribution by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
3. Equity-settled share-based payments	-	-	-	-	-877,500.00	-	-	-	-	-	-	-877,500.00
4. Others	-19,817,696.00	-	-	-	-352,151,849.42	-50,559,789.14	-	-	-	-	-	-321,409,756.28
(III) Appropriation of profits	-	-	-	-	-	-	-	-	-	-	-1,839,836,697.18	-1,839,836,697.18
1. Appropriation for surplus reserve	-	-	-	-	-		-	-	-	-	-	-
Including: Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-
Arbitrary accumulation fund	-	-	-	-	-	-	-	-	-	-	-	-
2. Distribution to shareholders	-	-	-	-	-		-	-	-	-	-1,839,836,697.18	-1,839,836,697.18
3. Others	-	-	-	-	-		-	-	-	-	-	-
(IV) Transfers within equity	-	-	-	-	-		-	-	-	-	-	-
1. Share capital increased by capital reserve transfer	-	-	-	-	-		-	-	-	-	-	-
2. Share capital increased by surplus reserve transfer	-	-	-	-	-		-	-	-	-	-	-
3. Transfer of surplus reserve to offset losses	-	-	-	-	-		-	-	-	-	-	-
4. Changes arising from defined benefit plan transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
5. Transfer of other comprehensive income to retained earnings	-	-	-	-	-		-	-	-	-	-	-
6. Others	-	-	-	-	-		-	-	-	-	-	-
(V) Specific reserve	-	-	-	-	-		-	-	-	-	-	-
1. Appropriation during the year	-	-	-	-	-		-	-	-	-	-	-
2. Utilisation during the year	-	-	-	-	-		-	-	-	-	-	-
(VI) Others	-	-	-	-	-		-	-	-	-	-	-
IV. Balance at the end of the year	2,481,842,185.00	-	-	-	37,426,664,891.68	-	108,754,933.18	-	-	1,249,537,330.50	2,507,514,725.89	43,774,314,066.25

The Company's Statement of Changes in Shareholders' Equity - continued

RMB

Item	Prior Year											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Including: Translation difference of financial statements denominated in foreign currencies	Specific reserve	Surplus reserve	Retained earnings	Total
		Preference shares	perpetual bonds	others								
I. Balance at the end of the previous year	2,499,074,661.00	-	-	-	37,704,543,586.11	-	120,520,832.83	-	-	1,095,980,563.68	1,999,000,567.57	43,419,120,211.19
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-
Corrections of prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at the beginning of the year	2,499,074,661.00	-	-	-	37,704,543,586.11	-	120,520,832.83	-	-	1,095,980,563.68	1,999,000,567.57	43,419,120,211.19
III. Changes in equity during the year	2,233,820.00	-	-	-	69,290,296.51	50,559,789.14	9,893,609.24	-	-	153,556,766.82	286,714,889.54	471,129,592.97
(I) Total comprehensive income	-	-	-	-	-	-	9,893,609.24	-	-	-	1,890,551,147.34	1,900,444,756.58
(II) Shareholders' contributions of capital	2,233,820.00	-	-	-	69,290,296.51	50,559,789.14	-	-	-	-	-	20,964,327.37
1. Contribution by ordinary shareholders	2,233,820.00	-	-	-	39,515,503.24	-	-	-	-	-	-	41,749,323.24
2. Contribution by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
3. Equity-settled share-based payments	-	-	-	-	-6,172,572.05	-	-	-	-	-	-	-6,172,572.05
4. Others	-	-	-	-	35,947,365.32	50,559,789.14	-	-	-	-	-	-14,612,423.82
(III) Appropriation of profits	-	-	-	-	-	-	-	-	-	153,556,766.82	-1,603,836,257.80	-1,450,279,490.98
1. Appropriation for surplus reserve	-	-	-	-	-	-	-	-	-	153,556,766.82	-153,556,766.82	-
Including: Legal reserve	-	-	-	-	-	-	-	-	-	153,556,766.82	-153,556,766.82	-
Arbitrary accumulation fund	-	-	-	-	-	-	-	-	-	-	-	-
2. Distribution to shareholders	-	-	-	-	-	-	-	-	-	-	-1,450,279,490.98	-1,450,279,490.98
3. Others	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Transfers within equity	-	-	-	-	-	-	-	-	-	-	-	-
1. Share capital increased by capital reserve transfer	-	-	-	-	-	-	-	-	-	-	-	-
2. Share capital increased by surplus reserve transfer	-	-	-	-	-	-	-	-	-	-	-	-
3. Transfer of surplus reserve to offset losses	-	-	-	-	-	-	-	-	-	-	-	-
4. Changes arising from defined benefit plan transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
5. Transfer of other comprehensive income to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-
(V) Specific reserve	-	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation during the year	-	-	-	-	-	-	-	-	-	-	-	-
2. Utilisation during the year	-	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-
IV. Balance at the end of the year	2,501,308,481.00	-	-	-	37,773,833,882.62	50,559,789.14	130,414,442.07	-	-	1,249,537,330.50	2,285,715,457.11	43,890,249,804.16

The accompanying notes form part of the financial statements.

(I) GENERAL INFORMATION OF THE COMPANY

China Merchants Port Group Co., Ltd. (hereinafter referred to as the "Company") is a joint-stock company incorporated in Shenzhen, Guangdong Province, on 16 January 1993.

The headquarters of the Company is located in Shenzhen, Guangdong Province. The Company and its subsidiaries (collectively the "Group") are actually engaged in the principal operating activities of port services, bonded logistics services and other businesses such as property development and investment.

The Company's and consolidated financial statements were approved by the Board of Directors on 1 April 2026.

(II) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Basis of preparation of financial statements

The Group has adopted the Accounting Standards for Business Enterprises (hereinafter referred to as "ASBE") issued by the Ministry of Finance. In addition, the Group has disclosed relevant financial information in accordance with *Information Disclosure and Presentation Rules for Companies Offering Securities to the Public No. 15 - General Provisions on Financial Reporting* (Revised in 2023).

Going concern

As at 31 December 2025, the Group had total current liabilities in excess of total current assets by RMB 7,384,414,975.47. As at 31 December 2025, the Group had available and unused credit facilities and bonds amounting to RMB 49,239,851,263.83 , which is greater than the balance of the net current liabilities. The Group can obtain financial support from the available line of credit and bonds when needed. Therefore, the financial statements have been prepared on a going concern basis.

(III) STATEMENT OF COMPLIANCE WITH THE ASBE

The financial statements prepared by the Company comply with the requirements of the Accounting Standards for Business Enterprises, and truly and completely reflect the consolidated and Company's financial position as at 31 December 2025, and the consolidated and Company's operating results, consolidated and Company's shareholders' equity, and consolidated and Company's cash flow for the year ended 31 December 2025.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Accounting year

The financial year of the Group is from 1 January to 31 December of the Gregorian calendar year.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

2. Operating cycle

Business cycle refers to the period from the purchase of assets for processing to the realization of cash or cash equivalents. The Group is actually engaged in the principal operating activities of port services, bonded logistics services and other businesses such as property development and investment.

3. Functional currency

The Company's functional currency is Renminbi (hereinafter referred to as "RMB"), and these financial statements are presented in RMB. The Company and its domestic subsidiaries use RMB as their bookkeeping base currency. The Company's overseas subsidiaries determine their functional currency according to the currency in the primary economic environment in which they operate. The Company adopts RMB to prepare its financial statements.

4. Basis of accounting and principle of measurement

The Group has adopted the accrual basis of accounting. Except for financial instruments which are measured at fair value, the Group adopts the historical cost as the principle of measurement of the financial statements. Upon being restructured into a stock company, the fixed assets and intangible assets initially contributed by the state-owned shareholders are recognised based on the valuation amounts confirmed by the state-owned assets administration department. Where assets are impaired, provisions for asset impairment are made in accordance with the relevant requirements.

Where the historical cost is adopted as the measurement basis, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds or assets received or the contractual amounts for assuming the present obligation, or, at the amounts of cash or cash equivalents expected to be paid to settle the liabilities in the normal course of business.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using valuation technique. Fair value measurement and disclosure in the financial statements are determined according to the above basis.

In the measurement of non-financial assets at fair value, market participants' ability to best utilize such assets to generate most economic benefits, or the ability to sell such assets to other market participants who are able to best utilize the assets to generate economic benefits is taken into account.

For financial assets of which transaction prices are the fair value on initial recognition, and of which valuation technique involving unobservable input is used in subsequent measurement, the valuation technique in the course of valuation is adjusted to enable the result of initial recognition based on the valuation technique equal to the transaction price.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

4. Basis of accounting and principle of measurement - continued

Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

5. Method for determination of materiality criteria and basis for selection

Item	Materiality criteria
Significant prepayments aged more than 1 year	The amount exceeds RMB 10 million individually
Significant dividends receivable aged more than 1 year	The amount exceeds RMB 5 million individually
Significant other receivables for which bad debt provision is assessed on an individual basis	The amount exceeds RMB 10 million individually
Reversal or recovery of significant bad debt provision	The amount exceeds RMB 10 million individually
Impairment testing of significant long-term equity investments	The carrying amount of an individual long-term equity investment ≥2% of the amount of total assets
Significant construction in progress	The year-end carrying amount of an individual construction in progress ranges top ten
Impairment testing of significant construction in progress	The carrying amount of an individual construction in progress ≥20% of the amount of construction in progress
Significant accounts payable aged more than 1 year	The amount exceeds RMB 10 million individually
Significant advance payments received aged more than 1 year	The amount exceeds RMB 10 million individually
Significant contract liabilities aged more than 1 year	The amount exceeds RMB 10 million individually
Significant dividends payable aged more than 1 year	The amount exceeds RMB 50 million individually
Significant other payables aged more than 1 year	The amount exceeds RMB 30 million individually
Cash flows from significant investing activities	The amount exceeds 0.5% of the amount of total assets individually
Significant non-wholly owned subsidiaries	The amount of total revenue or total assets of subsidiaries exceeds 15% of the amount of total consolidated revenue or total consolidated assets
Significant joint ventures or associates	Joint ventures or associates in which the carrying amount of a long-term equity investment accounts for ≥10% of the amount of total consolidated assets and in which the investment income recognised under the equity method accounts for ≥10% of the amount of total consolidated profit
Significant commitments	The amount exceeds 0.3% of the amount of total assets individually, including reorganization, mergers and acquisitions, and building of construction in progress, etc.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

6. Business combinations

Business combinations are classified into business combinations involving enterprises under common control and business combinations not involving enterprises under common control.

6.1 Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

Assets and liabilities obtained by the combining party shall be measured at their respective carrying amounts as recorded by the final controlling party in the consolidated financial statements at the date of the combination. The difference between share of the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or total par value of issued shares) is adjusted to the share premium in capital reserve. If the share premium is not sufficient to absorb the difference, any excess shall be adjusted against surplus reserve and retained earnings in turn.

Costs that are directly attributable to the combination are charged to profit or loss in the period in which they are incurred. The merger date is the date on which the combining party actually obtains control over the combined party.

6.2 Business combinations not involving enterprises under common control

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties before and after the combination.

The cost of combination is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree. The intermediary expenses (fees in respect of auditing, legal services, valuation and consultancy services, etc.) and other general and administrative expenses attributable to the business combination are recognised in profit or loss in the periods when they are incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities acquired by the acquirer in a business combination that meet the recognition criteria shall be measured at fair value at the acquisition date. The acquisition date refers to the date on which the acquirer actually obtains control over the acquiree.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

6. Business combinations - continued

6.2 Business combinations not involving enterprises under common control - continued

Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, after considering the impact of relevant deferred income tax, the difference is treated as an asset and recognised as goodwill, which is measured at cost on initial recognition. Where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer reassesses the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the cost of combination. If after that reassessment, the cost of combination is still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer recognises the remaining difference immediately in profit or loss for the current period.

7. Goodwill

Goodwill arising from a business combination is measured at cost less accumulated impairment losses, and is presented separately in the consolidated financial statements. Goodwill shall be subject to impairment testing at least at the end of each year.

The impairment testing of goodwill shall be conducted in combination with the relevant assets group or assets group combination. That is, since the purchase date, the book value of goodwill is apportioned to the assets group or combination of assets groups that can benefit from the synergistic effect of business combination in a reasonable way. If the recoverable amount of the assets group or combination of assets groups containing apportioned goodwill is lower than its book value, the corresponding impairment loss is recognised. The amount of impairment loss shall first offset the book value of goodwill apportioned to the assets group or assets group portfolio, and then offset the book value of other assets in proportion to the proportion of the book value of other assets other than goodwill in the assets group or assets group portfolio.

The recoverable amount is the higher of the net amount of the fair value of the assets minus the disposal expenses and the present value of the estimated future cash flow of the assets.

The impairment loss of goodwill shall be included in the current profit and loss when it occurs, and shall not be reversed in future accounting periods.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

8. Consolidated financial statements

The consolidation scope of consolidated financial statements is determined on the basis of control. Control exists when the investor has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power over the investee to affect its returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes in the above elements of the definition of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

For a subsidiary already disposed of by the Group, the operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated income statement and consolidated cash flow statement, as appropriate.

For subsidiaries acquired through a business combination involving enterprises not under common control, when preparing the consolidated financial statements of the current period, the purchased subsidiary will be included in the consolidation scope of the Company from the acquisition date on the basis of the fair value of the identifiable assets and liabilities of the purchased subsidiary determined on the acquisition date. The operating results and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated income statement and consolidated cash flow statement, as appropriate.

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving enterprises under common control, when preparing the consolidated financial statements of the current period, the book value of each assets and liability of the consolidated subsidiary in the final controller's financial statements is taken as the basis, as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the date when they first came under the common control of the ultimate controlling party are included in the consolidated income statement and consolidated cash flow statement, as appropriate.

The significant accounting policies and accounting periods adopted by the subsidiaries are determined based on the uniform accounting policies and accounting periods set out by the Company.

Where the accounting policies and accounting periods adopted by subsidiaries are inconsistent with those of the Company, appropriate adjustments are made to the subsidiaries' financial statements in accordance with the accounting policies of the Company.

All significant intra-group balances and transactions are eliminated on consolidation.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

8. Consolidated financial statements - continued

The portion of subsidiaries' equity that is not attributable to the Company is treated as non-controlling interests and presented as " non-controlling interests " in the consolidated balance sheet under the line item of shareholders' equity. The portion of net profits or losses of subsidiaries for the period attributable to non-controlling interests is presented as " non-controlling interests " in the consolidated income statement under the line item of "net profit". The portion of comprehensive income of subsidiaries for the period attributable to non-controlling interests is presented as " attributable to non-controlling interests " in the consolidated income statement under the line item of "total comprehensive income".

When the amount of loss for the period attributable to the non-controlling shareholders of a subsidiary exceeds the non-controlling shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess amount is still allocated against non-controlling interests.

Acquisition of non-controlling interests or disposal of interests in a subsidiary that does not result in the loss of control over the subsidiary is accounted for as equity transactions. The carrying amounts of the Company's interests and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is adjusted to capital reserve. If the capital reserve is not sufficient to absorb the difference, surplus reserve and retained earnings shall be offset in turn.

For the stepwise acquisition of equity interest till acquiring control after a few transactions and leading to business combination not involving enterprises under common control, it shall be dealt with based on whether it belongs to 'package deal': if it belongs to 'package deal', it will be accounted for as a transactions to acquire control; if it does not belong to 'package deal', it will be accounted for as a transaction to acquire control on acquisition date, and the fair value of acquiree' shares held before acquisition date will be revalued, and the difference between fair value and carrying amount will be recognised in profit or loss of the current period; if acquiree' shares held before acquisition date involve changes in other comprehensive income and other changes in owners' equity under equity method, it will be transferred to income of acquisition date.

When the Group loses control over a subsidiary due to disposal of equity investment or other reasons, any retained interest is re-measured at its fair value at the date when control is lost. The difference between the sum of the consideration obtained from the disposal of equity and the fair value of the remaining equity, less the share of the net assets of the parent company that should be continuously calculated from the purchase date based on the original shareholding ratio, is included in the investment income of the current period when the control right is lost, and at the same time, the goodwill is offset. Other comprehensive income associated with investment in the former subsidiary is reclassified to investment income in the period in which control is lost.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

8. Consolidated financial statements - continued

When the Group loses control of a subsidiary in two or more arrangements (transactions), terms and conditions of the arrangements (transactions) and their economic effects are considered. One or more of the following indicate that the Group shall account for the multiple arrangements as a 'package deal': (i) they are entered into at the same time or in contemplation of each other; (ii) they form a complete transaction designed to achieve an overall commercial effect; (iii) the occurrence of one transaction is dependent on the occurrence of at least one other transaction; (iv) one transaction alone is not economically justified, but it is economically justified when considered together with other transactions. Where the transactions of disposal of equity investments in a subsidiary until the loss of control are assessed as a package deal, these transactions are accounted for as one transaction of disposal of a subsidiary with loss of control. Before losing control, the difference of consideration received on disposal and the share of net assets of the subsidiary continuously calculated from acquisition date is recognised as other comprehensive income. When losing control, the cumulated other comprehensive income is transferred to profit or loss of the period of losing control. If the transactions of disposal of equity investments in a subsidiary are not assessed as a package deal, these transactions are accounted for as unrelated transactions.

9. Joint arrangements

Joint venture arrangement refers to an arrangement jointly controlled by two or more participants. The joint venture arrangement of the Group has the following characteristics: (1) all participants are bound by the arrangement; (2) Two or more participants exercise joint control over the arrangement. None of the participants can control the arrangement alone, and none of the participants with joint control over the arrangement can prevent other participants or a combination of participants from controlling the arrangement alone.

Joint control refers to the common control over an arrangement according to relevant agreements, and the relevant activities of the arrangement must be agreed by the participants sharing the control right before making decisions.

There are two types of joint arrangements - joint operations and joint ventures. The classification is based on the rights and obligations of the parties under the joint venture arrangement, taking into account factors such as the structure, legal form and contractual terms of the arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group accounts for investments in joint ventures using equity method. Refer to Note (IV) 14.3.2 "Long-term equity investments accounted for using the equity method" for details.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

9. Joint arrangements - continued

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation: - its assets, including its share of any assets held jointly; its liabilities, including its share of any liabilities incurred jointly; its revenue from the sale of its share of the output arising from the joint operation; its share of the revenue from the sale
of the output by the joint operation, and its expenses, including its share of any expenses incurred jointly. The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the accounting standards applicable to the particular assets, liabilities, revenues and expenses.

10. Cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Group's short-term (generally due within 3 months since the acquisition date), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

11. Financial instruments

The Group recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the financial instrument.

For financial assets purchased or sold in regular ways, assets to be received and liabilities to be assumed are recognised on the transaction date or assets sold are derecognised on that date.

Financial assets and financial liabilities are initially measured at fair value (the method for determining the fair values of the financial assets and financial liabilities is set out in related disclosures under "basis of accounting and principle of measurement" in Note (IV) 4. For financial assets and financial liabilities at fair value through profit or loss, transaction costs are immediately recognised in profit or loss. For other financial assets and financial liabilities, transaction costs are included in their initial recognised amounts. Upon initial recognition of contract assets, bills receivable and accounts receivable that do not contain significant financing component or without considering the financing component included in the contract with a term not exceeding one year under the *Accounting Standards for Business Enterprises No. 14 - Revenue* (hereinafter referred to as "Revenue Standards"), the Group adopts the transaction price as defined in the Revenue Standards for initial measurement.

When there is a difference between the fair value of financial assets or financial liabilities initially recognised and the transaction price, if the fair value is not determined based on the quotation of the same assets or liabilities in the active market or based on the valuation technology only using observable market data, no gains or losses will be recognised when the financial assets or financial liabilities are initially recognised.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expenses over the relevant accounting periods.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or financial liability to the book value of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial asset or financial liability (such as repayment in advance, extension, call option or other similar options etc.) (without considering the expected credit losses).

The amortised cost of a financial asset or a financial liability is the amount of a financial asset or a financial liability initially recognised net of principal repaid, plus or less the cumulative amortised amount arising from amortisation of the difference between the amount initially recognised and the amount at the maturity date using the effective interest method, net of cumulative credit loss allowance (only applicable to financial assets).

11.1 Classification, recognition and measurement of financial assets

Subsequent to initial recognition, the Group's financial assets of various categories are subsequently measured at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss.

If the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows, the Group classifies such financial asset as financial assets at amortised cost, which include cash and bank balances, bills receivable, accounts receivable, other receivables, and long-term receivables etc.

If the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial asset, the Group classifies such financial asset as financial assets at FVTOCI. The accounts receivable and bills receivable classified as at FVTOCI upon acquisition are presented under receivables under financing, while the remaining items due within one year (inclusive) upon acquisition are presented under other current assets. Other financial assets of such type are presented as other debt investments if they are due after one year since the acquisition, or presented under non-current assets due within one year if they are due within one year (inclusive) since the balance sheet date.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.1 Classification, recognition and measurement of financial assets - continued

On initial recognition, the Group may irrevocably designate non-trading equity instruments, other than contingent consideration recognised through business combination not involving enterprises under common control, as financial assets at FVTOCI on an individual basis. Such financial assets at FVTOCI are presented as investments in other equity instruments.

A financial asset is classified as held for trading if one of the following conditions is satisfied:

- It has been acquired principally for the purpose of selling in the near term; or
- On initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and there is objective evidence that the Group has a recent actual pattern of short-term profit-taking; or
- Related financial assets are derivatives. However, the derivatives meeting the definition of financial guarantee contract and those designated as effective hedging instruments are excluded.

Financial assets measured at fair value through profit or loss (hereinafter referred to as "FVTPL") include those classified as financial assets at FVTPL and those designated as financial assets at FVTPL.

- Financial assets not satisfying the criteria of classification as financial assets at amortised cost and financial assets at FVTOCI are classified as financial assets at FVTPL.
- Upon initial recognition, the Group may irrevocably designate the financial assets at FVTPL if doing so eliminates or significantly reduces accounting mismatch.

Financial assets at FVTPL other than derivative financial assets are presented as financial assets held for trading. Financial assets with a maturity over one year since the balance sheet date (or without a fixed maturity) and expected to be held for over one year are presented under other non-current financial assets.

11.1.1 Financial assets measured at amortised cost

Financial assets measured at amortised cost are subsequently measured at amortised cost using the effective interest method. Gain or loss arising from impairment or derecognition is recognised in profit or loss.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.1 Classification, recognition and measurement of financial assets - continued

11.1.1 Financial assets measured at amortised cost - continued

For financial assets measured at amortised cost, the Group recognises interest income using effective interest method. The Group calculates and recognises interest income through book value of financial assets multiplying effective interest rate, except for the following circumstances:

- For purchased or originated credit-impaired financial assets, the Group calculates and recognises the interest income based on amortised cost of the financial asset and the effective interest rate through credit adjustment since initial recognition.
- For financial assets that have not suffered from credit impairment but have become credit impairment in subsequent periods, the Group will calculate and determine their interest income according to the amortised cost and effective interest rate of the financial assets in subsequent periods. If the financial instruments no longer has credit impairment due to the improvement of its credit risk in the subsequent period, and this improvement can be related to an event that occurs after the application of the above provisions, the Group will calculate and determine interest income by multiplying the actual interest rate by the book value of the financial asset.

11.1.2 Financial assets at FVTOCI

For financial assets classified as at FVTOCI, except for the impairment losses or gains and the interest income and exchange losses or gains calculated using the effective interest method which are included in profit or loss for the period, the changes in fair value are included in other comprehensive income. The amounts included in profit or loss for each period are equivalent to that as if the financial assets have been always measured at amortised cost. Upon derecognition, the accumulated gains or losses previously included in other comprehensive income are transferred to profit or loss for the period.

Changes in fair value of non-trading equity instrument investments designated as financial assets at FVTOCI are recognised in other comprehensive income, and the cumulative gains or losses previously recognised in other comprehensive income allocated to the part derecognised are transferred and included in retained earnings. During the period in which the Group holds the non-trading equity instruments, revenue from dividends is recognised in profit or loss for the current period when (1) the Group has established the right of collecting dividends; (2) it is probable that the associated economic benefits will flow to the Group; and (3) the amount of dividends can be measured reliably.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.1 Classification, recognition and measurement of financial assets - continued

11.1.3 Financial assets at FVTPL

Financial assets at FVTPL are subsequently measured at fair value. Gain or loss arising from changes in fair value and dividends and interest related to the financial assets are recognised in profit or loss.

11.2 Impairment of financial instruments

For financial assets at amortised cost, financial assets classified as at FVTOCI, lease receivables, contract assets, loan commitments that are not financial liabilities at FVTPL, financial liabilities that are not at FVTPL and financial guarantee contracts that are not qualified for derecognition due to the transfer of financial assets or financial liabilities arising from continuing involvement of the transferred financial assets, the Group accounts for the impairment and recognises the provision for losses on the basis of expected credit loss (hereinafter referred to as "ECL").

For all contract assets, bills receivable and accounts receivable arising from transactions regulated by Revenue Standards, and lease receivables arising from transactions regulated by the *Accounting Standards for Business Enterprises No. 21 - Leases*, the Group recognises the provision for losses at an amount equivalent to lifetime ECL.

For other financial instruments (other than purchased or originated credit-impaired financial assets), the Group assesses the changes in credit risk since initial recognition of relevant financial instruments at each balance sheet date. If the credit risk has increased significantly since initial recognition of the financial instruments, the Group recognises the provision for losses at an amount equivalent to lifetime ECL; if the credit risk has not increased significantly since initial recognition of the financial instruments, the Group recognises the provision for losses at an amount equivalent to 12-month ECL. The increase or reversal of credit impairment for financial assets other than those classified as at FVTOCI is recognised as impairment loss or gain and included in profit or loss for the period. For financial assets classified as at FVTOCI, the provision for bad debts is recognised in other comprehensive income and the impairment loss or gain is included in profit or loss for the period without reducing the carrying amount of the financial assets in the balance sheet.

Where the Group has measured the provision for losses at an amount equivalent to lifetime ECL of a financial instrument in prior accounting period, but the financial instrument no longer satisfies the criteria of significant increase in credit risk since initial recognition at the current balance sheet date, the Group recognises the provision for losses of the financial instrument at an amount equivalent to 12-month ECL at the current balance sheet date, with any resulting reversal of provision for losses recognised as impairment gains in profit or loss for the period.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.2 Impairment of financial instruments - continued

11.2.1 Significant increase of credit risk

The Group uses reasonable and supportable forward-looking information to assess whether the credit risk has increased significantly since initial recognition by comparing the risk of a default occurring on the financial instrument at the balance sheet date with the risk of a default occurring on the financial instrument at the date of initial recognition. For loan commitments and financial guarantee contracts, the date on which the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition in the application of criteria related to the financial instrument for impairment.

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

(1) Significant changes in internal price indicators resulting from changes in credit risk;
(2) Significant changes in the rates or other terms of an existing financial instrument if the instrument was newly originated or issued at the balance sheet date (such as more stringent covenants, increased amounts of collateral or guarantees, or higher rate of return, etc.);
(3) Significant changes in the external market indicators of credit risk of the same financial instrument or similar financial instruments with the same expected duration. These indicators include: credit spreads, credit default swap prices against borrower, length of time and extent to which the fair value of financial assets is less than their amortised cost, and other market information related to the borrower (such as the borrower's debt instruments or changes in the price of equity instruments);
(4) An actual or expected significant change in the financial instrument's external credit rating;
(5) An actual or expected decrease in the internal credit rating for the debtor;
(6) Adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
(7) An actual or expected significant change in the operating results of the debtor;
(8) Significant increase in credit risk of other financial instruments issued by the same debtor;
(9) Significant adverse changes in the regulatory, economic, or technological environment of the debtor;
(10) Significant changes in the value of the collaterals or the quality of guarantees or credit enhancements provided by third parties, which are expected to reduce the debtor's economic motives to repay within the time limit specified in contract or affect the probability of default;
(11) Significant change in the debtor's economic motives to repay within the time limit specified in contract;
(12) Expected changes to loan contract, including the exemption or revision of contractual obligations, the granting of interest-free periods, the jump in interest rates, the requirement for additional collateral or guarantees, or other changes in the contractual framework for financial instruments that may result from the breach of contract;

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.2 Impairment of financial instruments - continued

11.2.1 Significant increase of credit risk - continued

(13) Significant change in the expected performance and repayment of the debtor;
(14) Significant change in the method used by the Group to manage the credit of financial instruments.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have lower credit risk at the balance sheet date. A financial instrument is determined to have lower credit risk if: i) it has a lower risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

11.2.2 Credit-impaired financial assets

When an event or several events that are expected to have adverse impact on the future cash flows of the financial assets have occurred, the financial assets become credit-impaired. The evidences of credit impairment of financial assets include the following observable information:

(1) Significant financial difficulty of the issuer or debtor.
(2) A breach of contract by the debtor, such as a default or delinquency in interest or principal payments.
(3) The creditor, for economic or legal reasons relating to the debtor's financial difficulty, granting a concession to the debtor.
(4) It becomes probable that the debtor will enter bankruptcy or other financial reorganizations.
(5) The disappearance of an active market for the financial asset because of financial difficulties of the issuer or the debtor.
(6) Purchase or origination of a financial asset with a large scale of discount, which reflects the fact of credit loss.

Based on the Group's internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.2 Impairment of financial instruments - continued

11.2.3 Determination of expected credit loss

The Group determines the credit loss of leases receivables on the basis of single assets, and determines the credit loss of related financial instruments on the basis of combination of cash at bank and on hand, bills receivable, accounts receivable, other receivables, long-term receivables, etc. with impairment matrix. The Group divides financial instruments into different groups based on common risk characteristics. Common credit risk characteristics adopted by the Group include: type of financial instruments, credit risk rating, type of collateral, initial recognition date, remaining contract period, industry of the debtor, geographical location of the debtor, value of collateral relative to financial assets, etc.

The Group determines the ECL of relevant financial instruments using the following methods:

- For financial assets, the credit loss is the present value of the difference between the contractual cash flows that are due to the Group under the contract and the cash flows that the Group expects to receive;
- For financial guarantee contracts (refer to Note (IV) 11.4.1.3 for the detail of accounting policies), the credit loss is the present value of the expected payments to reimburse the holder for the credit loss incurred less any amounts that the Group expects to receive from the holder, the debtor or any other party.
- For financial assets credit-impaired at the balance sheet date, but not purchased or originated credit-impaired, the credit loss is the difference between the book value of the financial assets and the present value of estimated future cash flows discounted at the original effective interest rate.

The factors reflected by the Group's measurement of ECL of financial instruments include: unbiased probability weighted average amount recognised by assessing a series of possible results; time value of money; reasonable and supportable information related to historical events, current condition and forecast of future economic position that is available without undue cost or effort at the balance sheet date.

11.2.4 Write-off of financial assets

When the Group no longer reasonably expects that the contractual cash flows of financial assets can be collected in aggregate or in part, the Group will directly write down the book value of the financial assets, which constitutes derecognition of relevant financial assets.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.3 Transfer of financial assets

The Group will derecognise a financial asset if one of the following conditions is satisfied: (i) the contractual rights to the cash flows from the financial asset expire; (ii) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset is transferred to the transferee; or (iii) although the financial asset has been transferred, the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but has not retained control of the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it retains control of the financial asset, the Group will recognise the financial asset to the extent of its continuing involvement in the transferred financial asset and recognise an associated liability. The Group will measure relevant liabilities as follows:

- For transferred financial assets carried at amortised cost, the carrying amount of relevant liabilities is the carrying amount of financial assets transferred with continuing involvement less amortised cost of the Group's retained rights (if the Group retains relevant rights upon transfer of financial assets) with addition of amortised cost of obligations assumed by the Group (if the Group assumes relevant obligations upon transfer of financial assets). Relevant liabilities are not designated as financial liabilities at fair value through profit or loss.
- For transferred financial assets carried at fair value, the carrying amount of relevant liabilities is the carrying amount of financial assets transferred with continuing involvement less fair value of the Group's retained rights (if the Group retains relevant rights upon transfer of financial assets) with addition of fair value of obligations assumed by the Group (if the Group assumes relevant obligations upon transfer of financial assets). Accordingly, the fair value of relevant rights and obligations shall be measured on an individual basis.

For the transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference between (1) the carrying amount of the financial asset transferred and (2) the sum of the consideration received from the transfer and any cumulative gain or loss that has been recognised in other comprehensive income, is recognised in profit or loss. Where the transferred assets are non-trading equity instrument investments designated as at FVTOCI, cumulative gains or losses previously recognised in other comprehensive income are transferred out and included in retained earnings.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.3 Transfer of financial assets - continued

If a part of the transferred financial asset qualifies for derecognition, the overall carrying amount of the financial asset prior to transfer is allocated between the part that continues to be recognised and the part that is derecognised, based on the respective fair value of those parts at the date of transfer. The difference between (1) the carrying amount allocated to the part derecognised on the date of derecognition; and (2) the sum of the consideration received for the part derecognised and any cumulative gain or loss allocated to the part derecognised which has been previously recognised in other comprehensive income, is recognised in profit or loss. Where the transferred assets are non-trading equity instrument investments designated as at FVTOCI, cumulative gains or losses previously recognised in other comprehensive income are transferred out and included in retained earnings.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group continues to recognise the transferred financial asset in its entirety. The consideration received from transfer of assets is recognised as a financial liability upon receipt.

11.4 Classification of financial liabilities and equity instruments

Financial instruments issued by the Group or their components are classified into financial liabilities or equity instruments on the basis of the substance of the contractual arrangements and the economic nature not only the legal form, together with the definition of financial liability and equity instrument on initial recognition.

11.4.1 Classification, recognition and measurement of financial liabilities

On initial recognition, financial liabilities are classified into financial liabilities at FVTPL and other financial liabilities.

11.4.1.1 Financial liabilities at FVTPL

Financial liabilities at FVTPL consist of financial liabilities held for trading (including derivatives classified as financial liabilities) and those designated as at FVTPL. Except for derivative financial liabilities presented separately, the financial liabilities at FVTPL are presented as held-for-trading financial liabilities.

A financial liability is classified as held for trading if one of the following conditions is satisfied:

- It has been acquired principally for the purpose of repurchasing in the near term; or
- On initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and there is objective evidence that the Group has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not a financial guarantee contract or designated and effective as a hedging instrument.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.4 Classification of financial liabilities and equity instruments - continued

11.4.1 Classification, recognition and measurement of financial liabilities - continued

11.4.1.1 Financial liabilities at FVTPL - continued

A financial liability may be designated as at FVTPL on initial recognition when one of the following conditions is satisfied: (i) Such designation eliminates or significantly reduces accounting mismatch; or (ii) The Group makes management and performance evaluation on a fair value basis, in accordance with the Group's formally documented risk management or investment strategy, and reports to key management personnel on that basis. (iii) The qualified hybrid financial instrument combines financial asset with embedded derivatives.

Held-for-trading financial liabilities are subsequently measured at fair value. Any gains or losses arising from changes in fair value and any dividends or interest expenses paid on the financial liabilities are recognised in profit or loss.

For a financial liability designated as at FVTPL, the amount of changes in fair value of the financial liability that are attributable to changes in the credit risk of that liability shall be presented in other comprehensive income, while other changes in fair value are included in profit or loss for the current period. Upon the derecognition of such financial liability, the accumulated amount of changes in fair value that are attributable to changes in the credit risk of that liability, which was recognised in other comprehensive income, is transferred to retained earnings. Any dividend or interest expense on the financial liabilities is recognised in profit or loss. If the accounting treatment for the impact of the change in credit risk of such financial liability in the above ways would create or enlarge an accounting mismatch in profit or loss, the Group shall present all gains or losses on that liability (including the effects of changes in the credit risk of that liability) in profit or loss for the period.

For financial liabilities arising from contingent consideration recognised by the Group as the acquirer in the business combination not involving enterprises under common control, the Group measures such financial liabilities at fair value through profit or loss, and includes the changes in the financial liabilities in profit or loss for the period.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.4 Classification of financial liabilities and equity instruments - continued

11.4.1 Classification, recognition and measurement of financial liabilities - continued

11.4.1.2 Other financial liabilities

Except for financial liabilities, financial guarantee contracts and loan commitments arising from transfer of financial assets that do not meet the derecognition criteria or those arising from continuing involvement in the transferred financial assets, other financial liabilities are subsequently measured at amortised cost, with gain or loss arising from derecognition or amortisation recognised in profit or loss.

If the modification or renegotiation for the contract by the Group and its counterparties does not result in derecognition of a financial liability subsequently measured at amortised cost but the changes in contractual cash flows, the Group will recalculate the carrying amount of the financial liability, with relevant gain or loss recognised in profit or loss. The Group will determine the carrying amount of the financial liability based on the present value of renegotiated or modified contractual cash flows discounted at the original effective interest rate of the financial liability. For all costs or expenses arising from modification or renegotiation of the contract, the Group will adjust the modified carrying amount of the financial liability and make amortisation during the remaining term of the modified financial liability.

11.4.1.3 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Subsequent to initial recognition, financial guarantee contracts that are not designated as financial liabilities at fair value through profit or loss or financial liabilities arising from transfer of financial assets that do not meet the derecognition criteria or those arising from continuing involvement in the transferred financial assets, are measured at the higher of amount of loss provision; and the amount initially recognised less cumulative amortisation amount determined based on the revenue standards.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.4 Classification of financial liabilities and equity instruments - continued

11.4.2 Derecognition of financial liabilities

The Group derecognises a financial liability (or part of it) when the underlying present obligation (or part of it) is discharged. An agreement between the Group (the debtor) and the creditor to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Group derecognises a financial liability or a part of it, it recognises the difference between the carrying amount of the financial liability (or part of the financial liability) derecognised and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss.

11.4.3 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued (including refinanced), repurchased, sold and cancelled by the Group are recognised as changes in equity. The Group's issuance of equity instruments is recorded in the owner's equity at the actual issue price, and the relevant transaction costs are deducted from the owner's equity (capital reserve). If the capital reserve is insufficient to offset, the surplus reserve and retained earnings are offset in turn. The consideration and transaction costs paid for repurchasing the Company's equity instruments reduce the owner's equity.

The Group recognises the distribution to holders of the equity instruments as distribution of profits, and dividends paid do not affect total amount of shareholders' equity.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.5 Derivatives and embedded derivatives

Derivatives include forward exchange contracts, currency swaps, interest rate swaps and foreign exchange options, etc. Derivatives are initially measured at fair value at the date when the derivative contracts are entered into and are subsequently measured at fair value.

Derivatives embedded in hybrid contracts with a financial asset host are not separated by the Group. The hybrid contract shall apply the relevant accounting standards regarding the classification of financial assets as a whole.

Derivatives embedded in hybrid contracts with hosts that are not financial assets are separated and treated as separate derivatives by the Group when they meet the following conditions:

(1) the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract;
(2) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative;
(3) the hybrid contracts are not measured at fair value through profit or loss.

For the embedded derivative separated from the host contracts, the Group accounts for the host contracts in the hybrid contracts with applicable accounting standards. When the embedded derivatives whose fair value cannot be measured reliably by the Group according to the terms and conditions of the embedded derivatives, the fair value of such derivatives are measured at the difference between the fair value of the hybrid contracts and the fair value of the host contracts. By adopting the above method, if the embedded derivative cannot be measured on a stand-alone basis at the time when it is acquired or at subsequent balance sheet dates, the hybrid instrument is designated as financial instruments at fair value through profit or loss as a whole.

11.6 Offsetting financial assets and financial liabilities

Where the Group has a legal right that is currently enforceable to set off the recognised financial assets and financial liabilities, and intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset and the net amount is presented in the balance sheet. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset.

11.7 Compound instruments

For convertible bonds issued by the Group that contain both liabilities and conversion option that may convert the liabilities to its own equity instrument, upon initial recognition, the bonds are split into liabilities and conversion option which are separately recognised. Therein, the conversion option that exchanges a fixed amount of cash or other financial assets for a fixed amount of equity instruments is accounted for as an equity instrument.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.7 Compound instruments - continued

Upon initial recognition, the fair value of liability portion is determined based on the prevailing market price of the bonds containing no conversion option. The overall issue price of the convertible bonds net of the fair value of the liability portion is considered as the value of the conversion option that enables the bonds holder to convert the bonds to equity instruments, and is included in other equity instruments.

The liability portion of the convertible bonds is subsequently measured at amortised cost using effective interest method; the value of the conversion option classified as equity instrument is remained in equity instrument. The expiry or conversion of convertible bonds will not result in loss or gain.

The transaction costs incurred for issuance of the convertible bonds are allocated between the liability portion and equity instrument portion in proportion to their respective fair values. The transaction cost relating to the equity instrument portion is directly included in equity instrument; while the transaction cost relating to the liability portion is included in the carrying amount of the liability, and amortised over the lifetime of the convertible bonds using effective interest method.

11.8 Reclassification of financial instruments

When the Group changes the business model to manage the financial assets, the financial assets affected will be reclassified and no financial liabilities will be reclassified.

The financial assets are reclassified by the Group and are accounted for prospectively since the date of reclassification (i.e., the first date of the initial reporting period after the business model of which the financial assets are reclassified by the enterprise is changed).

Where a financial asset at amortised cost is reclassified as a financial asset at fair value through profit or loss by (hereinafter referred to as "FVTPL") the Group, such financial asset is measured at fair value at the date of reclassification and the difference between the original carrying amount and the fair value is recognised in profit or loss for the period.

Where a financial asset at amortised cost is reclassified as a financial asset at fair value through other comprehensive income (hereinafter referred to as "FVTOCI") by the Group, such financial asset is measured at fair value at the date of reclassification, and the difference between the original carrying amount and the fair value is recognised in other comprehensive income.

Where a financial asset at FVTOCI is reclassified as a financial asset at amortised cost by the Group, the accumulated gains or losses previously recognised in other comprehensive income are transferred out and the fair value at the date of reclassification is adjusted. The adjusted fair value is determined as the new carrying amount, as if the financial asset has been always measured at amortised cost. The reclassification of the financial asset shall not affect its effective interest rate or the measurement of ECL.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.8 Reclassification of financial instruments - continued

Where a financial asset at FVTOCI is reclassified as a financial asset at FVTPL by the Group, such financial asset continues to be measured at fair value. At the same time, the accumulated gains or losses previously recognised in other comprehensive income are transferred to profit or loss for the period.

Where a financial asset at FVTPL is reclassified as a financial asset at amortised cost by the Group, the fair value at the date of reclassification is determined as the new book value.

Where a financial asset at FVTPL is reclassified as a financial asset at FVTOCI by the Group, such financial asset continues to be measured at fair value.

Where a financial asset at FVTPL is reclassified, the effective interest rate is determined on the basis of the fair value of the financial asset at the date of reclassification.

12. Receivables

12.1 Determination and accounting methods for expected credit losses of receivables

The Group assesses the credit risk of receivables with significantly different credit risks on an individual basis, and determine the credit losses of receivables on a portfolio basis using an impairment matrix for other receivables. The amount of increase in or reversal of allowance for expected credit losses on receivables is included in profit or loss for the period as credit losses or gains.

12.2 Categories of portfolios for which provision for bad debts is assessed on a portfolio basis according to credit risk characteristics and the basis for determination

The Group classifies receivables into groups A, B and C based on common risk characteristics. The common credit risk characteristics adopted by the Group include: type of financial instrument, credit risk rating, initial recognition date, remaining contractual term, industry of the debtor, geographical location of the debtor, etc.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

12. Receivables - continued

12.2 Categories of portfolios for which provision for bad debts is assessed on a portfolio basis according to credit risk characteristics and the basis for determination - continued

The Group makes internal credit ratings on customers and determines expected loss rate of receivables. Basis for determining ratings and the expected loss rates are as follows:

Internal credit rating	Basis for determining portfolio	Expected average loss rate (%)
A	Customers can make repayments within credit term and have good credit records based on historical experience. The probability of default on payment of due amounts is extremely low in the foreseeable future.	0.00-0.10
B	The customers may have overdue payment based on historical experience but they can make repayments.	0.10-0.30
C	The evidence indicates that the overdue credit risks of the customers are significantly increased and there is probability of default on payment.	0.30-50.00

12.3 Determination criteria for provision for bad debts on an individual basis

Internal credit ratings	Basis to determine the provision for bad debts on an individual basis	Expected average loss ratio (%)
D	There is evidence showing that the receivables from customers are impaired, or that the customers are experiencing significant financial difficulties and thus the receivables will be irrecoverable in the foreseeable future.	50.00-100.00

13. Inventories

13.1 Categories of inventories, measurement method of cost of inventories, inventory count system, amortisation method of low-value consumables and packaging materials

13.1.1 Categories of inventories

The Group's inventories mainly include raw materials, merchandise and others. Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other expenditures incurred in bringing the inventories to their present location and condition.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

13. Inventories - continued

13.1 Categories of inventories, measurement method of cost of inventories, inventory count system, amortisation method of low-value consumables and packaging materials - continued

13.1.2 Measurement method of cost of inventories

Cost of inventories recognised is calculated using the first-in-first-out and weighted average method at the end of the month.

13.1.3 Inventory count system

The perpetual inventory system is perpetual inventory system.

13.1.4 Amortisation method for low cost and low-value consumables items and packaging materials

Packaging materials and low cost and short-lived consumable items are amortised using the immediate write-off method.

13.2 Recognition criteria and provision method for decline in value of inventories

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. If the cost of inventories is higher than the net realizable value, a provision for decline in value of inventories is made.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs necessary to make the sale and relevant taxes. Net realizable value is determined on the basis of clear evidence obtained, after taking into consideration the purposes of inventories being held and effect of post balance sheet events.

Provision for decline in value of inventories is made based on the excess of cost of inventory over its net realizable value on an item-by-item basis.

After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realizable value of inventories is higher than their cost, the original provision for decline in value is reversed and the reversal is included in profit or loss for the period.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

14. Long-term equity investments

14.1 Basis for determining joint control and significant influence over investee

Control means that the investor has the power over the investee, enjoys variable returns by participating in the relevant activities of the investee, and has the ability to use the power over the investee to affect its return amount. Joint control refers to the common control over an arrangement according to relevant agreements, and the relevant activities of the arrangement must be agreed by the participants sharing the control right before making decisions. Significant influence refers to having the right to participate in the decision-making of the investee's financial and operating policies, but not being able to control or jointly control the formulation of these policies with other parties. When determining whether it is possible to control or exert significant influence on the investee, the convertible corporate bonds, executable warrants and other potential voting rights of the investee held by the investor and other parties have been considered.

14.2 Determination of initial investment cost

For a long-term equity investment acquired through business combination involving enterprises under common control, share of carrying amount of owners' equity of the acquiree in the consolidated financial statements of ultimate controlling party is recognised as initial investment cost of long-term equity investment at the date of combination. The difference between initial investment cost of long-term equity investment and cash paid, non-cash assets transferred and carrying amount of liabilities assumed, is adjusted in capital reserve. If the balance of capital reserve is not sufficient to absorb the difference, surplus reserve and retained earnings shall be offset in turn. If the consideration of the combination is satisfied by the issue of equity securities, the initial investment cost of the long-term equity investment is the share of carrying amount of owners' equity of the acquiree in the consolidated financial statements of ultimate controlling party at the date of combination. The aggregate face value of the shares issued is accounted for as share capital. The difference between the initial investment cost and the aggregate face value of the shares issued is adjusted to capital reserve. If the balance of capital reserve is not sufficient to absorb the difference, surplus reserve and retained earnings shall be offset in turn.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

14. Long-term equity investments - continued

14.2 Determination of initial investment cost - continued

For a long-term equity investment acquired through business combination not involving enterprises under common control, the initial investment cost of the long-term equity investment acquired is the cost of acquisition.

The expenses incurred by the acquirer in respect of auditing, legal services, valuation and consultancy services and other associated general and administrative expenses attributable to the business combination are recognised in profit or loss when they are incurred.

The long-term equity investment acquired otherwise than through a business combination is initially measured at its cost. When the entity is able to exercise significant influence or joint control (but not control) over an investee due to additional investment, the cost of long-term equity investments is the sum of the fair value of previously - held equity investments determined in accordance with *Accounting Standards for Business Enterprises No.22 - Financial Instruments: Recognition and Measurement (ASBE No. 22)* and the additional investment cost.

14.3 Subsequent measurement and recognition of profit or loss

14.3.1 Long-term equity investments accounted for using the cost method

Long-term equity investments in subsidiaries are accounted for using the cost method in Company's separate financial statements. A subsidiary is an investee that is controlled by the Group.

Under the cost method, a long-term equity investment is measured at initial investment cost. When additional investment is made or the investment is recouped, the cost of the long-term equity investment is adjusted accordingly. Investment income is recognised in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee.

14.3.2 Long-term equity investments accounted for using the equity method

Except for investments in associates and joint ventures classified as held-for-sale partly or wholly, the Group accounts for investment in associates and joint ventures using the equity method. An associate is an entity over which the Group has significant influence and a joint venture is a joint arrangement whereby the Group only has rights to the net assets of the arrangement.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognised in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

14. Long-term equity investments - continued

14.3 Subsequent measurement and recognition of profit or loss - continued

14.3.2 Long-term equity investments accounted for using the equity method - continued

Under the equity method, the Group recognises its share of the net profit or loss and other comprehensive income of the investee for the period as investment income and other comprehensive income for the period. Meanwhile, the carrying amount of long-term equity investment is adjusted; the carrying amount of long-term equity investment is decreased in accordance with its share of the investee's declared profit or cash dividends; other changes in owners' equity of the investee other than net profit or loss, other comprehensive incomed and profit distribution are correspondingly adjusted to the carrying amount of the long-term equity investment, and recognised in capital reserve. The Group recognises its share of the investee's net profit or loss based on the fair value of the investee's individual identifiable assets, etc. at the acquisition date after making adjustments. When the investee's accounting policies and accounting period are inconsistent with those of the Group, the Group recognises investment income and other comprehensive income after making appropriate adjustments to conform to the Group's accounting policies and accounting period. However, unrealized gains or losses resulting from the Group's transactions with its associates and joint ventures and assets invested or sold, which do not constitute a business, are eliminated based on the proportion attributable to the Group and then investment gains or losses are recognised. However, unrealized losses resulting from the Group's transactions with its associates and joint ventures which represent impairment losses on the transferred assets are not eliminated.

When recognising the net loss of the investee that should be shared, the book value of the long-term equity investments and other long-term interests that substantially constitute the net investment in the investee should be written down to zero. In addition, if the Group has incurred obligations to assume additional losses, a provision is recognised according to the obligation expected, and recorded in the investment loss for the period. Where net profits are subsequently made by the investee, the Group resumes recognising its share of those profits only after its share of the profits exceeds the share of losses previously not recognised.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

14. Long-term equity investments - continued

14.4 Disposal of long-term equity investments

On disposal of a long-term equity investment, the difference between the proceeds actually received and receivable and the carrying amount is recognised in profit or loss for the period. For long-term equity investments accounted for using the equity method, if the remaining interest after disposal is still accounted for using the equity method, other comprehensive income previously recognised using the equity method is accounted for on the same basis as would have been required if the investee had directly disposed of related assets or liabilities, and transferred to profit or loss for the period on a pro rata basis; owners' equity recognised due to other changes in owners' equity of the investee (other than net profit or loss, other comprehensive income and profit distribution) is transferred to profit or loss for the period on a pro rata basis. For long-term equity investments accounted for using the cost method, if the remaining interest after disposal is still accounted for using the cost method, other comprehensive income previously recognised using the equity method or in accordance with the standards for the recognition and measurement of financial instruments before obtaining the control over the investee, is accounted for on the same basis as would have been required if the investee had directly disposed of related assets or liabilities, and transferred to profit or loss for the period on a pro rata basis; other changes in owners' equity in the investee's net assets recognised under the equity method (other than net profit or loss, other comprehensive income and profit distribution) is transferred to profit or loss for the period on a pro rata basis.

Where the Group loses control over the investee due to disposal of part of shares, and in preparing the separate financial statements, remaining shares after disposal can have joint control or significant influence over the investee, the equity method shall be adopted to adjust the remaining shares as they are accounted for under equity method since the acquisition date. If remaining shares after disposal cannot have joint control or significant influence over the investee, they are accounted for in accordance with the standards for recognition and measurement of financial instruments, and the difference between fair value on date of losing control and carrying amount is recognised in profit or loss for the period. Other comprehensive income recognised using the equity method or in accordance with the standards for the recognition and measurement of financial instruments before obtaining control over the investee, is accounted for on the same basis as would have been required if the investee had directly disposed of related assets or liabilities when the control over the investee is lost; other changes in owners' equity in the investee's net assets recognised under the equity method (other than net profit or loss, other comprehensive income and profit distribution) is transferred to profit or loss for the period. Where remaining shares after disposal are accounted for under equity method, other comprehensive income and other owners' equity are transferred on a pro rata basis. Where remaining shares after disposal are accounted for in accordance with the standards for recognition and measurement of financial instruments, other comprehensive income and other owners' equity are all transferred.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

14. Long-term equity investments - continued

14.4 Disposal of long-term equity investments - continued

Where the Group loses joint control or significant influence over the investee after part disposal of shares, remaining shares after disposal are accounted for in accordance with the standards for recognition and measurement of financial instruments, and the difference between fair value at the date of losing joint control or significant influence and carrying amount is recognised in profit or loss for the period. Other comprehensive income previously recognised under the equity method, is accounted for on the same basis as would have been required if the investee had directly disposed of related assets or liabilities when the equity method is not adopted, and other changes in owners' equity other than net profit or loss, other comprehensive income and profit distribution are transferred to investment income for the period when the equity method is not adopted.

The Group disposes of its equity investment in subsidiaries through multiple transactions step by step until it loses control over the subsidiaries. If these transactions belong to "package deal", all transactions are deemed as one transaction on disposal of equity investment in subsidiaries, and the difference between the amount of disposal and carrying amount of long-term equity investment is recognised as other comprehensive income before the loss of control, and transferred to profit or loss for the period when the control is lost.

15. Investment properties

Investment property is the property held by the Group to earn rentals or for capital appreciation or both. It includes a land use right that is leased out and a building that is leased out.

An investment property is measured initially at cost. Subsequent expenditures incurred for such investment property are included in the cost of the investment property if it is probable that economic benefits associated with the investment property will flow to the Group and the subsequent expenditures can be measured reliably. Other subsequent expenditures are recognised in profit or loss for the period in which they are incurred.

The Group uses the cost model for subsequent measurement of investment property, and the investment properties are depreciated over their useful lives using the straight-line method. The depreciation life, estimated residual value rate and annual depreciation rate of each category of investment properties are as follows:

Category	Depreciation life (year)	Residual value rate (%)	Annual depreciation rate (%)
Land use rights	21.25-50.00	-	2.00-4.71
Buildings and structures	10.00-43.17	5.00	2.20-9.50

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and it is estimated that no economic benefits can be obtained from its disposal, the investment properties is derecognised.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

15. Investment properties - continued

When an investment property is sold, transferred, retired or damaged, the Group recognises the amount of any proceeds on disposal net of the carrying amount and related taxes in profit or loss for the period.

16. Fixed assets and depreciation

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year. A fixed asset is recognised only when it is probable that economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Fixed assets are initially measured at cost, taking into account the impact of abandonment cost. Upon being restructured into a stock company, the fixed assets initially contributed by the state-owned shareholders are recognised based on the valuation amounts confirmed by the state-owned assets administration department.

Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditures can be measured reliably. Meanwhile the carrying amount of the replaced part is derecognised. Other subsequent expenditures are recognised in profit or loss for the period in which they are incurred.

A fixed asset is depreciated over its useful life using the straight-line method starting from the month subsequent to the one in which it is ready for intended use. The depreciation life, estimated net residual value rate and annual depreciation rate of each category of fixed assets are as follows:

Category	Depreciation life (year)	Residual value rate (%)	Annual depreciation rate (%)
Port and terminal facilities	5-50	5.00	1.90-19.00
Buildings and structures	5-30	5.00	3.17-19.00
Machinery and equipment, furniture and fixture and other equipment	3-20	5.00	4.75-31.67
Motor vehicles and cargo ships	5-25	5.00	3.80-19.00

Estimated net residual value of a fixed asset is the estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognised. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognised in profit or loss for the period.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

16. Fixed assets and depreciation - continued

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and accounts for any change as a change in accounting estimates.

17. Construction in progress

Construction in progress is measured at its actual costs. The actual costs include various construction expenditures during the construction period, borrowing costs capitalized before it is ready for intended use and other relevant costs. Construction in progress is not depreciated.

Construction in progress is accounted for by categories of projects initiated, and is transferred to a fixed asset when it is ready for intended use. The criteria for judging the intended use shall be one of the following:

(1) The physical construction (including installation) of fixed assets has been fully or substantially completed;
(2) The trial production or trial operation has been carried out and the results of which indicate that the asset is capable of normal operation or producing qualified products on a stable basis, or the results of which indicate that it is capable of normal functioning or operation;
(3) The fixed assets and intangible assets acquired and constructed have met the design or contractual requirements or are basically in compliance with the design or contractual requirements.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

18. Intangible assets

18.1 Intangible assets

Intangible assets include land use rights, terminal operating rights, data resources and others.

An intangible asset is measured initially at cost. Upon being restructured into a stock company, the intangible assets initially contributed by the state-owned shareholders are recognised based on the valuation amounts confirmed by the state-owned assets administration department. Except for terminal operating rights, when an intangible asset with a finite useful life is available for use, its original cost minus the expected net residual value and the accumulated amount of impairment provision is amortised over its estimated useful life by using straight-line method. The terminal operating rights under the output method are amortised over periods according to the ratio of the estimated minimum guaranteed throughput to the estimated minimum guaranteed total throughput during the operation period. When the estimated minimum guaranteed throughput cannot be measured reliably, the straight-line method will be used for amortisation. An intangible asset with indefinite useful life will not be amortised.

The amortisation method, useful life and estimated net residual value rate of each category of intangible assets are as follows:

Category	Amortisation method	Useful life (year) and recognition	Residual value (%)
Land use rights	Straight-line method	From the date of the land transfer, it is amortised using the straight-line method over the land transfer period	-
Terminal operating right	Output/Straight-line method	Output method - it is amortised over periods according to the ratio of the estimated minimum guaranteed throughput to the estimated minimum guaranteed total throughput; straight-line method - it is amortised using the straight-line method over the shortest of the estimated useful life, the beneficial period specified in the contract and the effective life as defined by law	-
Data resources and others	Straight-line method	It is amortised using the straight-line method over the shortest of the estimated useful life, the beneficial period specified in the contract and the effective life as defined by law	-

For an intangible asset with a finite useful life, the Group reviews the useful life and amortisation method at the end of the year, and makes adjustments when necessary.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

18. Intangible assets - continued

18.2 Expenditures on research and development

Expenditure during the research phase is recognised in profit or loss for the period in which it is incurred.

Expenditure during the development phase that meets all of the following conditions at the same time is recognised as intangible asset. Expenditure during development phase that does not meet the following conditions is recognised in profit or loss for the period:

(1) it is technically feasible to complete the intangible asset so that it will be available for use or sale.
(2) the Group has the intention to complete the intangible asset and use or sell it.
(3) the Group can demonstrate the ways in which the intangible asset will generate economic benefits, including the evidence of the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.
(4) the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset.
(5) the expenditure attributable to the intangible asset during its development phase can be reliably measured.

If the expenditures cannot be distinguished between the research phase and development phase, the Group recognises all of them in profit or loss for the year. The costs of intangible assets generated by the internal research only include the total expenditure incurred for the period from the time point of capitalization to the time point when the intangible assets are ready for intended use. For the identical intangible asset, the expenditures recorded as expenses before they qualify for capitalization during the development process are not adjusted.

The Group classifies the expenditures on an internal research and development project into expenditures in the research phase and expenditures in the development phase. The scope of R&D expenditures refer to those directly related to the R&D activities, including wages, salaries, and welfare expenses of personnel directly engaged in R&D activities, materials directly consumed in R&D activities, depreciation expenses for instruments and equipment used in R&D activities, travel, transportation, and communication expenses required for research and experimental development, etc. Technical feasibility and economic viability studies are adopted as specific criteria for classifying the research and development phases once such studies have been evaluated and approved.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

19. Long-term deferred expenses

Long-term deferred expenses refer to various expenses that have been incurred but should be borne in the current and subsequent periods with an apportionment period of more than one year. Long-term deferred expenses are amortised using the straight-line method over the expected periods in which benefits are derived.

20. Impairment of non-financial assets other than goodwill

On each balance sheet date, the Group checks whether there is any sign of possible impairment of long-term equity investments, investment properties measured by cost model, fixed assets, construction in progress, right-of-use assets, long-term deferred expenses, and intangible assets whose service life is determined. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. Intangible assets with indefinite useful life and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that the assets may be impaired.

Recoverable amount is estimated on an individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. The recoverable amount of an asset or assets group is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset.

The present value of the estimated future cash flow of the assets is determined according to the estimated future cash flow generated during the continuous use and final disposal of the assets, and the amount discounted which is determined by selecting an appropriate pre tax discount rate.

If the recoverable amount of an asset is less than its carrying amount, the deficit is accounted for as an impairment losses and is recognised in profit or loss.

Once the impairment losses of above-mentioned assets is recognised, it shall not be reversed in any subsequent period.

When determining the impairment losses of assets related to contract costs, first determine the impairment losses of other assets related to contracts that are recognised in accordance with other relevant accounting standards for business enterprises; Then, if the book value of the assets related to the contract costs is higher than the difference between the following two items, the excess part of the provision for impairment shall be recognised as impairment losses: (i) the Group's expected remaining consideration for the transfer of goods or services related to the assets; (ii) Estimate the cost to be incurred for the transfer of the relevant goods or services.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

20. Impairment of non-financial assets other than goodwill - continued

Except for the impairment losses related to the contract costs, once the above impairment losses is recognised, it will not be reversed in future accounting periods. After the provision for impairment of assets related to contract costs has been made, if the factors of impairment in previous periods have changed resulting in the above two differences are higher than the book value of the assets, the provision for impairment of the assets that has been made is reversed and included in the current profits and losses, but the book value of the assets after reversal does not exceed the book value of the assets on the reversal date assuming that no provision for impairment is made.

21. Provisions

Provisions are recognised when the Group has a present obligation related to a contingency, it is probable result in an outflow of economic benefits to settle the obligation, and the amount of the obligation can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money. Where the effect of the time value of money is material, the amount of the provision is determined by discounting the related future cash outflows.

If all or part of the expenses required to settle the estimated liabilities are expected to be compensated by a third party, the compensation amount will be separately recognised as assets when it is basically determined that it can be received, and the recognised compensation amount will not exceed the book value of the estimated liabilities.

22. Employee benefits

22.1 Short-term employee benefits

Employee benefits refers to various forms of 'remuneration' or compensation provided by the Group for the services provided by employees or the termination of labor relations. Employee benefits includes short-term compensation, post employment benefit, termination benefits and other long-term employee benefits.

Except for compensation for termination of labor relationship with employees, the Group recognises employee benefits payable as liability during the accounting period when employees provide services.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

22. Employee benefits - continued

22.1 Short-term employee benefits - continued

The Group shall participate in the employee social security system established by government agencies in accordance with regulations, including basic endowment insurance, medical insurance, housing provident fund and other social security systems, and the corresponding expenses shall be included in relevant asset costs or current 'profit and loss' when incurred.

Short-term benefits refer to the employee benefits that the Group is required to make full payments within 12 months after the annual reporting period during which relevant services are provided by the employees, except the post-employment benefits and termination benefits. Specifically, the short-term benefits include: employee salaries, bonuses, allowances and subsidies, employee benefits, social insurance contributions such as the medical insurance and the work injury insurance, housing funds, trade union funds and employee education funds, short-term paid absence, short-term profit sharing plan, non-monetary welfare and other short-term benefits.

Short-term employee benefits payable are recognised as liabilities, with a corresponding charge to profit or loss for the period or in the costs of relevant assets according to the beneficiaries of services provided by employees in the accounting period in which employees provide services to the Group. Staff welfare expenses incurred by the Group are recognised in profit or loss for the period or the costs of relevant assets based on the actually occurred amounts when they actually occurred. Non-monetary staff welfare expenses are measured at fair value.

Payment made by the Group of social security contributions for employees such as premiums or contributions on medical insurance, work injury insurance and maternity insurance, etc. and payments of housing funds, as well as union running costs and employee education costs provided in accordance with relevant requirements, are calculated according to prescribed bases and percentages in determining the amount of employee benefits and recognised as relevant liabilities, with a corresponding charge to profit or loss for the period or the costs of relevant assets in the accounting period in which employees provide services.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

22. Employee benefits - continued

22.2 Post-employment benefits

Post-employment benefits refer to the rewards and benefits of various forms provided by the Group after the employees have retired or terminated the labor relationship with the enterprise for the services rendered by the employees, except the short-term benefits and the termination benefits. The post-employment benefits consist of the pension insurance, the annuity, the unemployment insurance and other post-employment benefits.

Post-employment benefit plans are classified by the Group into defined contribution plans and defined benefit plans. The post-employment benefit plan refers to the agreements the Group entered into with the employees on the post-employment benefits or the regulations or measures established by the Group for provisions of the post-employee benefits, among which the defined contribution plans refer to the post-employment benefit plan under which the Group shall no longer undertake any obligations of payments after paying fixed expenses to independent funds; the defined benefit plans refer to the post-employment benefit plans other than the defined contribution plans. During the accounting period in which employees render services to the Group, the amounts payable calculated based on the defined contribution plans are recognised as liabilities and included in profit or loss for the period or costs of related assets.

For defined benefit plans, the Group attributes the welfare obligations arising from the defined benefit plans to the period in which employees provide services to the Group according to the formula determined based on the projected cumulative benefit unit method, and includes them in profit or loss for the period or costs of related assets. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on settlements);
- Net interest of net liabilities or assets of defined benefit plans (including interest income of planned assets, interest expenses of defined benefit plan liabilities and effect of asset ceiling); and
- Changes arising from remeasurement of net liabilities or net assets of defined benefit plans.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

22. Employee benefits - continued

22.2 Post-employment benefits - continued

Service costs and net interest of net liabilities and net assets of defined benefit plans are recognised in profit or loss for the period or costs of related assets. Remeasurement of the net defined benefit liabilities (assets) (including actuarial gains and losses, the return on planned assets, excluding amounts included in net interest on net defined benefit liabilities (assets), and any changes in the effect of the asset ceiling, excluding amounts included in net interest on net defined benefit liabilities (assets)) are recognised in other comprehensive income.

The deficit or surplus resulting from the present value of the defined benefit plan obligations less the fair value of the defined benefit plan assets is recognised as a net defined benefit plan liability or net asset.

22.3 Termination benefits

Termination benefits refer to the compensations the Group pay to the employees for terminating the employment relationship with employees before the expiry of the employment contracts or encouraging employees to accept voluntary redundancy. When the Group provides termination benefits to employees, employee benefit liabilities are recognised for termination benefits, with a corresponding charge to profit or loss for the period at the earlier of: (1) when the Group cannot unilaterally withdraw the offer of termination benefits because of the termination plan or a curtailment proposal; and (2) when the Group has a detailed and formal restructuring plan involving the payment of dismissal benefit; In addition, the restructuring plan has been implemented or the main contents of the plan have been notified to the affected parties, so that all parties have formed a reasonable expectation that the Group will implement the restructuring.

22.4 Other long-term employee benefits

Other long-term employee benefits refer to all employee benefits except for short-term benefits, post-employment benefits, and termination benefits.

Other long-term employee benefits that qualify as defined contribution plans are treated in accordance with the relevant provisions of the defined contribution plans mentioned above, except that the net liability or net asset for other long-term employee benefits is recognised and measured in accordance with the relevant provisions of the defined benefit plans. At the end of the reporting period, employee compensation costs arising from other long-term employee benefits are recognised as three components: service cost, net interest on net liability or net asset for other long-term employee benefits, and changes resulting from the remeasurement of the net liability or net asset for other long-term employee benefits. The total net amount of these items is included in profit or loss for the period or in the costs of related assets.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

22. Employee benefits - continued

22.4 Other long-term employee benefits - continued

The Group provides internal retirement benefits to employees accepting the internal retirement arrangements. Internal retirement benefits refer to the payments of salaries and social security contributions for employees who have not reached the retirement age regulated by the country and are approved to quit the job voluntarily. For internal retirement benefits, the internal retirement benefits the Group is expected to pay during the period from the date when employees stop providing services to the date of normal retirement are recognised as liabilities at the present value and included in profit or loss for the period when relevant recognition requirements of the internal retirement benefits are met.

23. Share-based payments

A share-based payment is a transaction which the Group grants equity instruments, in return for services rendered by employees or other parties. The Group's share-based payments include equity-settled share-based payments.

Equity-settled share-based payments in exchange for services rendered by employees are measured at fair value of the equity instruments granted to employees at the grant date. Such amount is recognised as related costs or expenses on a straight-line basis over the vesting period, based on the best estimate of the number of equity instruments expected to vest/ as related costs or expenses at the grant date, if the equity instruments could be vested immediately, with a corresponding increase in capital reserve.

24. Bonds payable

The Group's bonds payable are measured at fair value when initially recognised, and relevant transaction costs are included in the initially recognised amount. It is subsequently measured at amortised cost.

The difference between the bond issue price and the total face value of the bonds is regarded as the bond premium or discount, which is amortised at the time of interest accrual according to the effective interest method during the duration of the bonds, and is treated according to the principle of handling borrowing costs.

25. Preference shares, perpetual bonds and other financial instruments

The actual issue price for the issuance of equity instruments is included in shareholders' equity after deducting relevant transaction costs from shareholders’ equity (capital reserve). If the capital reserve is insufficient to offset, surplus reserve and retained earnings will be offset in turn. The consideration and transaction costs paid for repurchasing the Group's equity instruments reduce shareholders’ equity.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

25. Preference shares, perpetual bonds and other financial instruments - continued

The Group classifies financial instruments, or their components, as financial liabilities or equity instruments at initial recognition based on the contractual terms of the issued perpetual bonds and their reflected economic substance, combined with the definitions of financial liabilities and equity instruments.

For financial instruments such as perpetual bonds classified as equity instruments, interest expense or dividend (dividend) distributions are treated as profit distributions of the Group, and their repurchases, write-offs, etc., are treated as changes in equity, and related transaction costs are deducted from equity.

26. Revenue recognition

26.1 Disclosure of accounting policies adopted for revenue recognition and measurement by type of business

Revenue refers to the total inflow of economic benefits formed in the daily activities of the Group, which will lead to the increase of owner's equity and has nothing to do with the capital invested by owners. The Group's revenue is mainly from port business, bonded logistics business and other businesses.

The Group recognises revenue based on the transaction price allocated to the performance obligation when the Group satisfies a performance obligation in the contract, namely, when the customer obtains control over relevant goods or services. A performance obligation is a commitment that the Group transfers a distinct goods or service to a customer in the contract. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to a customer. The transaction price recognised by the Group does not exceed the amount of accumulated recognised revenue that is unlikely to be significantly reversed when the relevant uncertainty is eliminated.

The Group evaluates the contract on the contract start date, identifies each individual performance obligation contained in the contract, and determines whether each individual performance obligation is performed within a certain period or at a certain time point. It is a performance obligation satisfied during a period of time and the Group recognises revenue during a period of time according to the progress of performance if one of the following conditions is met: (i) the customer obtains and consumes economic benefits at the same time of the Group's performance; (ii) the customer is able to control goods or services in progress during the Group's performance; (iii) goods or services generated during the Group's performance have irreplaceable utilization, and the Group is entitled to collect amounts of cumulative performance part which have been done up to now. Otherwise, revenue is recognised at a point in time when the customer obtains control over the relevant goods or services.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

26. Revenue recognition - continued

26.1 Disclosure of accounting policies adopted for revenue recognition and measurement by type of business - continued

The Group adopts output method, i.e., the value of goods or services transferred to customers to determine the appropriate progress of performance. Where the progress cannot be determined reasonably, the revenue is recognised based on the amount of cost that is expected to be compensated based on the cost already incurred, until the progress of performance is reasonably determined.

Contract assets refer to the right that the Group has transferred goods or services to customers and is entitled to receive consideration, and the right depends on other factors other than the passage of time. Please refer to Note (IV) 11 for details of the accounting policies for the impairment of contract assets. The Group's unconditional (that is, only depending on the passage of time) right to collect consideration from customers is separately listed as receivables.

Contract liabilities refer to the Group's obligation to transfer goods or services to a customer for consideration received or receivable from the customer.

Contract assets and contract liabilities under the same contract are presented in net amount.

If there are two or more of performance obligations included in the contract, at the inception of the contract, the Group allocates the transaction price to each single performance obligation based on the proportion of stand-alone selling price of goods or services promised in each stand-alone performance obligation. However, if there is conclusive evidence indicating that the contract discount or variable consideration is only relative with one or more (not the whole) performance obligations in the contract, the Group will allocate the contract discount or variable consideration to relative one or more performance obligations. Stand-alone selling price refers to the price of a single sale of goods or services. If the stand-alone selling price cannot be observed directly, the Group estimates the stand-alone selling price through comprehensive consideration of all relative information that can be reasonably acquired and maximum use of observable inputs.

In case of the existence of variable consideration (such as sales discount) in the contract, the Group shall determine the best estimate of variable consideration based on the expected value or the most probably occurred amount. The transaction price including variable consideration shall not exceed the amount of the cumulatively recognised revenue which is unlikely to be significantly reversed when relevant uncertainty is eliminated. At each balance sheet date, the Group re-estimates the amount of variable consideration which should be included in transaction price.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

26. Revenue recognition - continued

26.1 Disclosure of accounting policies adopted for revenue recognition and measurement by type of business - continued

If the customer pays non-cash consideration, the Group determines the transaction price based on the fair value of the non-cash consideration. If the fair value of non-cash consideration cannot be reasonably estimated, the Group shall determine the transaction price indirectly by reference to the stand-alone selling price of the goods or services promised to transfer to the customer.

For any consideration payable to a customer in a contract, unless such payment is made in exchange for a distinct good or service obtained from the customer, the Group accounts for the consideration payable as a reduction of the transaction price. The resulting reduction in revenue is recognised at the later of when the related revenue is recognised and when the Group pays or promises to pay the consideration.

In case of the existence of a significant financing component in the contract, the Group shall determine the transaction price on the assumption that the customer has paid the amount payable by cash when obtaining the control over the goods or services. Differences between transaction price and contract consideration are amortised using effective interest method during the contract life. At the inception of the contract, if the period between when the Group transfers a promised goods or service to a customer and when the customer pays for that goods or service will be one year or less, the Group would not consider the significant component in the contract.

The Group assesses whether it controls each specified goods or service before that goods or service is transferred to the customer to determine whether the Group is a principal or an agent. If the Group controls the specified good or service before that good or service is transferred to a customer, the Group is a principal and recognises revenue in the gross amount of consideration received or receivable. Otherwise, the Group is an agent and recognises revenue in the amount of any fee or commission to which it expects to be entitled. The fee or commission is the net amount of consideration that the Group retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party, or is determined in accordance with the established commission amount or percentage, etc.

Where the Group receives receipts in advance from a customer for sales of goods or rendering of services, the amount is first recognised as a liability and then transferred to revenue when the related performance obligation has been satisfied. When the Group's advance payments received are not required to be refunded and it is probable that the customer will waive all or part of its contractual rights, the Group recognises the said amounts as revenue on a pro-rata basis in accordance with the pattern of exercise of the customer's contractual rights, if the Group expects to be entitled to the amounts relating to the contractual rights waived by the customer; otherwise, the Group reverses the related balance of the said liabilities to revenue only when it is highly unlikely that the customer will require performance of the remaining performance obligations.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

26. Revenue recognition - continued

26.1 Disclosure of accounting policies adopted for revenue recognition and measurement by type of business - continued

For port business, the revenue from the handling of containers and bulk cargos is recognised over time based on the progress of completed services, and the revenue from the storage of containers and bulk cargos is recognised on a straight-line basis over the period of storage.

For bonded logistics business, the revenue is recognised based on the progress of services rendered, where the progress of completed services is determined based on the proportion of days on services provided to the estimated total number of service days. As at the balance sheet date, the Group has re-estimated the progress of completed bonded logistics service so that it reflects the changes in performance status.

26.2 Similar operations under different business models which involve different revenue recognition and measurement methods

The Group has no similar operations under different business models which involve different revenue recognition and measurement methods.

26.3 Costs of obtaining a contract

For the incremental cost of obtaining the contract (cost that will not occur if the contract is not obtained) that is expected to be recoverable, it is recognised as an asset. If the amortisation period of such asset is less than one year, it is recognised in profit or loss for the period when incurred. Other expenses incurred for obtaining the contract is included in profit or loss for the period when incurred, except for those explicitly assumed by the customer.

26.4 Costs to fulfil a contract

If the costs incurred in fulfilling a contract are not within the scope of any standards other than Revenue Standards, the Group recognises an asset only if those costs meet all of the following criteria: (1) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify; (2) the costs enhance resources of the Group that will be used in satisfying performance obligations in the future; and (3) the costs are expected to be recovered. The asset mentioned above shall be amortised on a basis that is consistent with the revenue recognition of the goods or services to which the asset relates and recognised in profit or loss for the period.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

27. Government grants

Government grants refer to monetary assets and non-monetary assets obtained by the Group from the government free of charge. Government grants are recognised when they can meet the conditions attached to government grants and can be received.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a non-monetary asset, it is measured at fair value. If the fair value cannot be reliably determined, it is measured at a nominal amount. A government grant measured at a nominal amount is recognised immediately in profit or loss for the period.

27.1 Determination basis and accounting treatment of government grant related to assets

Government grants of the Group mainly include grants for intelligent system, etc., and these government grants relate to assets as they will form long-term assets.

A government grant related to an asset is recognised as deferred income, and included in profit or loss by stages over the useful life of the related asset in a reasonable and systematic way. A government grant measured at a nominal amount is recognised immediately in profit or loss in the current period. Where the relevant asset is sold, transferred, retired or damaged prior to the end of its useful life, the related undistributed deferred income is transferred to profit or loss of the disposal period.

27.2 Determination basis and accounting treatment of government grant related to income

Government grants of the Group mainly include grants for business development and specialized operations, etc., and these government grants relate to income as they will not form long-term assets. The Group classifies government grants that are difficult to be distinguished as government grants related to income aggregately.

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income and recognised in profit or loss for the period in which the related costs or losses are recognised; If the grant is a compensation for related expenses or losses already incurred, the grant is recognised immediately in profit or loss.

A government grant related to the Group's daily activities is recognised in other income; a government grant not related to the Group's daily activities is recognised in non-operating income.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

28. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is interrupted abnormally and when the interruption is for a continuous period of more than 3 months. Capitalization is suspended until the acquisition, construction or production of the asset is resumed. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalized is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. Where funds are borrowed under general-purpose borrowings, the Group determines the amount of interest to be capitalized on such borrowings by applying a capitalization rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings. During the capitalization period, exchange differences related to a specific-purpose borrowing denominated in foreign currency are all capitalized. Exchange differences in connection with general-purpose borrowings are recognised in profit or loss for the period in which they are incurred.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

29. Income tax

The income tax expenses include current income tax and deferred income tax.

29.1 Current income tax

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

29.2 Deferred tax assets and deferred tax liabilities

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognised as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognised using the balance sheet liability method.

Deferred income tax are generally recognised for all taxable temporary differences. Deferred tax assets for deductible temporary differences are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. However, for temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction, which is not a business combination that affects neither the accounting profit nor taxable profits (or deductible losses) and will not result in taxable temporary differences and deductible temporary differences in equivalent amounts at the time of transaction, no deferred tax asset or liability is recognised.

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilized.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

29. Deferred tax assets/ deferred tax liabilities - continued

29.2 Deferred tax assets and deferred tax liabilities - continued

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with investments in subsidiaries, associates and joint ventures are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized and they are expected to be reversed in the foreseeable future.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates applicable in the period in which the asset is realized or the liability is settled according to tax laws.

Current and deferred tax expenses or income are recognised in profit or loss for the period, except when they arise from transactions or events that are directly recognised in other comprehensive income or shareholders' equity, in which case they are recognised in other comprehensive income or shareholders' equity, and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilized. Any such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

29.3 Income tax offsetting

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

30. Transactions denominated in foreign currencies and translation of financial statements denominated in foreign currencies

30.1 Transactions denominated in foreign currencies

A foreign currency transaction is recorded, on initial recognition, by applying the spot exchange rate on the date of the transaction.

At the balance sheet date, foreign currency monetary items are translated into functional currency using the spot exchange rates at the balance sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the balance sheet date and those on initial recognition or at the previous balance sheet date are recognised in profit or loss for the period, except that (1) exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalization are capitalized as part of the cost of the qualifying asset during the capitalization period; (2) exchange differences related to hedging instruments for the purpose of hedging against foreign currency risks are accounted for using hedge accounting; (3) exchange differences arising from changes in the carrying amounts (other than the amortised cost) of monetary items at fair value through other comprehensive income are recognised as other comprehensive income.

When the consolidated financial statements include foreign operation(s), if there is foreign currency monetary item constituting a net investment in a foreign operation, exchange differences arising from changes in exchange rates are recognised as "exchange differences arising from translation of financial statements denominated in foreign currencies" in other comprehensive income, and in profit or loss for the period upon disposal of the foreign operation.

Foreign currency non-monetary items measured at historical cost are translated to the amounts in functional currency at the spot exchange rates on the dates of the transactions. Foreign currency non-monetary items measured at fair value are re-translated at the spot exchange rate on the date when the fair value is determined. Difference between the re-translated functional currency amount and the original functional currency amount is treated as changes in fair value (including changes in exchange rate) and is recognised in profit or loss or as other comprehensive income.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

30. Transactions denominated in foreign currencies and translation of financial statements denominated in foreign currencies - continued

30.2 Translation of financial statements denominated in foreign currencies

For the purpose of preparing the consolidated financial statements, financial statements of a foreign operation are translated from the foreign currency into RMB using the following method: assets and liabilities on the balance sheet are translated at the spot exchange rate prevailing at the balance sheet date; shareholders' equity items except for translation differences arising from translation of foreign currency financial statements items in retained earnings and other comprehensive income are translated at the spot exchange rates at the dates on which such items arose; all items in the income statement as well as items reflecting the distribution of profits are translated at the average exchange rates of the accounting period of the consolidated financial statements; retained earnings at the beginning of the year are the converted year-end retained earnings of the previous year. The year-end retained earnings are calculated and presented in accordance with the items of profit distribution after conversion. The difference between the translated assets and the aggregate of liabilities and shareholders' equity items is recognised as other comprehensive income and included in shareholders' equity.

Cash flows arising from a transaction in foreign currency and the cash flows of a foreign subsidiary are translated at average exchange rate during the accounting period of consolidated financial statements. The effect of exchange rate changes on cash and cash equivalents is regarded as a reconciling item and presented separately in the cash flow statement as "effect of exchange rate changes on cash and cash equivalents".

The amount at the beginning of the year and the comparative figures of previous year are presented at the translated amounts in the previous year's financial statements.

On disposal of the Group's entire interest in a foreign operation, or upon a loss of control over a foreign operation due to disposal of certain interest in it or other reasons, the Group transfers the accumulated exchange differences arising from translation of financial statements of this foreign operation attributable to the owners' equity of the Company and presented under other comprehensive income, to profit or loss in the period in which the disposal occurs.

In case of a disposal of part equity investments or other reason leading to lower interest percentage in foreign operations but does not result in the Group losing control over a foreign operation, the exchange differences arising from the translation difference of financial statements denominated in foreign currencies related to this disposed part are re-attributed to non-controlling interests and are not recognised in profit or loss. For partial disposals of equity interests in foreign operations which are associates or joint ventures, the proportionate share of the accumulated exchange differences arising from translation difference of financial statements denominated in foreign currencies is reclassified to profit or loss.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases

A lease is a contract in which the lessor, for a certain period of time, gives the lessee the right to use the assets to obtain a consideration.

On the contract start date, the Group assesses whether the contract is a lease or includes a lease. If one party in the contract transfers the right to control the use of one or more identified assets within a certain period in exchange for consideration, the contract is a lease or includes a lease. Unless the contract terms and conditions change, the Group will not re-evaluate whether the contract is a lease or includes a lease.

31.1 The Group as lessee

31.1.1 Separating components of a lease

For a contract that contains one or more lease components or non-lease components, the Group separates each individual lease and non-lease component and allocates the contract consideration in the relative proportion of the sum of the individual price of each lease component and the individual price of the non-lease component.

31.1.2 Right-of-use assets

Except for short-term leases and leases of low-value assets, the Group recognises the right-of-use assets of the leases at the commencement date. The commencement date of the lease is the date from which the lessor provides the leased assets to make them available for use by the Group. Right-of-use assets are initially measured at cost. The cost includes:

- the amount of the initial measurement of the lease liabilities.
- any lease payments made at or before the commencement date, less any lease incentives.
- any initial direct costs incurred by the Group.
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are depreciated by the Group in accordance with the *ASBE No.4 Fixed Assets*. If the Group is reasonably certain, that the lease will transfer ownership of the underlying asset to the Group by the end of the lease term, the right-of-use assets are depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the right-of-use assets are depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases - continued

31.1 The Group as lessee - continued

31.1.3 Lease liabilities

Except for short-term leases and leases of low-value assets, the Group initially measures lease liabilities at the present value of the outstanding lease payments at the commencement date. In calculating the present value of the lease payments, the Group uses the implicit interest rate of the lease as the discount rate. If it is not possible to determine the implicit interest rate of the lease, the incremental borrowing rate shall be applied.

The lease payments comprise the following payments by the Group for the right to use the underlying asset during the lease term:

- fixed payments (including in-substance fixed payments), less any lease incentives.
- variable lease payments that depend on an index or a rate.
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option.
- payments for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.
- amounts expected to be payable by the Group under residual value guarantees.

Variable lease payments that depend on an index or a rate, are initially measured using the index or rate as at the commencement date. Variable lease payments not included in the measurement of the lease liabilities, are recognised in profit or loss, or in the cost of relevant assets, in the period of those payments.

After the commencement date, interest expenses on the lease liabilities in each period during the lease term is calculated by a constant periodic rate of interest and included in profit or loss or charged to cost of related assets.

After the commencement date, the Group shall remeasure the lease liabilities and make corresponding adjustments to the related right-of-use assets in the following circumstances. If the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liabilities, the Group shall recognise the difference in profit or loss:

- where there is a change in the lease term, or in the assessment of an option to purchase the underlying asset, the Group remeasures the lease liabilities, on the basis of the revised leases payments and the revised discount rate.
- where there is a change in the amounts expected to be payable under a residual value guarantee, or in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities, on the basis of the revised lease payments and the unchanged discount rate, unless the change in the lease payments results from a change in floating interest rates, in which case the revised discount rate is applied.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases - continued

31.1 The Group as lessee - continued

31.1.4 Short-term leases and leases of low-value assets

The Group elects not to recognise right-of-use assets or lease liabilities for short-term leases and leases of low-value assets, i.e., port and terminal facilities, buildings, machinery and equipment, furniture, fixture and other equipment, motor vehicles and cargo ships and others. A short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less and does not contain a call option. A lease of low-value assets is a lease that, the value of the underlying asset is lower when it is new. For short-term leases and leases of low-value assets, the Group recognises the lease payments in profit or loss, or in the cost of related assets on a straight-line basis over each period within the lease term.

31.1.5 Lease modifications

A lease modification should be accounted for as a separate lease if both of the following apply:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets.
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price according to the circumstances of the particular contract.

For a lease medication that is not accounted for as a separate lease, at the effective date of the lease modification, the Group should allocate the consideration in the modified contract, determine the lease term of the modified lease and remeasure the lease liabilities based on the present value of the changed lease payments and the revised discount rate.

For lease modifications that decrease the scope of the lease or shorten the term of the lease, the Group should decrease the carrying amount of the right-of-use assets with any gain or loss relating to the partial or full termination of the lease recognised in profit or loss. For re-measurement of lease liabilities due to other lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use assets.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases - continued

31.2 The Group as lessor

31.2.1 Separating components of a lease

For a contract that contains lease components and non-lease components, the Group allocates the contract consideration in accordance with the Revenue Standards on allocation of transaction prices, based on the respective individual prices of the lease components and the non-lease components.

31.2.2 Classification of leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership. All other leases are classified as operating leases.

31.2.3 The Group as lessor under operating leases

The Group recognises lease receipts from operating leases as rental income using a straight-line method over the respective periods of the lease term. The Group's initial direct costs incurred in connection with operating leases are capitalized when the costs incurred, and are allocated to profit or loss for the period over the lease term on the same basis as the recognition of rental income.

Variable lease receipts acquired by the Group in connection with operating leases that are not included in the lease receipts are recognised in profit or loss for the period when they are actually incurred.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases - continued

31.2 The Group as lessor - continued

31.2.4 The Group as lessor under finance leases

At the commencement date, the Group recognises a finance lease receivable at the amount equal to the net lease investment with assets under finance lease terminal recognised. The net lease investment is the sum of any unguaranteed residual value and the present value of the lease receipts over the lease term discounted at the interest rate implicit in lease.

The lease receivable comprises the following payments collected by the Group from the lessee for the transfer of the right to use the underlying assets during the lease term:

- fixed payments (including in-substance fixed payments) paid by the lessee, less any lease incentives.
- variable lease payments that depend on an index or a rate.
- the exercise price of a purchase option, provided that it is reasonably determined that the lessee will exercise the option.
- payments for terminating the lease, provided that the lease term reflects that the lessee will exercise the option to terminate the lease;
- residual value of guarantee provided to the Group by the lessee, a party related to the lessee and an independent third party with the financial ability to fulfil the guarantee obligations.

Variable lease receipts not included in the net lease investment are recognised in profit or loss when they are actually incurred.

Interest income for each period over the lease term is calculated and recognised by the Group at a fixed periodic rate.

31.2.5 Subleases

As the lessor of a sublease, the Group accounts for the original lease contract and the sublease contract on a separate basis. The Group classifies the subleases based on the right-of-use assets generating from the original lease rather than the underlying assets of the original lease.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases - continued

31.2 The Group as lessor - continued

31.2.6 Lease modifications

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any lease advances or receivables relating to the original lease as the lease receipts for the new lease.

A lease modification should be accounted for as a separate lease if there is a modification in a finance lease and both of the followings apply:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope with any appropriate adjustment to that stand-alone price.

For a modification to a finance lease that is not accounted for as a separate lease, the Group accounts for the modification as follows:

- If the lease would have been classified as an operating lease had the modification been effective at the commencement date, the Group should account for the lease modification as a new lease from the effective date of the modification, and measure the carrying amount of the underlying assets at the amount equal to the net lease investment before the effective date of the modification;
- If the lease would have been classified as a finance lease had the modification been effective at the commencement date, the Group should account for it in accordance with the provisions on contract modification and renegotiation under *Accounting Standards for Business Enterprises No. 22 - Financial Instruments: Recognition and Measurement.*

31.3 Sale and leaseback transactions

31.3.1 The Group as the buyer-lessor

If the transfer of an asset in a sale and leaseback transaction does not constitute a sale, the Group does not recognise the transferred asset but a financial asset at an amount equal to the transfer proceeds, and accounts for such financial asset under the *Accounting Standards for Business Enterprises No. 22 - Financial Instruments*: *Recognition and Measurement*. If the transfer of an asset constitutes a sale, the Group accounts for the purchase of the asset in accordance with other applicable Accounting Standards for Business Enterprises and accounts for the lease of the asset.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

32. Safety production cost

According to the *Administrative Measures for the Collection and Utilization of Enterprise Work Safety Funds* (Cai Zi [2022] No. 136) jointly issued by the Ministry of Finance and the Emergency Department on 13 December 2022, safety production cost set aside by the Group is directly included in the cost of relevant products or recognised in profit or loss for the period, and transferred to specific reserve simultaneously. When safety production cost set aside is utilized, if the costs incurred can be categorized as expenditure, the costs incurred should be charged against the specific reserve. If the costs set aside are used to build up fixed assets, the costs should be charged to construction in progress, and reclassified to fixed assets when the safety projects are ready for intended use. Meantime, expenditures in building up fixed assets are directly charged against the specific reserve with the accumulated depreciation recognised at the same amount. Depreciation will not be made in the future period on such fixed assets.

33. Exchange of non-monetary assets

When the non-monetary assets are of commercial substance and the fair value of assets received or the assets given up can be measured reliably, the non-monetary transactions are measured at fair value. For the asset received, the fair value of the asset given up and related taxes payable are recognised as the cost at initial recognition; For the asset given up, at derecognition, the difference between the fair value and the carrying amount is recognised in profit or loss for the current period. When there is clear evidence indicating that the fair value of the received asset is more reliable, for the asset received, the fair value of the asset received and related taxes payable are recognised as the cost at initial recognition; For the asset given up, at derecognition, the difference between the fair value of the asset received and the carrying amount of the asset given up is recognised in profit or loss for the current period.

When the non-monetary transactions fail to meet criteria to be measured at fair value, the transactions are measured at carrying amounts. For the asset received, the carrying amount of the asset given up and relevant taxes payable are recognised as the cost of at initial recognition. For the asset given up, at derecognition, no profit or loss is recognised.

(V) CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY ASSUMPTIONS AND UNCERTAINTIES IN ACCOUNTING ESTIMATES

In the application of accounting policies and accounting estimates as set out in Note (IV), the Group is required to make judgments, estimates and assumptions about the carrying amounts of items in the financial statements that cannot be measured accurately, due to the internal uncertainty of the operating activities. These judgments, estimates and assumptions are based on historical experience of the Group's management as well as other factors that are considered to be relevant. Actual results may differ from these estimates.

The Group regularly reviews the judgments, estimates and assumptions on a going concern basis. Changes in accounting estimates which only affect the current period should be recognised in the current period; changes which not only affect the current but the future periods should be recognised in the current and future periods.

1. Key assumptions and uncertainties used in important judgments and accounting estimates

At the balance sheet date, key assumptions and uncertainties in critical judgments and accounting estimates that are likely to lead to significant adjustments to the carrying amounts of assets and liabilities in the future are as follows:

1.1 Goodwill impairment

The book value of goodwill on 31 December 2025 is RMB 6,176,416,050.77. The Group will conduct impairment testing on goodwill at least annually. For the purpose of impairment testing, the recoverable amount of each assets group and combination of assets groups that generate goodwill of the Group is determined by fair value less estimated disposal expenses and by the present value of estimated future cash flows, which involve the judgment of management.

1.2 Recognition of deferred income tax

The Group calculates and makes provision for deferred tax liabilities according to the profit distribution plans of subsidiaries, associates and joint ventures and relevant provisions of tax law. For retained earnings of the investee which are not expected to be distributed, since the profits will be used for the daily operation and future development of the investee, no deferred tax liabilities are recognised. If the profits to be actually distributed in future years are more or less than those expected, corresponding deferred tax liabilities will be recognised or reversed in profit or loss for the period at the earlier of the date on which the profit distribution plan is changed and the date on which the profit distribution is declared.

Deferred tax assets are recognised based on the deductible temporary differences and the corresponding tax rate, to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. If the actual taxable income in future years are more or less than that expected, corresponding deferred tax assets will be recognised or reversed in profit or loss for the period in which they are actually incurred.

(V) CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY ASSUMPTIONS AND UNCERTAINTIES IN ACCOUNTING ESTIMATES - continued

1. Key assumptions and uncertainties used in important judgments and accounting estimates - continued

1.3 Estimated useful lives and residual value of fixed assets and intangible assets

The Group assesses the estimated useful lives and residual value of fixed assets and intangible assets. Such estimate is made by reference to the historical experience of actual useful lives and residual value of fixed assets and intangible assets of similar nature and function, and is subject to significant changes due to technical innovation and fierce industry competition. Where the estimated useful lives and residual value of fixed assets and intangible assets are less than the previous estimates, the Group will increase the depreciation and amortisation, or write off or eliminate the technically obsolete fixed assets or intangible assets.

(VI) CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

There are no significant changes in accounting policies or accounting estimates of the Group this year.

(VII) TAXES

1. Major taxes and tax rates

Taxes	Tax basis	Tax rate
Enterprise income tax	Taxable income	8.25%-34% (Note 1)
	Dividend income tax	5%,10% (Note 2)
Value-added tax (Note 3) (hereinafter referred to as "VAT")	Income from sale of goods	9%,13%
	Income from transportation, loading and unloading business and part of modern service industries	6%
	Income from sale of real estate, property management, lease of real estate, etc.	3%, 5%, 9%
	Income from leases of movable properties	13%
Social contribution tax (Note 4)	Income	0.65%-7.6%
Deed tax	Land use right and property transfer amount	3%-5%
Property tax	70% of cost of property or rental income	1.2% or 12%
City maintenance and construction tax	VAT paid	1%-7%
Education surtax	VAT paid	3%
Land use tax	Land area actually occupied	RMB 1-12 per square meter
Environmental protection tax	Amount of pollution equivalents of the taxable air pollutants converted based on the quantity of pollutions discharged	RMB 1.2-1.8 per pollution equivalent

(VII) TAXES - continued

1. Major taxes and tax rates - continued

Note 1: The Group's enterprise income tax is calculated based on the current tax rate stipulated by local tax laws. Among them, the Company is subject to an enterprise income tax rate of 25%, the subsidiaries set up in Hong Kong are subject to an enterprise income tax rate of 8.25% and 16.5%, the majority of subsidiaries set up in China are subject to an enterprise income tax rate of 25%, and the other overseas subsidiaries are subject to enterprise income tax rates between 10% and 34%.

The Company obtains dividends distributed by overseas subsidiaries and should pay enterprise income tax at a rate of 25% in accordance with relevant Chinese tax laws. The Company obtains taxable income outside of China, and the amount of income tax that has been paid abroad can be offset with the current taxable amount. The credit limit is the taxable amount calculated in accordance with the provisions of the Enterprise Income Tax Law.

Note 2: Foreign investors who receive dividends of profits from Chinese subsidiaries in 2008 and thereafter generally shall pay withholding income tax at a rate of 10% in accordance with the relevant provisions on the PRC enterprise income tax. For companies incorporated in certain regions (including Hong Kong and Singapore), if the companies meet relevant conditions, they will enjoy a preferential tax rate of 5%.

Note 3: The VAT amount is the balance of the output tax less the deductible input tax, and the output tax is calculated in accordance with the sales income and the corresponding tax rate stipulated in the relevant tax laws of China.

Note 4: The social contribution tax is the tax paid by TCP Participações S.A. (hereinafter referred to as "TCP"), an overseas subsidiary of the Group, and Colombo International Container Terminals Limited (hereinafter referred to as “CICT”) to the local government.

2. Tax preference and approval documents

Certain subsidiaries of the Group in China are recognised as high-tech enterprises or encouraged industrial enterprises in the region and are subject to an enterprise income tax rate of 15%. Some of Group's subsidiaries inside of China may pay corporate income tax at the rate of 15% according to the preferential policies of Qianhai Shenzhen Hong Kong Modern Service Industry Cooperation Zone.

(VII) TAXES - continued

2. Tax preference and approval documents - continued

Certain subsidiaries of the Group in China are small and micro enterprises and are subject to a preferential tax rate of 20%. In accordance with the Announcement on Relevant Tax and Fee Policies for *Further Supporting the Development of Micro and Small Enterprises and Individual Industrial and Commercial Households* (Announcement No. 12 of the Ministry of Finance and the State Administration of Taxation in 2023), for small and micro enterprises, the taxable income is calculated at a reduced rate of 25% and the enterprise income tax is paid at a rate of 20% from 1 January 2023 and 31 December 2027.

Some subsidiaries of the Group outside China can reduce or exempt corporate income tax according to relevant local tax policies.

From 1 January 2023 to 31 December 2027, the urban land use tax for certain domestic subsidiaries of the Group on the land for bulk commodity storage facilities is levied at the reduced rate of 50% of the tax amount applicable to the grade of the land.

As approved by State Taxation Administration Shenzhen Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone Taxation Bureau (formerly, Shekou Taxation Sub-bureau of Shenzhen Tax Bureau), State Administration of Taxation on 12 October 2017, certain subsidiaries of the Group are exempted from VAT for auxiliary logistics services (excluding warehousing services and delivery services) provided to overseas enterprises.

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

Item	Closing Balance	Opening Balance
Cash	191,636.31	457,486.90
Bank deposits	10,403,337,125.34	11,769,350,938.86
Other cash and bank balances	238,129,183.87	114,600,721.02
Cash deposited in the finance company	4,733,188,415.27	4,745,991,554.35
Total	15,374,846,360.79	16,630,400,701.13
Including: Total amount of funds deposited overseas	6,289,654,047.38	5,449,122,430.53

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

1. Cash and bank balances - continued

Note 1: The interest receivable at the end of the year amounted to RMB 42,029,709.64 (31 December 2024 : RMB 35,470,534.89).

Note 2: Cash deposited in the finance company included the interest receivable amounting to RMB 14,222,500.39 (31 December 2024 : RMB 35,221,381.65).

Note 3: As of the year-end, other cash and bank balances included term deposits amounting to RMB 30,000,000.00 that are unrestricted and have maturities exceeding three months. (31 December 2024 : none).

Note 4: Restricted use of cash at bank and on hand at the end of the year.

Item	Closing Balance	Opening Balance
Interest receivable	56,252,210.03	70,691,916.54
Performance bond	41,023,738.72	41,064,199.70
Litigation frozen funds	3,000,000.00	1,826,085.98
Guarantee deposit	200,000.00	200,000.00
ETC card frozen funds	12,750.00	12,750.00
Bill deposit	-	1,536,194.00
Total	100,488,698.75	115,331,146.22

2. Financial assets held for trading

Item	Closing Balance	Opening Balance
Financial assets classified as at FVTPL	7,578,824,365.75	5,685,135,472.01
Including: Structured deposits	7,578,824,365.75	5,685,135,472.01
Total	7,578,824,365.75	5,685,135,472.01

3. Bills receivable

(1) Category of bills receivable

Category	Closing Balance	Opening Balance
Bank acceptance	122,029,884.15	263,127,883.63
Commercial acceptance	29,000,000.00	7,000,000.00
Total	151,029,884.15	270,127,883.63

Note: For the year ended 31 December 2025, no provision for bad debts of bills receivable is assessed on an individual basis and, the acceptor of bank acceptance and commercial acceptance for which provision for bad debts is assessed on a portfolio basis has high credit ratings with no significant credit risks, therefore, no provision for bad debts is made.

(2) As at 31 December 2025, the Group has no bills receivable pledged.

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

3. Bills receivable - continued

(3) As at 31 December 2025, bills receivable endorsed or discounted by the Group and not yet due on the balance sheet date.

Item	Amount derecognised at the end of the year	Unrecognised amount at the end of the year
Bank acceptance	21,462,114.63	32,870,944.50

(4) As at 31 December 2025, the Group has no bills transferred to accounts receivable due to the drawer's failure to perform.

(5) The Group has no bills receivable written off for the year ended 31 December 2025.

4. Accounts receivable

(1) Overall situation of accounts receivable

Category	Closing Balance	Opening Balance
Accounts receivable	1,362,653,229.32	1,282,371,828.87
Less: Provision for bad debts	65,486,371.62	88,963,445.09
Total	1,297,166,857.70	1,193,408,383.78

(2) Aging analysis of accounts receivable

Aging	Closing Balance			Opening Balance		
	Book value	Proportion (%)	Provision for bad debts	Book value	Proportion (%)	Provision for bad debts
Within 1 year (Including 1 year)	1,286,427,749.56	94.40	11,648,068.41	1,184,171,645.45	92.34	3,052,874.64
1-2 years (Including 2 years)	20,966,190.64	1.54	4,671,448.93	25,773,736.31	2.01	15,217,006.15
2-3 years (Including 3 years)	22,842,354.51	1.68	17,333,429.71	18,788,751.53	1.47	17,375,034.32
More than 3 years	32,416,934.61	2.38	31,833,424.57	53,637,695.58	4.18	53,318,529.98
Total	1,362,653,229.32	100.00	65,486,371.62	1,282,371,828.87	100.00	88,963,445.09

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

4. Accounts receivable - continued

(3) Disclosure of accounts receivable by category

Item	Closing Balance					Opening Balance					Reason for provision
	Book value		Provision for bad debts		Carrying amount	Book value		Provision for bad debts		Carrying amount	
	Value	Percentage (%)	Value	Proportion (%)		Value	Percentage (%)	Value	Proportion (%)		
A	816,089,512.92	59.89	220,906.31	0.03	815,868,606.61	736,270,226.13	57.41	384,388.87	0.05	735,885,837.26	Accrued according to the expected loss rate of each rating
B	405,297,310.13	29.74	872,676.19	0.22	404,424,633.94	370,318,170.34	28.88	631,601.25	0.17	369,686,569.09	Accrued according to the expected loss rate of each rating
C	78,476,799.95	5.76	4,725,227.39	6.02	73,751,572.56	84,232,990.43	6.57	1,488,846.56	1.77	82,744,143.87	Accrued according to the expected loss rate of each rating
D	62,789,606.32	4.61	59,667,561.73	95.03	3,122,044.59	91,550,441.97	7.14	86,458,608.41	94.44	5,091,833.56	Low probability of recovery
Total	1,362,653,229.32	100.00	65,486,371.62	4.81	1,297,166,857.70	1,282,371,828.87	100.00	88,963,445.09	6.94	1,193,408,383.78	——

Including: Provision for bad debts assessed on an individual basis at the end of the year

Name	Closing Balance			Reason for provision
	Book value	Provision for bad debts	Expected credit loss rate (%)	
Client 1	14,166,889.98	14,166,889.98	100.00	Low probability of recovery
Client 2	6,387,379.34	6,387,379.34	100.00	Low probability of recovery
Client 3	5,700,298.86	5,700,298.86	100.00	Low probability of recovery
Client 4	4,828,983.86	4,828,983.86	100.00	Low probability of recovery
Client 5	3,792,704.25	3,790,012.45	99.93	Low probability of recovery
Others	27,913,350.03	24,793,997.24	88.82	——
Total	62,789,606.32	59,667,561.73	95.03	——

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

4. Accounts receivable - continued

(4) For the year ended 31 December 2025, the Group has no significant provision for bad debts recovered or reversed this year.

(5) Accounts receivable written off this year

Name of entity	Nature	Amount	Reason for write-off	Procedures performed	Arising from related party transactions or not
Client 6	Service fees	24,955,108.44	Confirmed as irrecoverable	Yes	No
Client 7	Service fees	6,237,239.55	Confirmed as irrecoverable	Yes	No
Client 8	Service fees	1,590,646.16	Confirmed as irrecoverable	Yes	No
Total	— —	32,782,994.15	— —	— —	— —

(6) The top five balances of accounts receivable at the end of the year classified by debtor

Name of entity	Relationship with the Group	Book value	Aging	Provision for bad debts	Proportion of the amount to the total accounts receivable (%)
Client 9	Third party	332,580,919.70	Within 1 year,1-2 years,2-3years	2,721,810.79	24.41
Client 10	Third party	53,575,185.60	Within 1 year	1,324,615.32	3.93
Client 11	Third party	53,374,060.50	Within 1 year,1-2 years	37,576.95	3.92
Client 12	Third party	45,701,172.74	Within 1 year	18,877.32	3.35
Client 13	Third party	44,222,826.59	Within 1 year	28,530.89	3.25
Total	——	529,454,165.13	——	4,131,411.27	38.86

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

5. Receivables under financing

(1) Classification of receivables under financing

Item	Closing Balance	Opening Balance
Bank acceptance measured at fair value	114,680,738.25	-

(2) As at 31 December 2025, the Group has no pledged receivables under financing.

(3) At the end of the year, there is no Company's receivables under financing that have been endorsed or discounted and have not yet matured at the balance sheet date.

6. Prepayments

(1) Aging analysis of prepayments

Aging	Closing Balance			Opening Balance		
	Book value		Impairment provision	Book value		Impairment provision
	Value	Proportion (%)		Value	Proportion (%)	
Within 1 year (including 1 year)	79,429,482.24	91.21	-	58,397,947.01	98.69	-
1-2 years (including 2 year)	7,288,415.34	8.37	4,260,618.26	620,707.85	1.05	-
2-3 years (including 3 year)	301,519.63	0.35	-	8,000.00	0.01	-
More than 3 years	60,400.00	0.07	-	150,462.36	0.25	-
Total	87,079,817.21	100.00	4,260,618.26	59,177,117.22	100.00	-

(2) As at 31 December 2025, the Group has no significant prepayments aged more than one year.

(3) The top five balances of prepayments at the end of the year

Name of entity	Closing Balance	Proportion in total prepayments(%)	Provision for bad debts
Supplier 1	12,141,359.50	13.94	-
Supplier 2	5,778,006.01	6.64	-
Supplier 3	3,663,263.21	4.21	-
Supplier 4	3,423,600.00	3.93	-
Supplier 5	3,126,654.88	3.59	-
Total	28,132,883.60	32.31	-

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

7. Other receivables

7.1 Presentation of other receivables

Item	Closing Balance	Opening Balance
Dividends receivable	576,943,449.36	554,387,723.94
Other receivables	435,711,829.28	612,111,619.96
Total	1,012,655,278.64	1,166,499,343.90

7.2 Dividends receivable

(1) Presentation of dividends receivable by aging

Name of investee	Closing Balance	Opening Balance	Reason for non-recovery	Whether there is impairment and its judgment basis
Dividends receivable with an aging within 1 year	467,505,525.56	436,240,220.68	— —	— —
Including:	— —	— —	— —	— —
Shanghai International Port (Group) Co., Ltd. (hereinafter referred to as "Shanghai Port Group")	326,565,642.25	326,565,642.25	— —	No
Qingdao Port Dongjiakou Ore Terminal Co., Ltd.	68,175,602.27	-	— —	No
China Nanshan Development (Group) Incorporation (hereinafter referred to as "Nanshan Group")	37,014,000.00	74,028,000.00	— —	No
Euro-Asia Oceangate S.à r.l.	28,485,290.83	23,881,469.17	— —	No
PORT OF NEWCASTLE INVESTMENTS (PROPERTY HOLDINGS) PTY LIMITED	7,264,990.21	-	— —	No
China Ocean Shipping Agency Shenzhen Co., Ltd.	-	10,575,000.00	— —	— —
Others	-	1,190,109.26	— —	— —
Dividends receivable with an aging of more than one year	110,015,444.77	118,702,445.93	— —	— —
Including:	— —	— —	— —	— —
Nanshan Group	74,028,000.00	74,028,000.00	Relevant procedures are being handled and past dividends are being paid in succession	No
Zhanjiang Merchants Port City Investment Co., Ltd. (hereinafter referred to as "Merchants Port City")	35,771,044.77	38,809,044.77	Lack of funds	No
COSCO Logistics (Zhanjiang) Co., Ltd.	-	5,649,001.16	— —	No
Others	216,400.00	216,400.00	Lack of funds	No
Sub-total	577,520,970.33	554,942,666.61	— —	— —
Less: Provision for bad debts	577,520.97	554,942.67	— —	— —
Total	576,943,449.36	554,387,723.94	— —	— —

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

7. Other receivables - continued

7.3 Other receivables

(1) Aging analysis of other receivables

Aging	Closing Balance			Opening Balance		
	Book value	Proportion (%)	Provision for bad debts	Book value	Proportion (%)	Provision for bad debts
Within 1 year (including 1 year)	172,587,395.66	16.08	3,636,376.18	270,686,270.92	23.00	5,873.33
1-2 years (including 2 year)	77,083,020.84	7.18	4,185,192.57	34,852,514.76	2.96	1,639,836.84
2-3 years (including 3 year)	10,568,270.82	0.98	3,606,663.48	254,724,777.74	21.64	182,279,617.60
More than 3 years	813,057,695.18	75.76	626,156,320.99	616,886,752.77	52.40	381,113,368.46
Total	1,073,296,382.50	100.00	637,584,553.22	1,177,150,316.19	100.00	565,038,696.23

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

7. Other receivables - continued

7.3 Other receivables - continued

(2) Disclosure of other receivables by nature

Item	Closing Balance	Opening Balance
Operation compensation (Note 1)	560,956,025.90	512,608,434.72
Advance payment	233,561,792.45	227,885,870.03
Land compensation (Note 2)	58,262,369.00	197,262,369.00
Special subsidies collected on behalf	19,779,450.00	19,779,450.00
Security deposit	33,170,963.31	28,631,566.40
Others	167,565,781.84	190,982,626.04
Sub-total	1,073,296,382.50	1,177,150,316.19
Less: Provision for bad debts	637,584,553.22	565,038,696.23
Total	435,711,829.28	612,111,619.96

Note 1: It is the operating compensation that the subsidiary of the Company shall collect from the holding company of its non-controlling shareholders according to the agreement. As at 31 December 2025, the Group has accumulated the compensation that has not been received, which is equivalent to RMB 560,956,025.90. The allowance for bad debts has been fully accrued.

Note 2: On 9 October 2021, Zhanjiang Port (Group) Co., Ltd. (hereinafter referred to as "Zhanjiang Port"), a subsidiary of the Company, signed the *Agreement on the Recovery of State owned Land Use Rights* with local government agencies, which stipulates that Zhanjiang Port will return 195.68 mu of land located in Zhanjiang Comprehensive Bonded Zone, east of Shugang Avenue, to local government agencies at a price of RMB 89,630,000.00. The above land has been handed over before 31 December 2021. As at 31 December 2025, the above land compensation of RMB 89,000,000.00 has been recovered, and the remaining RMB 630,000.00 of land compensation has not been recovered.

On 4 September 2024, Zhanjiang Port signed the *Agreement on the Recovery of State owned Land Use Rights* with local government agencies, which stipulates that Zhanjiang Port will return 146,970.20 square meters of land and assets on the ground located in the north of Xiashan Port District of Zhanjiang to local government agencies at a price of RMB 107,632,369.00. The above land and above ground assets have been transferred before 18 September 2024. As at 31 December 2025, Zhanjiang Port has recovered land compensation of RMB 50,000,000.00, the above land compensation of RMB 57,632,369.00 has not been recovered.

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

7. Other receivables - continued

7.3 Other receivables - continued

(3) Provision for credit loss of other receivables

Item	Closing Balance					Opening Balance					Reason for provision
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value	
	Amount	Proportion (%)	Amount	Provision rate (%)		Amount	Proportion (%)	Amount	Provision rate (%)		
A	328,840,429.56	30.64	43,549.74	0.01	328,796,879.82	499,361,668.36	42.42	13,957.42	-	499,347,710.94	Accrued based on the expected loss rate of each rating
B	-	-	-	-	-	-	-	-	-	-	——
C	-	-	-	-	-	-	-	-	-	-	——
D	744,455,952.94	69.36	637,541,003.48	85.64	106,914,949.46	677,788,647.83	57.58	565,024,738.81	83.36	112,763,909.02	Expected to be unrecoverable
Total	1,073,296,382.50	100.00	637,584,553.22	59.40	435,711,829.28	1,177,150,316.19	100.00	565,038,696.23	48.00	612,111,619.96	——

Including significant other receivables for which provision for bad debts is assessed on an individual basis (credit rating of D)

Name of entity	Closing Balance	Provision for bad debts	ECL rate (%)	Reason for provision
Client 14	560,956,025.90	560,956,025.90	100.00	Expected to be unrecoverable (Note)
Client 15	122,569,018.03	28,156,519.86	22.97	No specific payment plan
Client 16	14,000,000.00	14,000,000.00	100.00	Expected to be unrecoverable
Total	697,525,043.93	603,112,545.76	——	——

Note: Refer to Note (VIII) 7.3(2).

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

7. Other receivables - continued

7.3 Other receivables - continued

(4) Movements of provisions for bad and doubtful debts

Item	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit loss	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	
As at 1 January 2025	13,957.42	-	565,024,738.81	565,038,696.23
Balance of other receivables at 1 January 2025				
- Transfer to Stage 2	-	-	-	-
- Transfer to Stage 3	-5,781.70	-	5,781.70	-
- Reverse to Stage 2	-	-	-	-
- Reverse to Stage 1	-	-	-	-
Provision for the year	40,572.74	-	29,960,339.38	30,000,912.12
Reversal for the year	-5,198.72	-	-3,931,866.01	-3,937,064.73
Effect of changes in the scope of consolidation	-	-	-	-
Charge-off for the year	-	-	-	-
Write-off for the year	-	-	-1,682,741.75	-1,682,741.75
Other changes	-	-	48,164,751.35	48,164,751.35
As at 31 December 2025	43,549.74	-	637,541,003.48	637,584,553.22

(5) Other receivables written off during the year

Name of entity	Nature of other receivables	Written-off amount	Reason for write-off	Approval procedures performed	Other receivables arising from related-party transactions
Client 17	Advance payment	1,634,741.75	Confirming that accounts receivable cannot be recovered	Yes	No
Client 18	Employee loans	48,000.00	Confirming that accounts receivable cannot be recovered	Yes	No
Total	——	1,682,741.75	——	——	——

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

7. Other receivables - continued

7.3 Other receivables - continued

(6) The top five balances of other receivables at the end of the year classified by debtor

Name of entity	Relationship with the Group	Book value	Aging	Proportion to total other receivables (%)	Provision for credit impairment at the end of the year	Nature
GLOBAL TERMINAL LIMITED S.A.R.L.	Third party	560,956,025.90	More than 3 years	52.26	560,956,025.90	Operation compensation
Committee of China Seamen's Union Zhanjiang Port (Group) Co., Ltd	Third party	122,569,018.03	More than 3 years	11.42	28,156,519.86	Advance payment for transactions
Zhanjiang Land Reserve Management Center	Third party	58,262,369.00	1-2 years, more than 3 years	5.43	-	Land compensation
CHU KONG RIVER TRADE TERMINAL CO.，LTD.	Related party	32,841,079.20	2-3 years, more than 3 years	3.06	-	Loan
Port de Djibouti S.A.	Related party	24,776,520.00	More than 3 years	2.31	-	Loan
Total	——	799,405,012.13	——	74.48	589,112,545.76	——

8. Inventories

(1) Inventories by category

Item	Closing Balance			Opening Balance		
	Book value	Provision for impairment of inventories	Carrying amount	Book value	Provision for impairment of inventories	Carrying amount
Raw materials	288,836,266.55	524,634.82	288,311,631.73	261,972,849.28	1,153,436.72	260,819,412.56
Finished goods	9,419,494.95	-	9,419,494.95	4,683,965.30	-	4,683,965.30
Others	9,485,298.47	-	9,485,298.47	4,454,642.48	-	4,454,642.48
Total	307,741,059.97	524,634.82	307,216,425.15	271,111,457.06	1,153,436.72	269,958,020.34

(2) Provision for impairment of inventories

Category	Opening Balance	Increase		Decrease		Effect of translation of financial statements denominated in foreign currencies	Closing Balance
		Provision	Others	Reversal or charge-off	Others		
Raw materials	1,153,436.72	-	-	510,114.09	113,192.30	-5,495.51	524,634.82

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

8. Inventories - continued

(2) Provision for impairment of inventories - continued

Provision for impairment inventories is made on an item-by-item basis and no provision for impairment of inventories is made on a portfolio basis. The reason for the write off of provision for impairment of inventories in this year is requisition and consumption.

(3) As at 31 December 2025, the Group has no capitalised borrowing cost in the balance of inventories.

9. Non-current assets due within one year

Item	Closing Balance	Opening Balance
Long-term receivables due within one year	-	35,033,025.11
Less: Provision for bad debts	-	35,033.03
Carrying amount	-	34,997,992.08

10. Other current assets

Item	Closing Balance	Opening Balance
Input VAT to be deducted and certified	107,448,766.71	110,187,182.64
Prepaid taxes	51,499,208.46	140,440,401.53
Others	-	1,070,228.60
Sub-total	158,947,975.17	251,697,812.77
Less: Provision for impairment	-	-
Total	158,947,975.17	251,697,812.77

11. Long-term receivables

(1) Details of long-term receivables

Item	Closing Balance			Opening Balance			Range of discount rate at the end of year
	Book value	Provision for bad debts	Carrying amount	Book value	Provision for bad debts	Carrying amount	
Advances to Shareholders (Note 1)	1,306,312,715.28	1,306,312.72	1,305,006,402.56	1,135,688,750.65	1,135,688.75	1,134,553,061.90	3.00%-8.36%
Land compensation receivable (Note 2)	2,631,932,000.00	63,130,000.00	2,568,802,000.00	2,641,932,000.00	-	2,641,932,000.00	
Others	708,784.63	539.73	708,244.90	889,232.97	720.17	888,512.80	
Total	3,938,953,499.91	64,436,852.45	3,874,516,647.46	3,778,509,983.62	1,136,408.92	3,777,373,574.70	

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

11. Long-term receivables - continued

Note 1: It mainly represents the aggregate principal and interest receivable from Port of Newcastle and Terminal Link SAS, equivalent to RMB 1,032,950,257.96 and RMB 239,062,457.32, respectively.

On 14 June 2018, China Merchants Port Holdings Company (hereinafter referred to as "CM Port"), a subsidiary of the Company, provided a long-term loan to Port of Newcastle, which signed in 2023 and has been extended to 31 December 2034. The loan carries interest at a rate of weighted average interest rate on debt as determined by local authority of Port of Newcastle plus 0.5%.

On 31 May 2023, CM Port, a subsidiary of the Company, provided a long-term loan to Terminal Link SAS for making additional capital injection to Saigang project and charged interest to Terminal Link SAS at an interest rate of 6.15%.

Note 2: On 5 November 2019, Shantou CM Port Group Co., Ltd. (hereinafter referred to as "Shantou Port"), a subsidiary of the Company entered into the *Contract for the Acquisition of State-Owned Land Use Rights in Shantou* with Shantou Land Reserve Center. Pursuant to the contract, the land and attached buildings of approximately 370.96 mu located in Zhuchi Deepwater Port on the south of Zhongshan East Road of Shantou should be returned to Shantou Land Reserve Center by Shantou Port, which is amounting to RMB1,558,032,000.00. Among them, 183.63 mu of land and attached buildings have been transferred in 2019, and the remaining 187.33 mu of land and attached buildings have been transferred in 2020. As at 31 December 2025, the land compensation of RMB 1,158,032,000.00 has not yet been recovered.

On 21 August 2020, Shantou Port and Shantou Haojiang District Land Reserve Center signed the *Shantou City State owned Land Use Right Purchase Contract*, which stipulates that Shantou Port will hand back 152.34 mu of land and attached buildings located in Wutian Farm, Yushi, Haojiang District, Shantou City to Shantou Haojiang District Land Reserve Center at a price of RMB 250,000,000.00. The above land and attached buildings have been handed over before 31 December 2020. As at 31 December 2025, the land compensation of RMB 200,000,000.00 has not yet been recovered.

On 22 December 2020, Shantou Port entered into the *Contract for the Acquisition of State-Owned Land Use Rights in Shantou* with Shantou Land Reserve Center. Pursuant to the contract, the land and attached buildings of approximately 648.78 mu located in Zhuchi Deepwater Port of Shantou should be returned to Shantou Land Reserve Center by Shantou Port, which is amounting to RMB 2,724,876,000.00. Among them, 320 mu of land and attached buildings were transferred by 31 December 2020, which is amounting to RMB 1,344,000,000.00, and the remaining 328.78 mu of land and attached buildings have not been transferred. As at 31 December 2025, the land compensation of RMB 1,273,900,000.00 has not yet been recovered.

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

11. Long-term receivables - continued

Note 2-continued: The Group taking into account the historical repayment situation and future outlook, the Group estimates the difference between the present value of the cash flows expected to be received and the book value as a whole, and accordingly makes provision for credit impairment loss. As of 31 December 2025, the Group has accrued corresponding credit impairment losses of RMB 63,130,000.00.

(2) Long-term receivables disclosed by method of provision for bad debts

Category	Closing Balance					Opening Balance				
	Book value		Provision for bad debts		Carrying amount	Book value		Provision for bad debts		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Provision for bad debts assessed on a portfolio basis	3,938,953,499.91	100.00	64,436,852.45	1.64	3,874,516,647.46	3,778,509,983.62	100.00	1,136,408.92	0.03	3,777,373,574.70
Total	3,938,953,499.91	100.00	64,436,852.45	1.64	3,874,516,647.46	3,778,509,983.62	100.00	1,136,408.92	0.03	3,777,373,574.70

(3) Details of provision for bad debts

Category	Opening Balance	Changes for the year				Closing Balance
		Provision	Recovery or reversal	Charge-off or write-off	Effect of changes in the scope of consolidation	
Advances to shareholders	1,135,688.75	170,623.97	-	-	-	1,306,312.72
Guarantees for finance leases	720.17	-	180.44	-	-	539.73
Land compensation receivable	-	63,130,000.00	-	-	-	63,130,000.00
Total	1,136,408.92	63,300,623.97	180.44	-	-	64,436,852.45

(4) There are no long-term receivables written off during the year.

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

12. Long-term equity investments

(1) Classification of long-term equity investments

Item	Opening Balance	Increase	Decrease	Other increase (decrease expressed with "-")	Effect of translation of financial statements denominated in foreign currencies	Closing Balance
Investment in joint ventures	9,315,986,527.94	-	-	-70,925,588.03	24,951,052.36	9,270,011,992.27
Investment in associates	91,037,465,629.64	65,424,356.69	-136,244,155.23	3,441,694,812.60	-269,889,343.76	94,138,451,299.94
Sub-total	100,353,452,157.58	65,424,356.69	-136,244,155.23	3,370,769,224.57	-244,938,291.40	103,408,463,292.21
Less: provision for impairment of long-term equity investments	335,422,262.62	-	-	-	-59,035.28	335,363,227.34
Total	100,018,029,894.96	65,424,356.69	-136,244,155.23	3,370,769,224.57	-244,879,256.12	103,073,100,064.87

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

12. Long-term equity investments - continued

(2) Details of long-term equity investments

Investees	Investment cost	Opening Balance	Changes for the year									Closing Balance	Provision for impairment at the end of the year
			Increase in investments	Decrease in investments	Investment income under equity method	Share of other comprehensive income	Share of other changes in equity	Cash dividends or profits declared	Provision for impairment	Effect of translation of financial statements denominated in foreign currencies	Other		
I. Joint ventures													
Euro-Asia Oceangate S.à r.l.	2,425,579,513.09	2,275,132,823.96	-	-	119,622,314.51	34,069,994.14	-	-129,199,356.07	-	-50,543,475.84	-	2,249,082,300.70	-
Port of Newcastle	2,228,913,892.38	1,939,252,174.56	-	-	40,887,494.82	17,051,668.46	-	-21,886,886.16	-	83,135,610.92	-	2,058,440,062.60	-
Others	3,840,805,612.09	5,093,488,046.78	-	-	138,570,683.60	9,270,900.18	1,159,124.17	-280,471,525.68	-	-7,641,082.72	-	4,954,376,146.33	8,113,482.64
Sub-total	8,495,299,017.56	9,307,873,045.30	-	-	299,080,492.93	60,392,562.78	1,159,124.17	-431,557,767.91	-	24,951,052.36	-	9,261,898,509.63	8,113,482.64
II. Associates													
Shanghai Port Group	10,907,913,439.36	40,042,373,774.56		-	3,803,684,721.55	3,120,383.06	-393,064,045.30	-1,273,606,004.78	-	-	-	42,182,508,829.09	-
Ningbo Zhoushan Port Company Limited (hereinafter referred to as "Ningbo Zhoushan")	16,958,018,515.43	19,421,486,011.70	-	-	1,191,694,841.30	-23,906,992.04	28,414,378.80	-619,547,445.81	-	-	-	19,998,140,793.95	-
Shenzhen China Merchants Qianhai Industrial Development Co., Ltd.	6,846,580,290.61	7,409,920,859.08	-	-	141,661,962.07	-	-	-	-	-	-	7,551,582,821.15	-
Terminal Link SAS	5,980,765,880.26	6,168,712,893.68	-	-	492,759,579.32	463,349,744.07	-	-439,601,892.73	-	-145,209,814.85	-	6,540,010,509.49	-
Nanshan Group	2,182,780,419.00	6,033,520,232.11	-	-	33,928,156.72	-532,286.23	-7,074,950.35	-37,014,000.00	-	-	-	6,022,827,152.25	-
Liaoning Port	3,731,548,568.95	4,250,226,314.79	-	-	148,400,755.75	-2,066,959.60	-27,185,456.84	-64,882,190.40	-	-	-	4,304,492,463.70	324,913,116.66
Others	7,743,563,248.32	7,383,916,763.74	65,424,356.69	-136,244,155.23	223,516,166.60	28,862,479.03	-364,789.63	-226,823,307.68	-	-124,620,493.63	-2,028,034.28	7,211,638,985.61	2,336,628.04
Sub-total	54,351,170,361.93	90,710,156,849.66	65,424,356.69	-136,244,155.23	6,035,646,183.31	468,826,368.29	-399,274,863.32	-2,661,474,841.40	-	-269,830,308.48	-2,028,034.28	93,811,201,555.24	327,249,744.70
Total	62,846,469,379.49	100,018,029,894.96	65,424,356.69	-136,244,155.23	6,334,726,676.24	529,218,931.07	-398,115,739.15	-3,093,032,609.31	-	-244,879,256.12	-2,028,034.28	103,073,100,064.87	335,363,227.34

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

12. Long-term equity investments - continued

(3) Changes in provision for impairment of long-term equity investments are as follows

Item	Opening Balance	Effect of changes in the scope of consolidation	Increase	Decrease		Effect of translation of financial statements denominated in foreign currencies	Closing Balance
				Decrease	Reasons for reduction		
Liaoning Port	324,913,116.66	-	-	-	-	-	324,913,116.66
Silk Road Yishang Information Technology Co., Ltd.	8,113,482.64	-	-	-	-	-	8,113,482.64
HOA THUONG CORPORATION	2,395,663.32	-	-	-	-	-59,035.28	2,336,628.04
Total	335,422,262.62	-	-	-	-	-59,035.28	335,363,227.34

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

13. Investments in other equity instruments

(1) Details of investments in other equity instruments

Item	Closing Balance	Opening Balance	Dividend income recognised during the year	Other comprehensive income during the year	Other comprehensive income at the end of the year	Reasons for designation	Amount transferred from other comprehensive income to retained earnings	Reasons for transferring other comprehensive income to retained earnings
China Ocean Shipping Agency Shenzhen Co., Ltd.	130,000,000.00	129,726,519.67	9,664,500.00	273,480.33	116,490,000.00	It is a non-trading equity instrument investment	-	——
Others	11,766,365.15	9,725,367.38	120,000.00	2,040,997.77	2,738,865.15	It is a non-trading equity instrument investment	-	——
Total	141,766,365.15	139,451,887.05	9,784,500.00	2,314,478.10	119,228,865.15		-	

(2) There are no other equity instruments derecognised for the year.

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

14. Other non-current financial assets

Item	Closing Balance	Opening Balance
Financial assets at FVTPL	28,768,810.95	28,524,600.31
Including: Investments in equity instruments	28,768,810.95	28,524,600.31
Total	28,768,810.95	28,524,600.31

15. Investment properties

(1) Investment properties measured at cost

Item	Land use rights	Buildings and structures	Total
I. Cost	— —	— —	— —
As at 1 January 2025	136,657,995.75	4,319,416,172.19	4,456,074,167.94
Decrease for the year	-	-552,235.00	-552,235.00
Other decreases	-6,404,821.25	-	-6,404,821.25
As at 31 December 2025	130,253,174.50	4,318,863,937.19	4,449,117,111.69
II. Accumulated depreciation and amortisation	— —	— —	— —
As at 1 January 2025	50,135,665.57	1,117,248,431.77	1,167,384,097.34
Increase for the year	2,498,871.95	123,539,464.13	126,038,336.08
Transfer from investment properties to fixed assets	-	-161,287.68	-161,287.68
Other decreases	-2,095,357.83	-	-2,095,357.83
As at 31 December 2025	50,539,179.69	1,240,626,608.22	1,291,165,787.91
III. Impairment provision	— —	— —	— —
As at 1 January 2025	-	-	-
As at 31 December 2025	-	-	-
IV. Carrying amount	— —	— —	— —
As at 1 January 2025	86,522,330.18	3,202,167,740.42	3,288,690,070.60
As at 31 December 2025	79,713,994.81	3,078,237,328.97	3,157,951,323.78

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

15. Investment properties - continued

(2) Investment properties without ownership certificates

Item	Book value	Reasons for not obtaining certificate of title
Buildings, structures, and land use rights	18,684,896.11	Some buildings and structures have not yet obtained certificates of land use rights

16. Fixed assets

16.1 Summary of fixed assets

Item	Closing Balance	Opening Balance
Fixed assets	30,442,667,834.87	30,688,591,344.25
Disposal of fixed assets	216,462.95	626,447.20
Total	30,442,884,297.82	30,689,217,791.45

16.2 Fixed assets

(1) Details of fixed assets

Item	Port and terminal facilities	Buildings and structures	Machinery and equipment, furniture, fixture and other equipment	Motor vehicles and cargo ships	Total
I. Cost	— —	— —	— —	— —	— —
As at 1 January 2025	32,465,773,556.56	3,694,135,032.52	17,385,378,609.69	2,287,212,824.87	55,832,500,023.64
Effect of changes in the scope of consolidation	-	-	215,249.81	516,249.00	731,498.81
Purchase	22,456,341.77	280,278.30	250,090,443.99	30,375,360.77	303,202,424.83
Transfer from construction in progress	742,467,838.37	18,967,065.64	580,239,918.77	38,919,621.37	1,380,594,444.15
Other increase	7,786,816.62	714,111.14	2,056,584.47	-	10,557,512.23
Decrease for the year	-44,538,254.20	-1,289,366.12	-197,852,670.99	-7,006,759.47	-250,687,050.78
Reclassification	-18,633,509.76	-	18,304,489.76	329,020.00	-
Others decreases	-2,143,215.25	-25,287.94	-1,207,735.94	-	-3,376,239.13
Effect of translation of financial statements denominated in foreign currencies	104,818,978.90	-3,503,758.11	120,013,141.00	-16,582,679.67	204,745,682.12
As at 31 December 2025	33,277,988,553.01	3,709,278,075.43	18,157,238,030.56	2,333,763,636.87	57,478,268,295.87
II. Accumulated depreciation	— —	— —	— —	— —	— —
As at 1 January 2025	11,530,007,770.51	1,078,040,229.08	11,097,200,518.48	1,225,369,778.26	24,930,618,296.33
Effect of changes in the scope of consolidation	-	-	215,249.81	516,249.00	731,498.81
Increase for the year	982,069,480.63	128,812,339.20	830,998,991.83	107,657,947.53	2,049,538,759.19
Others increase	-	714,111.14	-	-	714,111.14
Decrease for the year	-39,422,062.24	-1,086,506.44	-179,829,413.57	-6,710,140.16	-227,048,122.41
Reclassification	-3,892,300.23	-	3,762,063.23	130,237.00	-
Other decreases	-155,801.87	-15,045.48	-1,166,961.65	-	-1,337,809.00
Effect of translation of financial statements denominated in foreign currencies	13,570,406.76	-1,674,983.01	64,363,834.28	-6,156,214.52	70,103,043.51
As at 31 December 2025	12,482,177,493.56	1,204,790,144.49	11,815,544,282.41	1,320,807,857.11	26,823,319,777.57
III. Impairment provision	— —	— —	— —	— —	— —
As at 1 January 2025	196,464,146.22	9,414,527.47	7,411,709.37	-	213,290,383.06
As at 31 December 2025	196,464,146.22	9,414,527.47	6,402,009.74	-	212,280,683.43
IV. Carrying amount	— —	— —	— —	— —	— —
As at 1 January 2025	20,739,301,639.83	2,606,680,275.97	6,280,766,381.84	1,061,843,046.61	30,688,591,344.25
As at 31 December 2025	20,599,346,913.23	2,495,073,403.47	6,335,291,738.41	1,012,955,779.76	30,442,667,834.87
Including: Carrying amount of fixed assets pledged at the end of the year	821,184,759.38	20,713,857.86	282,476,176.22	-	1,124,374,793.46

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

16. Fixed assets - continued

16.2 Fixed assets - continued

(2) The Group has no fixed assets that are temporarily idle as at 31 December 2025.

(3) Fixed assets leased out under operating leases

Item	Carrying amount of closing balance	Carrying amount of opening balance
Buildings and structures	180,145,890.02	185,465,560.82
Port and terminal facilities	30,385,645.46	41,979,439.95
Machinery and equipment, furniture, fixture and other equipment	1,346,838.39	10,203,232.09
Total	211,878,373.87	237,648,232.86

(4) Fixed assets without ownership certificates

Item	Carrying amount of closing balance	Carrying amount of opening balance	Remark
Buildings, structures, port and terminal facilities	1,264,731,872.19	1,357,929,730.13	This is mainly due to the fact that certain buildings and structures have not yet obtained the land use rights of the corresponding land and the approval procedures have not yet been completed.

(5) The details of the Group's fixed assets with restricted ownership as at 31 December 2025 are set out in Note (VIII) 65.

16.3 Disposal of fixed assets

Item	Closing Balance	Opening Balance
Machinery and equipment, furniture, fixture and other equipment	216,462.95	626,447.20
Total	216,462.95	626,447.20

17. Construction in progress

(1) Presentation of construction in progress

Item	Closing Balance	Opening Balance
Construction in progress	3,399,698,342.95	3,296,562,213.14
Materials for construction in progress	3,885,088.53	14,547,783.45
Total	3,403,583,431.48	3,311,109,996.59

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

17. Construction in progress - continued

(2) Details of construction in progress

Item	Closing Balance			Opening Balance		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Port and terminal facilities	1,996,474,911.84	2,906,416.74	1,993,568,495.10	1,950,072,409.34	-	1,950,072,409.34
Infrastructure	1,172,459,051.94	-	1,172,459,051.94	608,560,125.43	-	608,560,125.43
Berths and yards	20,857,215.96	-	20,857,215.96	475,884,349.47	-	475,884,349.47
Cargo ships under construction	16,673,893.80	-	16,673,893.80	21,073,474.73	-	21,073,474.73
Others	199,645,516.48	3,505,830.33	196,139,686.15	241,750,332.70	778,478.53	240,971,854.17
Total	3,406,110,590.02	6,412,247.07	3,399,698,342.95	3,297,340,691.67	778,478.53	3,296,562,213.14

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

17. Construction in progress - continued

(3) Changes of significant construction in progress

Item	Budget amount	Opening Balance	Increase for the year	Transfer to fixed assets	Other decreases for the year	Effect of translation of financial statements denominated in foreign currencies	Closing Balance	Proportion of accumulated construction investment in budget (%)	Construction progress (%)	Amount of accumulated capitalised interest	Including: Capitalised interest for the year	Interest capitalization rate for the current year (%)	Capital source
Zhanjiang Port Baoman Port Area Container Terminal Phase I Expansion Project	2,342,775,800.00	597,781,190.31	577,145,482.11	-	6,808,148.28	-	1,168,118,524.14	50.15	50.15	14,579,765.90	10,425,895.30	2.60	Own funds and loans
Zhanjiang Port Donghai Island Port Area Grocery Wharf Project	905,348,400.00	480,001,315.04	60,541,450.22	-	-	-	540,542,765.26	59.71	59.71	44,364,372.49	-	-	Own funds and loans
Reconstruction project of HIPG container, oil terminal and tank area	2,843,456,972.52	843,680,056.40	-	345,285,718.55	-	-13,217,143.90	485,177,193.95	51.10	51.10	-	-	-	Own funds
Subsequent construction in progress of HIPG wharf	1,122,736,230.56	347,651,856.20	28,632,960.41	33,170,980.65	-	-7,646,241.13	335,467,594.83	33.51	33.51	-	-	-	Own funds
Phase III Expansion Project of Bulk Grain Warehouse at 2 # and 3 # Berths in Xinshanan Operation Area of Machong Port	1,070,060,466.80	55,590,989.31	235,078,683.24	-	-	-	290,669,672.55	27.16	27.16	1,175,941.13	680,800.12	2.85	Own funds and loans
Dachanwan phase II project	6,201,904,300.00	94,110,621.23	69,570,517.25	-	-	-	163,681,138.48	2.64	2.64	-	-	-	Own funds
The Project of Zhanjiang Port 21# Warehouse and Substation Renovation and Expansion	117,110,000.00	19,044,357.57	50,105,982.72	-	-	-	69,150,340.29	59.05	59.05	-	-	-	Own funds and loans
Back land reclamation project on Haidagan Bulk Yard and Supporting Facilities and Liquid Bulk Berth	82,400,000.00	63,924,781.40	1,674,220.80	-	-	-	65,599,002.20	79.61	79.61	-	-	-	Own funds
Guang'ao Phase III Project	3,573,290,000.00	21,015,693.05	34,358,992.00	46,398.23	-	-	55,328,286.82	1.55	1.55	-	-	-	Own funds
Full rotation tugboat construction project	41,870,000.00	-	16,673,893.80	-	-	-	16,673,893.80	39.82	39.82	-	-	-	Own funds
Phase II of the second phase of the wharf project in the local operation area of the port area of Goshan Port is controlled in sequence	512,745,400.00	136,728,384.61	211,058,470.73	329,646,763.39	15,703,744.25	-	2,436,347.70	67.83	67.83	1,920,104.33	1,920,104.33	2.81	Own funds and loans
Phase I of the second phase of the wharf project in the local operation area of Goshan Port Area is controlled in sequence	746,878,600.00	331,708,848.99	56,648,447.56	388,357,296.55	-	-	-	86.19	100.00	31,067,837.20	9,592,022.62	2.81	Own funds and loans
Phase II warehouse of Djibouti Free Trade Zone Bonded Logistics Park	86,686,459.04	73,109,774.23	15,446,599.93	88,093,412.04	-	-462,962.12	-	100.00	100.00	-	-	-	Own funds
Total	19,647,262,628.92	3,064,347,868.34	1,356,935,700.77	1,184,600,569.41	22,511,892.53	-21,326,347.15	3,192,844,760.02	— —	— —	93,108,021.05	22,618,822.37	— —	— —

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

18. Right-of-use assets

（1） Details of right-of-use assets

Item	Port and terminal facilities	Buildings and structures	Machinery and equipment, furniture, fixture and other equipment	Land use rights	Motor vehicles, cargo ships and others	Total
I. Cost	——	——	——	——	——	——
As at 1 January 2025	6,494,856,616.10	154,067,861.90	5,409,429.14	3,718,797,951.13	6,177,384.73	10,379,309,243.00
Increase for the year	549,439,446.27	159,501.39	-	-	5,544,571.44	555,143,519.10
Decrease for the year	21,169,292.10	22,590,971.87	4,074,353.01	2,408,655.71	2,429,545.28	52,672,817.97
Effect of translation of financial statements denominated in foreign currencies	-141,921,453.30	-2,989,569.29	-35,450.47	-99,894,244.63	-	-244,840,717.69
As at 31 December 2025	6,881,205,316.97	128,646,822.13	1,299,625.66	3,616,495,050.79	9,292,410.89	10,636,939,226.44
II. Accumulated depreciation	——	——	——	——	——	——
As at 1 January 2025	928,160,476.79	37,043,873.94	4,164,300.68	448,828,617.90	3,759,910.15	1,421,957,179.46
Increase for the year	243,359,988.66	11,539,278.06	1,040,297.77	68,752,784.95	4,182,723.44	328,875,072.88
Decrease for the year	21,169,292.10	15,153,130.14	4,074,353.01	2,306,514.00	2,429,545.28	45,132,834.53
Effect of translation of financial statements denominated in foreign currencies	-22,000,310.91	-863,353.80	-29,607.19	-11,171,847.64	-	-34,065,119.54
As at 31 December 2025	1,128,350,862.44	32,566,668.06	1,100,638.25	504,103,041.21	5,513,088.31	1,671,634,298.27
III. Impairment provision	——	——	——	——	——	——
As at 1 January 2025	-	-	-	-	-	-
As at 31 December 2025	-	-	-	-	-	-
IV. Carrying amount	——	——	——	——	——	——
As at 1 January 2025	5,566,696,139.31	117,023,987.96	1,245,128.46	3,269,969,333.23	2,417,474.58	8,957,352,063.54
As at 31 December 2025	5,752,854,454.53	96,080,154.07	198,987.41	3,112,392,009.58	3,779,322.58	8,965,304,928.17

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

19. Intangible assets

(1) Details of intangible assets

Item	Opening Balance	Effect of changes in the scope of consolidation	Increases for the year	Decreases for the year	Effect of translation of financial statements denominated in foreign currencies	Closing Balance
I. Total cost	24,970,846,065.14	18,846.02	570,374,124.84	113,959,773.04	734,394,696.81	26,161,673,959.77
Including: Land use rights	14,063,421,368.77	-	209,593,892.64	99,171,492.17	-5,935,472.08	14,167,908,297.16
Terminal operating right	9,319,595,026.35	-	21,629,345.87	-	688,165,407.41	10,029,389,779.63
Self developed data resources	6,339,622.62	-	-	-	-	6,339,622.62
Other	1,581,490,047.40	18,846.02	339,150,886.33	14,788,280.87	52,164,761.48	1,958,036,260.36
II. Total accumulated amortisation	7,578,753,372.23	10,051.20	737,947,350.23	38,061,835.25	182,159,171.34	8,460,808,109.75
Including: Land use rights	4,605,959,694.01	-	333,999,630.84	23,422,404.94	-3,073,440.05	4,913,463,479.86
Terminal operating right	2,356,430,281.06	-	310,988,454.55	-	162,685,538.12	2,830,104,273.73
Self developed data resources	88,502.35	-	634,846.48	-	-	723,348.83
Other	616,274,894.81	10,051.20	92,324,418.36	14,639,430.31	22,547,073.27	716,517,007.33
III. Total impairment provision	57,010,270.07	-	-	-	-	57,010,270.07
Including: Land use rights	44,199,381.24	-	-	-	-	44,199,381.24
Terminal operating right	-	-	-	-	-	-
Self developed data resources	-	-	-	-	-	-
Other	12,810,888.83	-	-	-	-	12,810,888.83
IV. Total carrying amount	17,335,082,422.84	——	——	——	——	17,643,855,579.95
Including: Land use rights	9,413,262,293.52	——	——	——	——	9,210,245,436.06
Terminal operating right	6,963,164,745.29	——	——	——	——	7,199,285,505.90
Self developed data resources	6,251,120.27	——	——	——	——	5,616,273.79
Other	952,404,263.76	——	——	——	——	1,228,708,364.20

(2) Land use rights without ownership certificates as at 31 December 2025

Item	Carrying amount of closing balance	Carrying amount of opening balance
Land use rights (Note)	1,643,722,609.93	1,889,916,568.77

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

19. Intangible assets - continued

(2) Land use rights without ownership certificates as at 31 December 2025 - continued

Note: As at 31 December 2025, the land use rights without ownership certificates mainly represent the land use rights for berth and storage yard within Chiwan Port area obtained by the Group from Nanshan Group, with an area of 690,161.97 m^2, and Dachanwan Port area Phase II land use rights obtained by Ansujie Port Warehousing Services (Shenzhen) Co., Ltd. (hereinafter referred to as "ASJ") , the costs of which are RMB 1,179,538,483.36 and RMB 918,521,317.23 respectively.

The land use rights for berth and storage yard within Chiwan Port area obtained by the Group from Nanshan Group represent the capital contribution from Nanshan Group to the Company upon restructuring of the Company, while the remaining land use rights are obtained from Nanshan Group by way of long-term lease. Up to date, Nanshan Group has not yet obtained the land use rights in respect of the lands within Chiwan watershed, including aforementioned capital contribution and land lease to the Group, therefore, the Group cannot obtain the ownership certificate for relevant land and buildings on such land. The Company's management understood that Nanshan Group is negotiating with relevant government departments regarding the historical issues, and the date when the Group can obtain the ownership certificate of relevant land and buildings on such land cannot be estimated reliably.

The property rights certificate for the second phase land use right of Dachanwan Port Area obtained by ASJ will be processed after the completion of sea reclamation.

(3) The details of the Group's intangible assets with restricted ownership as at 31 December 2025 are set out in Note (VIII) 65.

20. Goodwill

(1) Details of goodwill

Investee	Sources	Opening Balance	Increase	Decrease	Effect of translation of financial statements denominated in foreign currencies	Closing Balance
TCP	Acquisition of equity	2,369,714,257.24	-	-	237,924,336.90	2,607,638,594.14
Mega Shekou Container Terminals Limited (hereinafter referred to as "Mega SCT")	Acquisition of equity	1,815,509,322.42	-	-	-	1,815,509,322.42
CM Port	Acquisition of equity	993,992,000.00	-	-	-	993,992,000.00
Shantou Port	Acquisition of equity	552,317,736.65	-	-	-	552,317,736.65
Zhanjiang Port	Acquisition of equity	418,345,307.68	-	-	-	418,345,307.68
Shenzhen Mawan Project	Acquisition of equity	408,773,001.00	-	-	-	408,773,001.00
Others	Acquisition of equity	345,322,348.68	6,718,413.80	-	-1,537,629.27	350,503,133.21
Sub-total	——	6,903,973,973.67	6,718,413.80	-	236,386,707.63	7,147,079,095.10
Provision for impairment of goodwill	——	970,663,044.33	-	-	-	970,663,044.33
Total	——	5,933,310,929.34	6,718,413.80	-	236,386,707.63	6,176,416,050.77

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

20. Goodwill - continued

(2) Provision for impairment of goodwill

Investee	Opening Balance	Effect of changes in the scope of consolidation	Provision	Effect of translation of financial statements denominated in foreign currencies	Decrease	Closing Balance
Shantou Port	552,317,736.65	-	-	-	-	552,317,736.65
Zhanjiang Port	418,345,307.68	-	-	-	-	418,345,307.68
Total	970,663,044.33	-	-	-	-	970,663,044.33

(3) Information of asset groups or portfolio of asset groups to which the goodwill belongs

Name	Composition of asset groups or portfolio of asset groups to which it is allocated and its basis	Is it consistent with that of the prior year?
TCP	The Group identifies asset groups or portfolio of asset groups based on their ability to generate cash inflows independently, the manner in which they manage their production and operating activities, and the unified decision-making on use or disposal of assets.	Yes
Mega SCT		Yes
CM Port		Yes
Shantou Port		Yes
Zhanjiang Port		Yes
Shenzhen Mawan Project		Yes
Others		Yes

When testing the goodwill for impairment, the Group compares the carrying amount of related asset groups and portfolio of asset groups (including goodwill) with the recoverable amount. If the recoverable amount is less than the carrying amount, the difference is included in profit or loss for the period. The Group determines the recoverable amount of the asset groups and portfolio of asset groups that generate goodwill at fair value less cost of disposal or at present value of expected future cash flows. The fair value is determined using market approach. The present value of cash flows is estimated based on the forecast of cash flows for the projection period between 5 years to 23 years and steady period. The estimated future cash flows for the projection period are based on the business plan established by the management; the expected future cash flows for the steady period are determined in conjunction with the level of the final year of the projection period, combined with the Group's business plans, industry trends and inflation rates. The growth rate adopted will not exceed the long-term average growth rate of the country where the asset groups and portfolio of asset groups are located. The key assumptions used by the Group in estimating the present value of future cash flows include growth rate and discount rate etc. The pre-tax discount rate and the growth rate adopted are 9.44%-23.25% and 1.89%-2.52% respectively. The parameters of key assumptions determined by the Group's management are in line with the Group's historical experience or external source of information.

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

20. Goodwill - continued

(4) Specific method for determination of recoverable amount

The recoverable amount is determined at the present value of expected future cash flows

Item	Projection period	Key parameters for projection period	Basis to determine the key parameters for projection period	Key parameters for steady period	Basis to determine the key parameters for steady period
Mega SCT	5 years	1. Pre-tax discount rate: 10.29% 2. Average revenue growth rate for projection period: 0.01% 3. Average profit margin for projection period: 41.16%	1. The discount rate is a pre-tax discount rate that reflects the specific risks of the underlying asset group or combination of asset groups 2. Average revenue growth rate for projection period and average profit margin for projection period: Taking into account comprehensive factors such as each company's business operations, performance, key financial indicators and market environment	1. Pre-tax discount rate: 10.29% 2. Average revenue growth rate for steady period: 1.89% 3. Average profit margin for steady period: 40.17%	1. The discount rate is a pre-tax discount rate that reflects the specific risks of the underlying asset group or combination of asset groups 2. Average revenue growth rate for steady period: China's forward inflation rate published by the World Bank 3. Profit margin for steady period: Taking into account comprehensive factors such as each company's business operations, performance, key financial indicators and market environment
TCP	23 years (Note)	1. Pre-tax discount rate: 23.25% 2. Average revenue growth rate for projection period: 5.01% 3. Average profit margin for projection period: 59.67%		1. Pre-tax discount rate: Not applicable 2. Average revenue growth rate for steady period: Not applicable 3. Average profit margin for steady period: Not applicable	

Note: The franchise right of TCP, a subsidiary of the Group, to Paranagua Port will expire in October 2048. TCP predicts the future cash flow based on the remaining years of the franchise right.

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

21. Long-term deferred expenses

Presentation of long-term deferred expenses:

Item	Opening Balance	Increase for the year	Amortisation in the year	Other decreases	Closing Balance	Reason for other decreases
Tonggu channel widening project (Note 1)	426,358,457.19	-	14,615,692.32	-	411,742,764.87	
West public channel widening project at West port area (Note 2)	229,677,161.96	-	6,603,626.20	-	223,073,535.76	
Dredging project	65,783,053.94	8,380,006.13	24,458,611.73	5,534.99	49,698,913.35	Settlement Variance
Relocation project of Nanhai Rescue Bureau	35,339,374.70	-	1,107,368.40	-	34,232,006.30	
Expenditures for the improvement of leased fixed assets	20,416,797.88	6,986,783.39	3,243,366.25	623,271.52	23,536,943.50	Settlement Variance
Others	162,829,634.27	65,638,880.70	50,942,876.60	90,556.97	177,435,081.40	Settlement Variance
Total	940,404,479.94	81,005,670.22	100,971,541.50	719,363.48	919,719,245.18	

Note 1: This represents the Group's actual expenses on Shenzhen Western Port Area Tonggu Channel 210-270M Widening Project. According to relevant resolutions of Shenzhen Municipal Government, the enterprise and government shall bear 60% and 40% of the expenses incurred for the 210-240M widening project, and 50% and 50% of the expenses incurred for the 240-270M widening project respectively. The Company's subsidiary has included the expenses on deepening the channel in the item of " long-term deferred expenses ", and amortised such expenses over the expected useful lives of the two widening projects of 35 and 40 years using straight-line method since the completion of each project in 2008 and 2019, respectively.

Note 2: This represents the Group's actual expenses on Shenzhen West Port Area Public Channel Widening Project, of which the widening of 240-270M in the first section was completed on 1 June 2019 and the widening of 240-270M in the second and third sections was completed on 5 November 2020. According to relevant resolutions of Shenzhen Municipal Government, the enterprise and government shall bear 50% and 50% of the expenses incurred for the project respectively. The Company's subsidiary has included the expenses on deepening the channel in the item of " long-term deferred expenses ", and amortised such expenses over the expected useful life of 40 years using straight-line method since the completion of each section of the channel widening project.

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

22. Deferred income tax

(1) Deferred tax assets before offsetting

Item	Closing Balance		Opening Balance	
	Deferred tax assets	Deductible temporary differences	Deferred tax assets	Deductible temporary differences
Lease liabilities	295,871,432.32	1,367,303,811.47	163,857,577.86	666,428,741.59
Unrealized profit	179,593,057.91	734,475,385.57	181,536,190.45	742,725,529.54
Terminal operating right	223,733,018.15	745,776,727.15	217,563,517.06	725,211,723.54
Depreciation of fixed assets	40,471,835.50	191,301,536.12	38,716,737.33	180,532,470.26
Provision for bad debts	9,161,395.67	41,122,248.17	18,830,890.39	84,382,905.10
Accrued and unpaid wages	15,275,295.00	73,422,009.38	21,864,895.76	104,332,100.77
Estimated liabilities	28,614,938.41	90,185,667.85	24,250,379.90	72,335,644.41
Deductible losses	15,925,668.89	106,171,125.93	5,384,926.28	35,370,822.19
Deferred income	7,151,504.28	30,286,075.45	8,571,871.40	36,119,190.53
Amortisation of computer software	2,269,985.97	13,606,231.50	1,226,964.34	6,236,548.44
Provision for impairment of assets	673,227.45	3,364,804.44	690,206.29	3,477,996.67
Others	41,142,857.64	165,309,874.90	22,429,487.85	98,150,808.94
Total	859,884,217.19	3,562,325,497.93	704,923,644.91	2,755,304,481.98

(2) Deferred tax liabilities before offsetting

Item	Closing Balance		Opening Balance	
	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences
Withholding dividend income tax	3,258,707,299.23	48,419,673,418.17	3,127,746,150.78	45,628,599,622.34
Right-of-use assets	377,554,058.21	1,607,827,870.66	257,345,925.13	972,527,705.73
Terminal operating right	80,273,769.35	267,579,231.18	82,096,512.01	273,655,040.04
Fair value adjustment of assets acquired from business combination	1,226,351,207.35	4,851,401,238.39	1,254,384,068.52	4,861,662,497.66
Depreciation of fixed assets	281,321,320.16	1,004,405,641.73	257,210,035.67	934,419,445.82
Changes in fair value of investments in other equity instruments	29,122,500.00	116,490,000.00	29,054,129.91	116,216,519.64
Valuation of financial assets held for trading	1,182,941.81	4,731,767.24	754,965.77	3,019,863.08
Others	119,049,568.27	1,060,609,222.61	126,835,982.94	1,026,333,384.24
Total	5,373,562,664.38	57,332,718,389.98	5,135,427,770.73	53,816,434,078.55

(3) Deferred tax assets or liabilities that are presented at the net amount after offsetting

Item	Offset amount of deferred tax assets and liabilities at the end of the current year	Balance of deferred tax assets or liabilities after offsetting at the end of the current year	Offset amount of deferred tax assets and liabilities at the end of the prior year	Balance of deferred tax assets or liabilities after offsetting at the end of the prior year
Deferred tax assets	-504,396,695.35	355,487,521.84	-339,442,437.14	365,481,207.77
Deferred tax liabilities	-504,396,695.35	4,869,165,969.03	-339,442,437.14	4,795,985,333.59

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

22. Deferred income tax - continued

(4) Details of unrecognised deferred tax assets

Item	Closing Balance	Opening Balance
Deductible temporary differences	1,088,193,612.07	1,126,951,677.30
Deductible losses	1,247,132,283.40	1,637,807,708.04
Total	2,335,325,895.47	2,764,759,385.34

The Group recognises deferred income tax assets to the extent of future taxable income that is likely to be obtained to offset the deductible temporary differences and deductible losses. For the excess of deductible temporary differences and deductible losses over future taxable income, no deferred tax assets are recognised.

(5) Deductible losses for which deferred tax assets are not recognised will be expired in the following years:

Year	Closing Balance	Opening Balance
2025	-	375,181,018.80
2026	102,128,558.83	105,089,811.43
2027	205,298,714.50	332,432,966.78
2028	709,684,706.07	753,239,633.32
2029	47,794,332.62	71,864,277.71
2030	176,809,471.64	-
2034	5,416,499.74	-
Total	1,247,132,283.40	1,637,807,708.04

23. Other non-current assets

Item	Closing Balance	Opening Balance
Advances for the channel project (Note 1)	793,174,860.33	1,037,329,218.89
Prepayments for fixed assets	67,035,987.35	117,351,349.97
Prepayments for terminal operating right	32,437,050.53	28,542,865.38
Others	637,756.68	14,325,919.01
Sub-total	893,285,654.89	1,197,549,353.25
Less: provision for impairment (Note 1, Note 2)	174,364,111.91	88,524,171.44
Total	718,921,542.98	1,109,025,181.81

Note 1: This represents that the Company's subsidiary Zhanjiang Port, upon its reorganization into a joint stock company in 2007, signed the Channel Arrangement Agreement with State-owned Assets Supervision and Administration Commission of Zhanjiang (hereinafter referred to as "Zhanjiang SASAC") and China Merchants International Terminal (Zhanjiang) Co., Ltd. According to the agreement, the channel belongs to Zhanjiang SASAC, therefore, the Group presented the advances of channel project that should be repaid by Zhanjiang SASAC as other non-current assets.

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

23. Other non-current assets – continued

Note 1: - continued

In 2025, Zhanjiang Port received a prepayment of RMB 267,849,800.00 from Zhanjiang Port and Navigation Affairs Center for the waterway.

Note 2: Zhanjiang Port, a subsidiary of the Company, comprehensively considers the reasonable and reliable information related to the credit risk status of the debtor, including the payment period agreed in the contract, actual settlement period, the financial status of the debtor, etc., estimates the present value of the difference between the contractual cash flows of the waterway advance payment fee and the expected cash flow collected, and makes provision for bad debts accordingly. As of 31 December 2025, the Group has accrued corresponding credit impairment losses of RMB 174,364,111.91 (31 December 2024: RMB 88,524,171.44).

24. Short-term borrowings

(1) Classification of short-term borrowings

Item	Closing Balance	Opening Balance
Credit borrowings	19,724,784,577.14	12,771,225,106.96
Mortgage borrowings (Note)	51,036,254.18	20,017,034.73
Total	19,775,820,831.32	12,791,242,141.69

Note: It is obtained by Guangdong Yide Port Co., Ltd. (hereinafter referred to as "Yide Port"), a subsidiary of the Company, by mortgaging the land and fixed assets held by it.

(2) As at 31 December 2025, the Group has no short-term borrowings that are overdue.

25. Bills payable

Category	Closing Balance	Opening Balance
Bank acceptance	-	1,536,194.00
Total	-	1,536,194.00

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

26. Accounts payable

Item	Closing Balance	Opening Balance
Service fee	238,195,011.65	177,881,786.24
Material purchase fee	125,891,873.15	147,233,743.30
Construction fee	85,951,478.75	97,723,911.20
Equipment payments	40,330,021.94	79,246,916.34
Rental fee	15,440,269.10	19,621,514.17
Others	234,091,837.76	264,122,661.08
Total	739,900,492.35	785,830,532.33

(1) Aging of accounts payable

Aging	Closing Balance		Opening Balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (Including 1 year)	621,757,239.35	84.03	694,992,359.27	88.44
1-2 years (Including 2 years)	62,740,553.51	8.48	46,762,212.21	5.95
2-3 years (Including 3 years)	19,536,220.58	2.64	11,450,482.24	1.46
More than 3 years	35,866,478.91	4.85	32,625,478.61	4.15
Total	739,900,492.35	100.00	785,830,532.33	100.00

(2) Significant accounts payable aged more than 1 year

Name of entity	Closing Balance	Reason for outstanding
Shenzhen Nanshan District Treasury Payment Center	28,414,768.94	To be paid upon confirmation by both parties.
Quanzhou Antong Logistics Co., Ltd.	17,869,057.61	To be paid upon confirmation by both parties.
Sinopec Group Assets Operation Management Co., Ltd.	12,566,300.00	To be paid upon confirmation by both parties.

27. Advance payments received

Item	Closing Balance	Opening Balance
Rental fee received in advance	11,781,611.38	14,371,546.45
Others	409,843.14	204,691.39
Total	12,191,454.52	14,576,237.84

(1) Aging of advance payments received

Aging	Closing Balance		Opening Balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (Including 1 year)	11,444,067.35	93.87	13,621,118.48	93.45
1-2 years (Including 2 years)	96,278.62	0.79	955,119.36	6.55
2-3 years (Including 3 years)	651,108.55	5.34	-	-
Total	12,191,454.52	100.00	14,576,237.84	100.00

(2) As at 31 December 2025, the Group has no significant advance payments received aged more than one year.

(3) For the year ended 31 December 2025, the Group has no advance payments received with significant changes in carrying amount.

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

28 Contract liabilities

(1) Details of contract liabilities

Item	Closing Balance	Opening Balance
Unused sales discounts	264,529,928.79	123,329,461.62
Port and service fees collected in advance	167,813,038.98	123,282,437.42
Storage fees collected in advance	2,310,969.36	5,407,746.76
Others	12,169,011.66	15,868,626.82
Total	446,822,948.79	267,888,272.62

(2) Revenue recognised in the current year, including the book value of contract liabilities at the beginning of the year

At the beginning of this year, the book value of contract liabilities was RMB 248,300,041.60, which was recognised as revenue in this year, including unused sales discounts, advance collection of port and service fees, advance collection of warehousing fees contracts, and advance collection for other contracts that have been settled but not completed

(3) As at 31 December 2025, the Group has no significant contract liabilities aged more than one year.

(4) Qualitative analysis of contract liabilities

Contract liabilities mainly refer to unused sales discounts and fees collected by the Group for providing port services to customers. Unused sales discount refers to the sales discount withdrawn by the Group on the date of financial statements for the sales contract that has fulfilled the performance obligation and is used to deduct future service fees. Advance port and service fees shall be collected according to the payment time agreed in the contract. The Group recognises contract revenue according to the performance schedule, and contract liabilities will be recognised as revenue after the Group performs its performance obligations.

29. Employee benefits payable

(1) Employee benefits payable classification

Item	Opening Balance	Effect of changes in the scope of consolidation	Increase for the year	Decrease for the year	Closing Balance
1. Short-term benefits	1,159,571,782.03	888,451.87	3,367,598,242.18	3,241,039,456.31	1,287,019,019.77
2. Post-employment benefits defined contribution plan	8,520,567.12	-	418,356,144.43	416,061,052.12	10,815,659.43
3. Termination benefits	500,000.00	-	5,800,033.43	6,300,033.43	-
4. Other benefits due within 1 year	-	-	-	-	-
5. Others	-	-	10,638,790.98	10,638,790.98	-
Total	1,168,592,349.15	888,451.87	3,802,393,211.02	3,674,039,332.84	1,297,834,679.20

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

29. Employee benefits payable - continued

(2) Presentation of short-term benefits

Item	Opening Balance	Effect of changes in the scope of consolidation	Increase for the year	Decrease for the year	Closing Balance
1. Wages and salaries, bonuses, allowances and subsidies	1,126,682,376.20	93,380.00	2,769,660,036.10	2,643,988,473.90	1,252,447,318.40
2. Staff welfare	-	-	152,503,967.42	152,503,967.42	-
3. Social insurance contributions	21,283,662.81	-	181,208,538.90	179,329,942.73	23,162,258.98
Including: Medical insurance and maternity insurance premiums	17,671,866.66	-	135,489,244.58	132,971,144.56	20,189,966.68
Work injury insurance	-	-	24,315,059.55	24,315,059.55	-
Others	3,611,796.15	-	21,404,234.77	22,043,738.62	2,972,292.30
4. Housing funds	0.01	-	200,811,566.30	200,811,566.31	-
5. Labour union and employee education funds	11,605,743.01	795,071.87	45,174,687.08	46,210,046.48	11,365,455.48
6. Other short-term benefits	-	-	18,239,446.38	18,195,459.47	43,986.91
Total	1,159,571,782.03	888,451.87	3,367,598,242.18	3,241,039,456.31	1,287,019,019.77

(3) Presentation of defined benefit plans

Item	Opening Balance	Effect of changes in the scope of consolidation	Increase for the year	Decrease for the year	Closing Balance
1. Basic pension	7,459,654.22	-	316,991,768.30	315,485,089.99	8,966,332.53
2. Unemployment insurance	-	-	12,078,617.33	12,078,617.33	-
3. Enterprise annuity	1,060,912.90	-	89,285,758.80	88,497,344.80	1,849,326.90
Total	8,520,567.12	-	418,356,144.43	416,061,052.12	10,815,659.43

The Company and its domestic subsidiaries participate in the pension insurance and unemployment insurance plan established by government institutions as required. According to such plans, the Group contributes in proportion to the local government. The Group has established an enterprise annuity system, accrues and pays the enterprise annuity according to the enterprise annuity system of the Company and its domestic subsidiaries. In addition to above contributions, the Group has no further payment obligations. The corresponding expenses are included in profit or loss for the period or the cost of related assets when incurred.

30. Taxes payable

Item	Closing Balance	Opening Balance
Enterprise income tax	758,576,333.33	576,840,455.26
VAT	24,055,651.28	33,120,467.83
Other taxes and surcharges	130,652,487.93	115,204,803.23
Total	913,284,472.54	725,165,726.32

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

31. Other payables

(1) Presentation of other payables

Item	Closing Balance	Opening Balance
Dividends payable	135,169,470.79	132,334,744.28
Other payables	1,899,753,608.16	1,791,645,568.70
Total	2,034,923,078.95	1,923,980,312.98

(2) Dividends payable

Item	Closing Balance	Opening Balance
Ordinary share dividends	135,169,470.79	132,334,744.28
Including: China Merchants Zhangzhou Development Zone Co., Ltd.	105,526,928.23	79,792,513.04
Yiu Lian Dockyards Limited	22,924,685.89	-
Qingdao Port (Group) Co., Ltd.	6,717,856.67	-
Zhanjiang Infrastructure Construction Investment Group Co., Ltd.	-	52,542,231.24

Note: As at 31 December 2025, The Group has a total of RMB 79,792,513.04 of important dividends payable with an aging of more than one year, all of which are dividends payable to China Merchants Zhangzhou Development Zone Co., Ltd. The reason for the non-disbursement is that the funding plan has not yet been arranged.

(3) Other payables

(a) Disclosure of other payables by nature

Item	Closing Balance	Opening Balance
Amount payable for construction and quality warranty	830,865,851.52	769,762,433.76
Guarantees and deposits	207,608,168.44	271,312,443.95
Port construction and security fee	22,421,347.69	26,454,133.47
Others	838,858,240.51	724,116,557.52
Total	1,899,753,608.16	1,791,645,568.70

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

31. Other payables - continued

(3) Other payables - continued

(b) Aging analysis of other payables

Aging	Closing Balance		Opening Balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (including 1 year)	1,297,912,623.51	68.32	1,181,359,579.96	65.94
1-2 years (including 2 years)	130,587,433.84	6.87	100,163,555.98	5.59
2-3 years (including 3 years)	64,712,876.01	3.41	144,116,749.00	8.04
More than 3 years	406,540,674.80	21.40	366,005,683.76	20.43
Total	1,899,753,608.16	100.00	1,791,645,568.70	100.00

(c) Significant other payables aged more than one year

Company name	Amount payable	Aging	Reason for being outstanding
Lac Assal Investment Holding Company Limited	79,952,643.76	1-2 years、2-3 years and more than 3 years	To be paid upon confirmation by both parties
Transport Bureau of Shenzhen Municipality (Ports Administration of Shenzhen Municipality)	79,689,248.18	More than 3 years	To be paid upon confirmation by both parties
Shanghai Zhenhua Heavy Industries Co., Ltd.	39,072,403.74	1-2 years and more than 3 years	To be paid upon confirmation by both parties
Shantou Bureau of Communications	31,358,355.47	More than 3 years	To be paid upon confirmation by both parties
China Communications Fourth Navigation Engineering Bureau Co., Ltd	24,948,480.39	1-2 years、2-3 years and more than 3 years	To be paid upon confirmation by both parties
Total	255,021,131.54	——	——

32. Non-current liabilities due within one year

Item	Closing Balance	Opening Balance
Long-term borrowings due within one year	5,429,113,410.54	3,271,899,155.70
Including: Credit borrowings	5,305,704,329.05	3,083,776,769.64
Mortgage borrowings	33,593,973.27	110,904,933.53
Guaranteed and mortgage borrowings	89,815,108.22	77,217,452.53
Bonds payable due within one year	229,971,569.71	6,866,623,467.03
Lease liabilities due within one year	211,853,235.22	101,402,045.53
Long-term payables due within one year	114,496,507.83	206,012,716.21
Long-term employee benefits payable due within one year	42,037,962.03	44,885,411.13
Other non-current liabilities due within one year	15,050,000.00	15,860,000.00
Total	6,042,522,685.33	10,506,682,795.60

33. Other current liabilities

(1) Details of other current liabilities

Item	Closing Balance	Opening Balance
Short-term bonds payable	2,004,242,191.78	4,020,214,246.58
Others	195,059,225.24	40,987,514.14
Total	2,199,301,417.02	4,061,201,760.72

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

33. Other current liabilities - continued

(2) Changes in short-term bonds payable

Name of bond	Face value	Coupon rate	Date of issue	Term of the bond	Amount of issue	Opening Balance	Amount issued in the current year	Interest accrued based on par value	Amortisation of premiums or discounts	Repayment in the current year	Closing Balance	Is it in breach of contract?
1.95% RMB 2 billion Super & Short-term Commercial Paper	2,000,000,000.00	1.95%	2024-07-31	270 days	2,000,000,000.00	2,016,347,945.21	-	12,501,369.86	-	2,028,849,315.07	-	No
1.96% RMB 2 billion Super & Short-term Commercial Paper	2,000,000,000.00	1.96%	2024-11-25	180 days	2,000,000,000.00	2,003,866,301.37	-	15,465,205.48	-	2,019,331,506.85	-	No
1.51% RMB 2 billion Super & Short-term Commercial Paper	2,000,000,000.00	1.51%	2025-05-19	180 days	2,000,000,000.00	-	2,000,000,000.00	14,893,150.68	-	2,014,893,150.68	-	No
1.58% RMB 2 billion Super & Short-term Commercial Paper	2,000,000,000.00	1.58%	2025-11-13	267 days	2,000,000,000.00	-	2,000,000,000.00	4,242,191.78	-	-	2,004,242,191.78	No
Total	8,000,000,000.00				8,000,000,000.00	4,020,214,246.58	4,000,000,000.00	47,101,917.80	-	6,063,073,972.60	2,004,242,191.78	

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

34. Long-term borrowings

Category	Closing Balance	Opening Balance	Range of year-end interest rate
Credit borrowings	5,677,716,492.69	13,903,500,511.85	1.70%-3.00%
Mortgage borrowings (Note 1)	744,516,884.53	572,319,257.23	2.66%-3.50%
Guaranteed and mortgage borrowings (Note 2)	1,017,722,746.28	1,106,773,486.57	2.25%
Total	7,439,956,123.50	15,582,593,255.65	

Note 1: On 31 December 2025, the Company's subsidiary, Yide Port obtained long-term borrowings of RMB 660,846,067.18 (31 December 2024: RMB 459,116,477.34) secured by its proprietary land and fixed assets, as well as the proprietary land of Guangdong Shunkong Lingang Development and Construction Co., Ltd. (hereinafter referred to as "Shunkong Lingang"). The Company's subsidiary, China Merchants Port (Zhoushan) RoRo Terminal Co., Ltd. (hereinafter referred to as "Zhoushan RoRo"), obtained a long-term loan of RMB 83,670,817.35 (31 December 2024: RMB 88,919,018.23) with its land use right and mortgage of above ground buildings.

Note 2: On 31 December 2025, Shenzhen Haixing Port Development Co., Ltd. (hereinafter referred to as "Shenzhen Haixing") obtained a long-term loan of RMB 1,017,722,746.28 (31 December 2024: RMB 1,106,773,486.57) with the land holding property rights as collateral and guaranteed by China Merchants Port Holdings and Sinotrans South China Co., Ltd.

Details of mortgage borrowings are as follows:

Company name	Closing Balance	Opening Balance	Collateral and pledge
Bank of China Qianhai Shekou Branch	1,017,722,746.28	1,106,773,486.57	Land use rights of Shenzhen Haixing
China Construction Bank Shunde Branch	112,000,000.00	136,000,000.00	Land use rights and fixed assets of Yide Port
Bank of Communications Co., Ltd. Guangdong Branch, Shenzhen Branch of China Merchants Group Finance Co., Ltd.	548,846,067.18	323,116,477.34	Land use rights of Shunkong Port
China Merchants Group Finance Co., Ltd.	83,670,817.35	88,919,018.23	Land use right and buildings on ground of Zhoushan RoRo
PT Bank Mandiri (Persero) Tbk	-	24,283,761.66	Fixed assets of NPH
Total	1,762,239,630.81	1,679,092,743.80	

Note: See Note (VIII) 65 for the above mortgages and pledges.

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

35. Bonds payable

(1) Bonds payable

Item	Closing Balance	Opening Balance
5.000% USD 600 million corporate bond	4,199,310,168.54	4,288,209,912.95
4.000% USD 500 million corporate bond	3,510,477,363.75	3,587,349,206.57
1.820% RMB 3 billion corporate bond	3,000,000,000.00	-
1.980% RMB 2 billion medium term notes	2,000,000,000.00	-
2.180% RMB 2 billion corporate bond	2,000,000,000.00	2,000,000,000.00
1.760% RMB 2 billion corporate bond	2,000,000,000.00	-
2.800% RMB 1,500 million medium term notes	1,500,000,000.00	1,500,000,000.00
2.300% RMB 1,200 million medium term notes	1,200,000,000.00	1,200,000,000.00
2.100% RMB 800 million medium term notes	800,000,000.00	800,000,000.00
2.680% RMB 500 million medium term notes	500,000,000.00	500,000,000.00
Total	20,709,787,532.29	13,875,559,119.52

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

35. Bonds payable - continued

(2) Statement of changes in bonds payable

Name of bonds	Face value	Coupon rate	Date of issue	Term of the bond	Amount of issue	Opening Balance	Amount issued in the current year	Interest accrued based on par value	Amortisation of premiums or discounts	Repayment in current year	Effect of translation of financial statements denominated in foreign currencies	Closing Balance	Default or not
5.000% USD 600 million corporate bond	USD 600,000,000.00	5.0000%	2018-08-06	10 years	USD 600,000,000.00	4,374,939,570.06	-	214,269,350.00	6,411,040.00	214,936,230.51	-96,569,514.75	4,284,114,214.80	No
4.750% USD 500 million corporate bond	USD 500,000,000.00	4.7500%	2015-08-03	10 years	USD 500,000,000.00	3,661,941,770.15	-	100,372,388.81	1,960,115.12	3,759,572,002.72	-4,702,271.36	-	No
4.000% USD 500 million corporate bond	USD 500,000,000.00	4.0000%	2022-06-01	5 years	USD 500,000,000.00	3,599,756,588.81	-	142,846,505.50	2,821,179.22	142,484,682.36	-80,330,320.40	3,522,609,270.77	No
1.820% RMB 3 billion corporate bond	3,000,000,000.00	1.8200%	2025-08-25	3 years	3,000,000,000.00	-	3,000,000,000.00	19,296,986.29	-	-	-	3,019,296,986.29	No
2.690% RMB 3 billion corporate Bond	3,000,000,000.00	2.6900%	2022-08-30	3 years	3,000,000,000.00	3,027,415,890.40	-	53,284,109.60	-	3,080,700,000.00	-	-	No
1.980% RMB 2 billion medium term notes	2,000,000,000.00	1.9800%	2025-03-25	3 years	2,000,000,000.00	-	2,000,000,000.00	30,595,068.49	-	-	-	2,030,595,068.49	No
2.180% RMB 2 billion corporate bond	2,000,000,000.00	2.1800%	2024-08-23	5 years	2,000,000,000.00	2,015,648,219.17	-	43,600,000.00	-	43,600,000.00	-	2,015,648,219.17	No
1.760% RMB 2 billion medium term notes	2,000,000,000.00	1.7600%	2025-11-10	3 years	2,000,000,000.00	-	2,000,000,000.00	5,014,794.52	-	-	-	2,005,014,794.52	No
2.800% RMB 1500 million medium term notes	1,500,000,000.00	2.8000%	2024-04-03	10 years	1,500,000,000.00	1,531,413,698.63	-	42,000,000.00	-	42,000,000.00	-	1,531,413,698.63	No
2.300% RMB 1200 million medium term notes	1,200,000,000.00	2.3000%	2024-07-12	5 years	1,200,000,000.00	1,213,081,643.84	-	27,600,000.00	-	27,600,000.00	-	1,213,081,643.84	No
2.100% RMB 800 million medium term notes	800,000,000.00	2.1000%	2024-07-12	3 years	800,000,000.00	807,962,739.75	-	16,800,000.00	-	16,800,000.00	-	807,962,739.75	No
2.680% RMB 500 million medium term notes	500,000,000.00	2.6800%	2024-04-03	5 years	500,000,000.00	510,022,465.74	-	13,400,000.00	-	13,400,000.00	-	510,022,465.74	No
Total	——	——	——	——	——	20,742,182,586.55	7,000,000,000.00	709,079,203.21	11,192,334.34	7,341,092,915.59	-181,602,106.51	20,939,759,102.00	——
Less: Bonds payable due within one year	——	——	——	——	——	6,866,623,467.03	——	——	——	——	——	229,971,569.71	——
Bonds payable due after one year	——	——	——	——	——	13,875,559,119.52	——	——	——	——	——	20,709,787,532.29	——

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

36. Lease liabilities

(1) Lease liabilities

Category	Closing Balance	Opening Balance
Lease payment	3,748,343,293.15	3,388,957,333.56
Less: Unrecognised financing cost	1,845,629,225.85	1,900,348,297.52
Total	1,902,714,067.30	1,488,609,036.04
Less: Lease liabilities due within one year	211,853,235.22	101,402,045.53
Net leases liabilities	1,690,860,832.08	1,387,206,990.51

(2) Maturity of lease payments

Item	Closing Balance
1st year subsequent to the balance sheet date	297,922,691.16
2nd year subsequent to the balance sheet date	187,789,429.53
3rd year subsequent to the balance sheet date	188,820,250.56
Subsequent years	3,073,810,921.90
Total	3,748,343,293.15

The Group is not exposed to any significant liquidity risk associated with lease liabilities.

37. Long-term payables

Item	Closing Balance	Opening Balance
Terminal management rights (Note)	3,552,952,940.93	3,330,284,743.90
Sale and leaseback payment	237,923,089.53	72,206,327.12
Shareholder loans	36,685,942.36	-
Special payables	6,461,237.03	6,132,944.24
Other	2,078,590.05	1,971,373.70
Total	3,836,101,799.90	3,410,595,388.96
Less: Long-term payables due within one year	114,496,507.83	206,012,716.21
Long-term payables due after one year	3,721,605,292.07	3,204,582,672.75

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

37. Long-term payables - continued

Note : Mainly from CICT and TCP terminal management rights purchased. On 12 August 2011, the Group reached a 35-year building, operation and transfer agreement through the subsidiary CICT and Sri Lanka Port Authority on the building, operation, management and development of Colombo Port South Container Terminal (hereinafter referred to as "BOT"). The above-mentioned amount payable for the acquisition of terminal management rights is determined by discounting the amount to be paid in the future using the prevailing market interest rate according to the BOT agreement. As at 31 December 2025, the amount payable for the acquisition of terminal management rights is RMB 879,962,116.70.

TCP, a subsidiary of the Company, entered into a franchise agreement on the Port of Paranaguá with the Administration of the Ports of Paranaguá and Antonina- APPA (hereinafter referred to as "APPA"). The agreement provides for an initial term of 25 years for the franchising rights. In April 2016, TCP and APPA entered into the Supplemental Agreement, which extends the term to 50 years and will be expired in October 2048.As at 31 December 2025, the amount of franchising rights payable was RMB 2,672,990,824.23.

(1) Top five long-term payables at the end of the year

Item	Closing Balance	Opening Balance
APPA	2,672,990,824.23	2,448,789,645.79
Sri Lanka Ports Authority	882,040,706.75	883,466,471.81
Ocean Offshore 2403 Limited	128,076,334.57	-
China Merchants Finance Lease (Tianjin) Co., Ltd.	109,846,754.96	72,206,327.12
Yihai Kerry Arawana Holdings Co., Ltd.	36,685,942.36	-
Total	3,829,640,562.87	3,404,462,444.72

(2) Special payables

Item	Opening Balance	Effect of changes in the scope of consolidation	Increase for the year	Decrease for the year	Closing Balance	Reason
Employee housing fund	6,132,944.24	-	328,292.79	-	6,461,237.03	Note
Total	6,132,944.24	-	328,292.79	-	6,461,237.03	

Note : This represents the repairing fund for public areas and public facilities and equipment established after the Group sells the public-owned house on the collectively allocated land to employees. The fund is contributed by all the employees having ownership of the house according to the rules and is specially managed and used for specific purpose.

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

38. Long-term employee benefits payable

(1) Long-term employee benefits payable

Item	Opening Balance	Increase for the year	Decrease for the year	Closing Balance
Post-employment benefits - net liabilities of defined benefit plans	576,678,542.68	65,538,179.92	163,622,871.87	478,593,850.73
Termination benefits	40,614,858.86	2,891,637.36	11,157,508.74	32,348,987.48
Other long-term benefit (note)	38,364,643.44	14,907,600.66	17,828,704.69	35,443,539.41
Total	655,658,044.98	83,337,417.94	192,609,085.30	546,386,377.62

Note : This represents the employee relocation costs of the Company's subsidiary Shantou Port in connection with land acquisition and reservation.

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

38. Long-term employee benefits payable - continued

(2) Changes in defined benefit plans

Present value of defined benefit plan obligations:

Item	Current Year	Prior Year
I. Opening balance	593,762,038.30	509,605,071.25
II. Defined benefit cost included in profit or loss for the period	-37,583,274.19	26,128,322.32
1. Current service cost	38,722,009.56	12,161,218.04
2. Past service cost	-88,340,000.00	-
3. Interest adjustment	12,034,716.25	13,967,104.28
III. Defined benefit cost included in other comprehensive income	-37,489,668.78	65,169,223.46
1. Actuarial gains	-37,425,594.87	66,185,897.50
2. Effect of exchange rate changes	-64,073.91	-1,016,674.04
IV. Other changes	-22,994,582.57	-7,140,578.73
1. Benefits paid	-27,143,988.37	-23,576,039.76
2. Changes in the scope of consolidation	4,149,405.80	16,435,461.03
V. At the end of the year	495,694,512.76	593,762,038.30

The Company's subsidiaries provide the registered retirees and in-service staff with supplementary post-employment benefit plans.

The Group hired a third-party actuary to estimate the present value of the above-mentioned retirement benefit plan obligations in an actuarial manner based on the expected cumulative welfare unit method. The Group recognises the liabilities based on the actuarial results. The relevant actuarial gains or losses are included in other comprehensive income and cannot be reclassified into profit or loss in the future. Past service costs are recognised in profit or loss for the period in which the plan is revised. The net interest is determined by multiplying the defined benefit plan net debt or net assets by the appropriate discount rate.

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

39. Provisions

Item	Opening Balance	Increase for the year	Decrease for the year	Effect of translation of financial statements denominated in foreign currencies	Closing Balance	Reason
Pending litigation	159,435,795.50	1,800,205.62	88,909,304.78	7,079,118.97	79,405,815.31	Note1
External guarantees provided	-	107,608,404.55	-	-1,521,037.41	106,087,367.14	Note2
Total	159,435,795.50	109,408,610.17	88,909,304.78	5,558,081.56	185,493,182.45	

Note 1: This represents the estimated compensation amount RMB 79,405,815.31 that the Company's subsidiary TCP may need to pay due to the pending litigation.

The decrease in this year is due to the compensation amount of RMB 88,909,304.78 transferred backed by Zhanjiang Port, a subsidiary of the Company, resulting from the settlement of outstanding litigation

Note 2: As of 31 December 2025, the Board of the Group assessed the default risk of related parties based on the actual operation of the related parties, which is equivalent to RMB 107,608,404.55. Please refer to Note (XV), 5, (3) for details.

40. Deferred income

Item	Opening Balance	Effect of changes in the scope of consolidation	Increase for the year	Decrease for the year	Closing Balance
Government grants	1,268,975,316.61	-	8,876,921.27	354,502,788.47	923,349,449.41
Total	1,268,975,316.61	-	8,876,921.27	354,502,788.47	923,349,449.41

(1) Government grants included in deferred income

Category of government grants	Closing Balance	Amount included in current profit or loss	Amount refunded this year	Reason for return
Government grants	923,349,449.41	51,963,816.21	-	Not applicable
Total	923,349,449.41	51,963,816.21	-	Not applicable

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

41. Other non-current liabilities

Item	Opening Balance	Closing Balance
Actuarial cost for the calculation of pension benefit difference for the public security bureau staff (Note 1)	159,573,016.67	179,019,858.67
Other	4,869,460.69	3,700,396.17
Total	164,442,477.36	182,720,254.84

Note 1: It represents the transfer of Zhanjiang Port Public Security Bureau to the People's Government of Zhanjiang Municipality by Zhanjiang Port, a subsidiary of the Company, in 2020 in accordance with the Notice on the *Issuance of the Program on Deepening the Management System Reform of Ganghang Public Security Organs* (Zhong Yang Bian Ban Fa No. 327 (2017)) and the Notice on the Issuance of the Implementation Plan for Deepening the Management System Reform of Ganghang Public Security Organs in Guangdong Province (Yue Ji Bian Ban Fa No. 221 (2018)). The former in-service police officers of Zhanjiang Port Public Security Bureau were transferred as civil servants in accordance with state regulations, the retired police officers were included in the scope of pension insurance of the government departments and public institutions in Zhanjiang, and the difference between the pension benefits under the original standard and the retirement benefits of Zhanjiang municipal police officers (hereinafter referred to as the "pension benefit difference") was borne by Zhanjiang Port.

Shantou Port, a subsidiary of the Company, transferred Shantou Municipal Public Security Bureau Ganghang Branch (formerly, the Shantou Port Public Security Bureau) to Shantou Municipal Government, and Shantou Municipal Public Security Bureau Ganghang Branch was fully taken over by Shantou Municipal Public Security Bureau. The in-service police officers were transferred as civil servants in accordance with state regulations, the retired police officers were included in the scope of pension insurance of the government departments and public institutions in Shantou, and the pension benefit difference was borne by Shantou Port.

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

42. Share capital

Name of investor	Opening Balance		Increase for the year	Decrease for the year	Closing Balance	
	Investment amount	Proportion (%)			Investment amount	Proportion (%)
China Merchants Port Investment Development Company Limited	1,148,648,648.00	45.92	-	-	1,148,648,648.00	46.28
Zhejiang Seaport Investment and Operation Group Co., Ltd.	576,709,537.00	23.06	-	-	576,709,537.00	23.24
China Merchants Gangtong Development (Shenzhen) Co., Ltd.	370,878,000.00	14.83	-	-	370,878,000.00	14.94
Infrastructure Investment Fund Management Co., Ltd. – infrastructure Investment Fund Partnership (Limited Partnership)	64,850,182.00	2.59	-	-	64,850,182.00	2.61
Broadford International Limited (hereinafter referred to as "Broadford")	55,314,208.00	2.21	-	-	55,314,208.00	2.23
China Africa Development Fund Co., Ltd.	15,610,368.00	0.62	-	-	15,610,368.00	0.63
Others (Note)	269,297,538.00	10.77	351,400.00	19,817,696.00	249,831,242.00	10.07
Total	2,501,308,481.00	100.00	351,400.00	19,817,696.00	2,481,842,185.00	100.00

Note1: The increased share capital this year is generated by equity incentives, as detailed in Note (XVI).

Note2: During the current year, the Company repurchased 17,347,289.00 shares (2024: 2,470,407.00 shares) through a dedicated securities account for share repurchases via centralized bidding, with a total of 19,817,696.00 shares repurchased. Payments totaling RMB 338,393,205.04 were made during the year for the repurchases (2024: RMB 50,559,789.14), with cumulative payments amounting to RMB 388,952,994.18. On 10 October 2025, the Company completed the cancellation procedures for the aforementioned 19,817,696.00 repurchased shares (2024: 0.00 share) with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

43. Treasury shares

Item	Opening Balance	Increase for the year	Decrease for the year	Closing Balance
Share repurchase (VIII）42	50,559,789.14	338,393,205.04	388,952,994.18	-
Total	50,559,789.14	338,393,205.04	388,952,994.18	-

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

44. Capital Reserve

Item	Opening Balance	Increase	Decrease	Closing Balance
For the year of 2025				
I. Capital premium	36,709,528,363.44	5,489,164.28	369,135,298.18	36,345,882,229.54
Including: Capital contributed by investors	17,108,331,780.58	5,489,164.28	-	17,113,820,944.86
Differences arising from business combination involving enterprises under common control	13,302,937,205.73	-	-	13,302,937,205.73
Differences arising from acquisition non-controlling interests	4,624,739,800.75	-	-	4,624,739,800.75
Others	1,673,519,576.38	-	369,135,298.18	1,304,384,278.20
II. Other capital reserve	653,453,468.23	951,302.21	183,700,384.00	470,704,386.44
Including: Transfer from capital reserve under the previous accounting rules	-2,781,133.00	-	-	-2,781,133.00
Unexercised share-based payment	506,305.80	-	506,305.80	-
Other	655,728,295.43	951,302.21	183,194,078.20	473,485,519.44
Total	37,362,981,831.67	6,440,466.49	552,835,682.18	36,816,586,615.98
For the year of 2024				
I. Capital premium	36,453,130,588.72	256,397,774.72	-	36,709,528,363.44
Including: Capital contributed by investors	17,068,816,277.34	39,515,503.24	-	17,108,331,780.58
Differences arising from business combination involving enterprises under common control	13,302,937,205.73	-	-	13,302,937,205.73
Differences arising from acquisition non-controlling interests	4,407,857,529.27	216,882,271.48	-	4,624,739,800.75
Others	1,673,519,576.38	-	-	1,673,519,576.38
II. Other capital reserve	623,716,214.34	36,140,304.89	6,403,051.00	653,453,468.23
Including: Transfer from capital reserve under the previous accounting rules	-2,781,133.00	-	-	-2,781,133.00
Unexercised share-based payment	6,644,590.36	264,766.44	6,403,051.00	506,305.80
Other	619,852,756.98	35,875,538.45	-	655,728,295.43
Total	37,076,846,803.06	292,538,079.61	6,403,051.00	37,362,981,831.67

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

45. Other comprehensive income

Items of OCI and their impact on income taxes and transfer to profit or loss

Item	Opening Balance	2025						Other changes	Closing Balance
		Pre-tax amount for the year	Less: Amount included in other comprehensive income in the prior year but transferred to profit or loss in the current year	Less: Amount included in other comprehensive income in the prior period but transferred to retained earnings in the current year	Less: Income tax expenses	Attributable to the Company, net of tax	Attributable to non-controlling shareholders, net of tax		
For the year of 2025									
I. Other comprehensive income that will not be reclassified subsequently to profit or loss	-125,708,734.97	92,020,131.46	-	-	192,928.31	36,036,304.99	55,790,898.16	-	-89,672,429.98
Including: Changes arising from remeasurement of defined benefit plans	-27,162,681.92	49,464,273.41	-	-	124,558.23	23,297,459.58	26,042,255.60	-	-3,865,222.34
Other comprehensive income that can't be reclassified to profit or loss under equity method	-157,659,266.07	40,241,379.95	-	-	-	11,925,433.55	28,315,946.40	-	-145,733,832.52
Changes in fair value of other equity instruments	59,113,213.02	2,314,478.10	-	-	68,370.08	813,411.86	1,432,696.16	-	59,926,624.88
II. Other comprehensive income that will be reclassified subsequently to profit or loss	-1,432,672,502.48	1,334,425,946.92	-	-	-	553,181,505.95	781,244,440.97	-	-879,490,996.53
Including: Other comprehensive income recognised under the equity method	-401,677,243.85	488,977,551.12	-	-	-	230,672,060.82	258,305,490.30	-	-171,005,183.03
Translation differences of financial statements denominated in foreign currencies	-1,030,995,258.63	845,448,395.80	-	-	-	322,509,445.13	522,938,950.67	-	-708,485,813.50
Total other comprehensive income	-1,558,381,237.45	1,426,446,078.38	-	-	192,928.31	589,217,810.94	837,035,339.13	-	-969,163,426.51
For the year of 2024									
I. Other comprehensive income that will not be reclassified subsequently to profit or loss	-22,859,768.83	-221,412,074.80	-	-	-4,502,591.44	-102,848,966.14	-114,060,517.22	-	-125,708,734.97
Including: Changes arising from remeasurement of defined benefit plans	-2,709,609.54	-70,324,586.90	-	-	-11,930.28	-24,453,072.38	-45,859,584.24	-	-27,162,681.92
Other comprehensive income that can't be reclassified to profit or loss under equity method	-92,749,398.41	-133,077,726.79	-	-	-	-64,909,867.66	-68,167,859.13	-	-157,659,266.07
Changes in fair value of other equity instruments	72,599,239.12	-18,009,761.11	-	-	-4,490,661.16	-13,486,026.10	-33,073.85	-	59,113,213.02
II. Other comprehensive income that will be reclassified subsequently to profit or loss	-880,766,825.52	-1,312,433,197.04	-	-	-	-551,905,676.96	-760,527,520.08	-	-1,432,672,502.48
Including: Other comprehensive income recognised under the equity method	-426,790,507.27	23,077,622.64	-	-	-	25,113,263.42	-2,035,640.78	-	-401,677,243.85
Translation differences of financial statements denominated in foreign currencies	-453,976,318.25	-1,335,510,819.68	-	-	-	-577,018,940.38	-758,491,879.30	-	-1,030,995,258.63
Total other comprehensive income	-903,626,594.35	-1,533,845,271.84	-	-	-4,502,591.44	-654,754,643.10	-874,588,037.30	-	-1,558,381,237.45

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

46. Specific reserve

Item	Opening Balance	Increase	Decrease	Closing Balance
Safety production cost	40,074,647.27	64,416,940.44	47,212,937.32	57,278,650.39

47. Surplus reserve

2025

Item	Opening Balance	Increase	Decrease	Closing Balance
Statutory surplus reserve	1,249,537,330.50	-	-	1,249,537,330.50

2024

Item	Opening Balance	Increase	Decrease	Closing Balance
Statutory surplus reserve	1,095,980,563.68	153,556,766.82	-	1,249,537,330.50

Note 1: According to the *Company Law of the People's Republic of China* and the Articles of the Company, the Company withdraws the statutory surplus reserve at 10% of the annual net profit. When the accumulated amount of the statutory surplus reserve reaches more than 50% of the registered capital, it can no longer be withdrawn. The statutory surplus reserve can be used to cover losses or increase share capital after approval. As of 31 December 2025, the cumulative amount of our company's statutory surplus reserve fund has reached 50% of the registered capital.

48. Retained earnings

Item	Amount	Proportion of appropriation or allocation
For the year of 2025		
Retained earnings at the beginning of the year before adjustment	21,957,778,579.11	
Add: Adjustment to Retained earnings at beginning of the year	-	
Including: Changes in accounting policies	-	
Retained earnings at the beginning of the year after adjustment	21,957,778,579.11	
Increase for the year	4,611,806,694.91	
Including: Net profit of the year attributable to shareholders of the Company	4,611,352,247.98	
Retained earnings carried forward from other comprehensive income	-	
Other	454,446.93	
Decrease for the year	1,839,836,697.18	
Including: Transfer to statutory surplus reserve in the current year	-	
Transfer to discretionary surplus reserve in the current year	-	
Ordinary shares' dividends payable	1,839,836,697.18	Note 1
Ordinary shares' dividends converted into share capital	-	
Pension benefit difference	-	
Transfer to National Council of Social Security Fund	-	
Distribution to holders of other equity instruments	-	
Others	-	
Retained earnings at the end of the year	24,729,748,576.84	

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

48. Retained earnings - continued

Item	Amount	Proportion of appropriation or allocation
For the year of 2024		
Retained earnings at the beginning of the year before adjustment	19,045,313,519.75	
Add: Adjustment to Retained earnings at beginning of the year	-	
Including: Changes in accounting policies	-	
Retained earnings at the beginning of the year after adjustment	19,045,313,519.75	
Increase for the year	4,516,301,317.16	
Including: Net profit of the year attributable to shareholders of the Company	4,516,301,317.16	
Retained earnings carried forward from other comprehensive income	-	
Other	-	
Decrease for the year	1,603,836,257.80	
Including: Transfer to statutory surplus reserve in the current year	153,556,766.82	
Transfer to discretionary surplus reserve in the current year	-	
Ordinary shares' dividends payable	1,450,279,490.98	
Ordinary shares' dividends converted into share capital	-	
Pension benefit difference	-	
Transfer to National Council of Social Security Fund	-	
Distribution to holders of other equity instruments	-	
Others	-	
Retained earnings at the end of the year	21,957,778,579.11	

Note 1: According to the resolution of the shareholders' meeting on 23 May 2025, the total share capital of the company on the previous trading day (16 June 2025) prior to the application for dividend distribution was 250,150,8381 shares. After excluding the 15,242,574 shares held in the repurchase special account, the total was 2,486,265,807 shares. Based on this, the company distributed a cash dividend of RMB 7.40 (including tax) per ten shares, totaling RMB 1,839,836,697.18.

49. Operating income and operating costs

(1) Details of operating income and operating costs

Item	Current Year		Prior Year	
	Income	Costs	Income	Costs
Principal operation	17,071,898,673.29	9,466,243,393.64	15,943,748,346.43	8,972,147,936.19
Other operations	174,483,854.56	189,943,854.64	187,029,681.81	223,868,756.16
Total	17,246,382,527.85	9,656,187,248.28	16,130,778,028.24	9,196,016,692.35

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

49. Operating income and operating costs - continued

(2) Breakdown information of operating income and operating costs

Category of contracts	Ports operation		Bonded logistics operation		Other operations		Total	
	Operating income	Operating costs	Operating income	Operating costs	Operating income	Operating costs	Operating income	Operating costs
Mainland China, Hong Kong and Taiwan area	9,978,435,334.62	6,385,521,967.67	583,324,323.05	305,787,588.26	174,483,854.56	189,943,854.64	10,736,243,512.23	6,881,253,410.57
- Pearl River Delta	6,846,460,971.70	3,759,872,234.74	428,931,723.67	229,625,961.36	174,483,854.56	189,943,854.64	7,449,876,549.93	4,179,442,050.74
- Yangtze River Delta	624,606.56	8,518,229.88	-	-	-	-	624,606.56	8,518,229.88
- Bohai Rim	28,724,541.44	14,775,255.63	154,392,599.38	76,161,626.90	-	-	183,117,140.82	90,936,882.53
- Other areas	3,102,625,214.92	2,602,356,247.42	-	-	-	-	3,102,625,214.92	2,602,356,247.42
Other countries	6,448,810,395.23	2,713,413,778.81	61,328,620.39	61,520,058.90	-	-	6,510,139,015.62	2,774,933,837.71
Total	16,427,245,729.85	9,098,935,746.48	644,652,943.44	367,307,647.16	174,483,854.56	189,943,854.64	17,246,382,527.85	9,656,187,248.28

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

49. Operating income and operating costs - continued

(3) Description of performance obligations

The Group provides port service, bonded logistics service and other services. These services are obligations performed over a period of time. For bonded logistics service and other services, the customers evenly obtain and consume the economic benefits from the Group's performance of contract, meanwhile the charging rules as agreed in the contract terms usually adopt daily/monthly/yearly basis. During the process of rendering services, the Group recognises revenue using straight-line method. At the same time, the Group is primarily responsible for the above services and generally does not have any commitment to the amount of money expected to be returned to the customer.

Part of the Group's handling contracts are established with discount terms, i.e., the customers whose business volume reaches agreed level, are granted with preferential charge rate or discount. At the end of the year, as the business volume finally realized within the contract period is uncertain, the contract consideration is subject to variable factors. The management includes this part of discount in contract liabilities. At the end of the year, the variable considerations arising from sales discount are set out in Note (VIII) 28.

(4) Descriptions on allocation to remaining performance obligations

At the end of the year, the amount of revenue corresponding to the performance obligations which the Group has entered into a contract for but has not fulfilled or completely fulfilled mainly included the contract liabilities of RMB 446,822,948.79, of which RMB 343,637,873.41 is expected to be recognised as revenue in 2026 and RMB 103,185,075.38 is expected to be recognised as revenue in 2027 and subsequent years.

50. Taxes and surcharges

Item	Current Year	Prior Year
Property tax	83,197,668.69	79,101,136.67
Land use tax	37,103,559.80	36,984,937.58
City construction and maintenance tax	9,376,376.49	10,881,226.12
Education surcharges and local education surcharges	7,088,205.63	8,081,655.86
Stamp duty	8,552,973.22	3,673,318.12
Others (Note)	221,754,616.83	193,611,488.80
Total	367,073,400.66	332,333,763.15

Note: Others mainly represent the social contribution tax and tax on services borne by TCP, a subsidiary of the Company, equivalent to RMB 208,731,946.30 (2024: RMB 181,212,315.70) for the year.

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

51. General and administrative expenses

Item	Current Year	Prior Year
Employee benefits	1,136,560,493.96	1,352,143,332.57
Depreciation expenses	82,623,922.67	69,734,482.97
Fees paid to agencies	59,744,373.10	76,667,277.58
Amortisation of intangible assets	31,615,270.95	57,062,967.74
Others	222,847,231.71	265,936,221.32
Total	1,533,391,292.39	1,821,544,282.18

52. Research and development expenses

Item	Current Year	Prior Year
Employee benefits	138,539,706.69	127,706,303.07
Direct materials and outsourced R&D	31,546,990.32	67,418,187.58
Depreciation and amortisation	4,793,904.80	4,454,711.92
Others	2,869,671.71	2,175,863.79
Total	177,750,273.52	201,755,066.36

53. Financial expenses

Item	Current Year	Prior Year
Interest expenses	1,956,321,789.62	2,255,372,593.38
Including: Bank and other borrowings	817,585,732.95	1,084,714,767.25
Bond interest and bill discount	767,246,124.59	800,626,160.05
Interest expenses of terminal operation rights (note)	222,936,588.04	203,047,018.99
Interest expenses of lease liabilities	109,991,536.83	70,660,449.69
Other interest expenses	38,561,807.21	56,170,722.54
Less: Capitalized interest expenses	46,314,263.81	40,153,474.86
Less: Interest income	379,520,826.85	477,430,320.41
Net exchange loss ("-" for income)	-44,557,295.34	109,256,513.08
Others	18,911,508.47	10,320,325.68
Total	1,504,840,912.09	1,857,365,636.87

Note: Details are set out in Note (VIII) 37.

54. Other income

Item	Current Year	Prior Year	Whether it is government subsidy
Business development subsidy	106,275,887.50	75,662,052.93	Yes
Transfer from deferred income (Note VIII 40)	51,963,816.21	51,502,491.12	Yes
Subsidy funds for Qianhai Comprehensive Bonded Zone	-	45,939,617.40	Yes
Others	14,187,049.71	12,306,141.84	— —
Total	172,426,753.42	185,410,303.29	— —
Including: Government grants	170,950,037.14	183,382,851.80	— —

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

55. Investment income

(1) Details of investment income:

Item	Current Year	Prior Year
Long-term equity investments income	6,324,208,650.73	6,441,005,613.25
Including: Income from long-term equity investments under equity method	6,334,726,676.24	6,441,005,613.25
Investment income generated from disposal of long-term equity investments (loss expressed with "-")	-10,518,025.51	-
Investment income from financial assets held for trading	83,692,880.64	59,078,998.12
Investment income from other non-current financial assets	161,136.85	36,181,898.66
Dividend income from investments in other equity instruments	9,784,500.00	10,815,000.00
Investment from equity remeasurement at fair value upon acquisition of control	3,856,538.50	-
Others	-183,578.97	-84,978.53
Total	6,421,520,127.75	6,546,996,531.50

56. Gains from changes in fair value ("-" for losses)

Item	Current Year	Prior Year
Financial assets held for trading	42,129,916.42	40,176,493.90
Other non-current financial assets	244,210.64	350,055,871.25
Including: Financial assets at fair value through profit or loss	244,210.64	350,055,871.25
Total	42,374,127.06	390,232,365.15

57. Provision of credit impairment ("-" for losses)

Item	Current Year	Prior Year
Credit impairment of accounts receivable	-7,816,439.72	-1,772,048.18
Reversal of impairment of other receivables	-26,086,425.69	363,283,803.95
Reversal of impairment of long-term receivables	-63,300,443.53	-10,839.43
Impairment reversal of non-current assets due within one year	35,033.03	17,564.18
Credit impairment of other non-current assets	-85,839,940.47	-88,524,171.44
Others (Note)	-107,608,404.55	-
Total	-290,616,620.93	272,994,309.08

Note: The Group has made provision for credit impairment loss for the provision of guarantees to the related parties, the ultimate controlling shareholder of the Group this year, as detailed in Note (VIII) 39.

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

58. Impairment losses (loss expressed with "-")

Item	Current Year	Prior Year
Impairment loss on prepayments	-4,329,769.64	-
Reversal of impairment losses of inventories	1,610.64	-
Impairment losses of long-term equity investments	-	-8,113,482.64
Impairment losses of construction in progress	-5,744,701.74	-767,306.24
Total	-10,072,860.74	-8,880,788.88

59. Gains from asset disposals (loss expressed with "-")

Item	Current Year	Prior Year	Amount included in non-recurring profit or loss for the current year
Gains from disposal of non-current assets	4,071,461.15	34,062,395.75	4,071,461.15
Including: Gains from disposal of intangible assets	2,763,804.93	18,456,558.06	2,763,804.93
Gains from disposal of fixed assets	750,456.76	15,323,446.42	750,456.76
Others	557,199.46	282,391.27	557,199.46
Income from non-monetary asset exchange	3,320,297.91	-	3,320,297.91
Total	7,391,759.06	34,062,395.75	7,391,759.06

60. Non-operating income

Item	Current Year	Prior Year	Amount included in non-recurring profit or loss for the current year
Compensation received for violation of contracts	43,306,048.43	25,233,458.06	43,306,048.43
Income from relocation compensation	900,000.00	9,072,904.37	900,000.00
Gains from retirement or damage of non-current assets	4,038,916.72	4,433,441.49	4,038,916.72
Including: Gains from retirement or damage of fixed assets	3,263,056.74	4,433,441.49	3,263,056.74
Exempted current accounts	11,586,548.10	2,087,824.66	11,586,548.10
Others	24,088,136.18	18,191,026.74	24,088,136.18
Total	83,919,649.43	59,018,655.32	83,919,649.43

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

61. Non-operating expenses

Item	Current Year	Prior Year	Amount included in non-recurring profit or loss for the current year
Litigation loss	4,866,567.86	8,725,469.87	4,866,567.86
Losses on retirement of non-current assets	15,709,412.55	18,274,807.12	15,709,412.55
Including: Losses on retirement or damage of fixed assets	15,709,412.55	18,274,807.12	15,709,412.55
Expenditure on public welfare donations	21,513,529.46	11,881,883.05	21,513,529.46
Compensation and liquidated damages	1,423,460.17	689,548.54	1,423,460.17
Others	14,282,428.48	30,680,393.15	14,282,428.48
Total	57,795,398.52	70,252,101.73	57,795,398.52

62. Borrowing costs

Item	Capitalisation rate	Capitalisation amount
Construction in progress	——	——
Phase I and II of the second phase of the second phase of the dock project in the local operation area of the Lingang Liaogeshan Port Area of Shunkong Port	2.81%	11,512,126.95
Zhanjiang Port Baoman Port Area Container Terminal Phase I Expansion Project	2.60%	10,425,895.30
Dongguan Machong Port Area Berth 2 # and 3 # Project Bulk Grain Warehouse Phase III Expansion Project	2.85%	680,800.12
Other non-current assets	——	——
Advances for channels	4.35%	23,695,441.44
Sub-total	——	46,314,263.81
Interest expenses included in profit or loss for the year (Excludes interest expense on terminal operating rights and lease liabilities）	——	1,577,079,400.94
Total	——	1,623,393,664.75

Note: The capitalization rate is calculated and determined according to the weighted average interest rate of general borrowings.

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

63. Translation of foreign currencies

Item	Current Year
Exchange differences included in profit or loss for the year (Net income is represented with "-")	-44,557,295.34
Total	-44,557,295.34

64. Income tax expenses

Item	Current Year	Prior Year
Current income tax expenses	1,354,611,167.06	1,056,743,121.95
Adjustment of deferred income tax expenses	115,683,847.89	196,094,824.95
Total	1,470,295,014.95	1,252,837,946.90

Reconciliation between income tax expense and accounting profit is as follows:

Item	Current Year
Total profit	10,376,286,937.44
Income tax expenses calculated at 25%	2,594,071,734.36
Effect of non-deductible costs, expenses and losses	267,665,831.62
Accrued income tax	551,983,778.92
Effect of deductible temporary differences and deductible losses for which deferred tax assets are not recognised in the year	68,971,787.53
Effect of non-tax-free income (Note)	-1,035,854,082.87
Effect of tax incentives and changes in tax rate	-767,372,012.47
Effect of different tax rates of subsidiaries operating in other jurisdictions	-191,183,279.55
Effect of utilizing deductible losses for which deferred tax assets were not recognised in prior year	-57,110,867.98
Effect of adjustments to income tax of prior year	12,555,217.01
Others	26,566,908.38
Income tax expenses	1,470,295,014.95

Note: This mainly represents the tax effect of income from investments in joint ventures and associates.

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

65. Assets with restricted ownership and use right

Item	Closing Balance				Opening Balance			
	Book value	Carrying amount	Type of restriction	Status of restriction	Book value	Carrying amount	Type of restriction	Status of restriction
Cash and bank balances (Note 1)	100,488,698.75	100,488,698.75	Restricted margin, interest receivable not actually received	Interest receivable, performance bond, frozen funds, etc	115,331,146.22	115,331,146.22	Restricted margin, interest receivable not actually received	Interest receivable, performance bond, frozen funds, etc
Fixed assets (Note 2)	1,440,293,745.49	1,124,374,793.46	Mortgage	Mortgage borrowings	551,053,503.71	467,531,821.78	Mortgage	Mortgage borrowings
Intangible assets (Note 2)	756,017,600.61	603,900,037.67	Mortgage	Mortgage borrowings	624,297,693.92	624,297,693.92	Mortgage	Mortgage borrowings
Total	2,296,800,044.85	1,828,763,529.88			1,290,682,343.85	1,207,160,661.92		

Note 1: Details of restricted cash and bank balances are set out in Note (VIII) 1.

Note 2: Details of mortgage borrowings are set out in Note (VIII) 24 and Note (VIII) 34.

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

66. Provision for impairment of assets and provision for bad debts

Item	Opening Balance	Effect of changes in the scope of consolidation	Provision for the year	Reversal for the year	Write-off and charge-off for the year	Transfer-out due to sale in the current year	Other increases for the year	Other decreases for the year	Effect of translation of financial statements denominated in foreign currencies	Closing Balance
Provision for bad debts of accounts receivable	88,963,445.09		15,656,769.90	-7,840,330.18	-32,782,994.15	-	-	-	1,489,480.96	65,486,371.62
Provision for bad debts of other receivables	565,593,638.90		30,023,490.42	-3,937,064.73	-1,682,741.75	-	-	-	48,164,751.35	638,162,074.19
Provision for impairment of prepayments			4,329,769.64	-	-	-	-	-	-69,151.38	4,260,618.26
Provision for decline in value of inventories	1,153,436.72		-	-1,610.64	-508,503.45	-	-	-113,192.30	-5,495.51	524,634.82
Provision for impairment of long-term receivables	1,136,408.92		63,300,623.97	-180.44	-	-	-	-	-	64,436,852.45
Provision for non-current assets due within one year	35,033.03		-	-35,033.03	-	-	-	-	-	-
Provision for impairment of long-term equity investments	335,422,262.62		-	-	-	-	-	-	-59,035.28	335,363,227.34
Provision for impairment of fixed assets	213,290,383.06		-	-	-	-960,859.00	-	-42,717.28	-6,123.35	212,280,683.43
Provision for impairment of construction in progress	778,478.53		5,744,701.74	-	-	-	-	-	-110,933.20	6,412,247.07
Provision for impairment of intangible assets	57,010,270.07		-	-	-	-			-	57,010,270.07
Provision for impairment of goodwill	970,663,044.33		-	-	-	-	-	-	-	970,663,044.33
Provision for impairment of other non-current assets	88,524,171.44		85,839,940.47	-	-	-	-	-	-	174,364,111.91
Other credit impairment provision			107,608,404.55	-	-	-	-	-	-1,521,037.41	106,087,367.14
Total	2,322,570,572.71		312,503,700.69	-11,814,219.02	-34,974,239.35	-960,859.00	-	-155,909.58	47,882,456.18	2,635,051,502.63

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

67. Items in cash flow statement

(1) Cash relating to operating activities

Proceeds from other operating activities

Item	Current Year	Prior Year
Interest income	283,779,032.24	307,426,299.38
Advance payment for waterway	267,849,800.00	-
Government grants	125,437,909.69	420,033,639.31
Guarantees and deposits	37,157,549.08	49,702,895.76
Insurance indemnities	16,600,093.92	5,913,248.16
Operation compensation received	-	337,185,774.00
Others	248,243,127.81	292,907,237.50
Total	979,067,512.74	1,413,169,094.11

Payments for other operating activities

Item	Current Year	Prior Year
Payment of operating costs and management expenses and other daily operating related expenditures	196,437,143.86	129,352,215.13
Advance payment	68,588,791.17	123,589,342.34
Guarantees and deposits	47,900,153.15	34,887,031.26
Others	308,930,096.55	488,214,418.74
Total	621,856,184.73	776,043,007.47

(2) Cash relating to investing activities

Cash receipts relating to significant investing activities

Item	Current Year	Prior Year
Recovered structured deposits	48,195,000,000.00	26,450,000,000.00
Dividends received	3,002,508,159.17	2,843,360,904.43
Proceeds from disposal of investments (Note 1)	124,800,000.00	1,113,331,868.18
Total	51,322,308,159.17	30,406,692,772.61

Note1: The investment received this year mainly refers to the disposal of shares of Anton Holdings Co., Ltd. (hereinafter referred to as "Anton Holdings"). The investment received last year mainly consisted of disposal of shares of Qingdao Port International Co., Ltd.

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

67. Items in cash flow statement - continued

(2) Cash relating to investing activities - continued

Cash payments relating to significant investing activities

Item	Current Year	Prior Year
Purchase of structured deposits	50,085,000,000.00	27,450,000,000.00
Purchase and construction of long-term assets	2,177,197,094.25	1,945,061,261.66
Total	52,262,197,094.25	29,395,061,261.66

Proceeds from other investing activities

Item	Current Year	Prior Year
Collection of marine area usage fee on behalf of other parties	166,565,821.29	-
Collection of marine area usage fee by Dongguan Shenchiwan Port Affairs Co.,Ltd	60,469,329.00	-
Others	16,841,583.11	16,260,626.10
Total	243,876,733.40	16,260,626.10

Payments for other investing activities

Item	Current Year	Prior Year
Payment of marine area usage fee Shantou Port	166,565,821.29	-
Payment of taxes on land acquisition by ASJ	-	259,533,828.27
Others	32,247,426.76	1,606,719.07
Total	198,813,248.05	261,140,547.34

Proceeds from other financing activities

Item	Current Year	Prior Year
Sale and leaseback proceeds	173,214,720.00	40,000,000.00
Receipts from Shantou Port shareholder’s advance payment of marine area usage fees	111,500,000.00	-
Others	11,831,089.81	15,862,550.05
Total	296,545,809.81	55,862,550.05

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

67. Items in cash flow statement - continued

(3) Cash relating to financing activities - continued

Payment for other financing activities

Item	Current Year	Prior Year
Repayment of perpetual bonds	1,432,284,747.07	-
Payment for lease and franchise fee	398,027,533.94	316,100,576.04
Repurchase shares of China Merchants Port Group Co., Ltd.	338,393,205.04	50,559,789.14
Payment for the Company's acquisition of non-controlling interests of CM Port	-	148,276,411.09
Others	26,076,977.32	24,987,752.08
Total	2,194,782,463.37	539,924,528.35

Changes in liabilities arising from financing activities

Item	Opening Balance	Increase for the year		Decrease for the year		Closing Balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term borrowings	12,791,242,141.69	21,573,023,304.86	430,550,682.90	14,376,211,891.72	642,783,406.41	19,775,820,831.32
Long-term borrowings	15,582,593,255.65	1,939,746,727.88	292,778,799.12	4,822,075,965.73	5,553,086,693.42	7,439,956,123.50
Non-current liabilities due within one year	10,506,682,795.60	-	7,176,147,143.61	11,561,297,375.53	79,009,878.35	6,042,522,685.33
Bonds payable	13,875,559,119.52	7,000,000,000.00	-	-	165,771,587.23	20,709,787,532.29
Lease liabilities	1,387,206,990.51	-	566,013,255.05	-	262,359,413.48	1,690,860,832.08
long-term payables	3,204,582,672.75	209,873,219.40	528,747,976.77	2,491,841.67	219,106,735.18	3,721,605,292.07
Dividends payable	132,334,744.28	-	4,951,478,517.33	4,948,643,790.82	-	135,169,470.79
Other current liabilities	4,020,214,246.58	4,000,000,000.00	47,101,917.80	6,063,073,972.60	-	2,004,242,191.78
Total	61,500,415,966.58	34,722,643,252.14	13,992,818,292.58	41,773,794,838.07	6,922,117,714.07	61,519,964,959.16

(4) The Group has no significant cash flows presented on a net basis.

(5) The Group has no significant activities that do not involve cash receipts and payment for the current year but have an impact on the enterprise's financial position or may affect the enterprise's cash flows in the future and their financial effects.

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

68. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

Supplementary information	Current Year	Prior Year
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	8,905,991,922.49	8,878,506,309.91
Add: Impairment losses	10,072,860.74	8,880,788.88
Provision of credit impairment	290,616,620.93	-272,994,309.08
Depreciation of fixed assets	2,049,538,759.19	1,953,338,801.43
Depreciation of investment properties	126,038,336.08	181,519,507.74
Depreciation of right-of-use assets	328,875,072.88	343,623,899.63
Amortisation of intangible assets	711,080,186.01	688,356,905.31
Amortisation of long-term deferred expenses	100,971,541.50	100,433,522.79
Gains from disposal of fixed assets, intangible assets and other long-term assets	-7,391,759.06	-34,062,395.75
Losses on retirement of fixed assets, intangible assets and other long-term assets	11,670,495.83	13,841,365.63
Gains rising from changes in fair value ("-" for gains)	-42,374,127.06	-390,232,365.15
Financial expenses	1,769,754,811.67	2,311,915,401.98
Investment income ("-" for income)	-6,421,520,127.75	-6,546,996,531.50
Decrease in deferred tax assets ("-" for increase)	9,993,685.93	49,582,269.26
Increase in deferred tax liabilities	104,370,111.36	146,512,555.69
Increase in inventories ("-" for increase)	-36,629,602.91	-50,978,635.81
Decrease in operating receivables ("-" for increase)	192,696.25	146,070,761.75
Increase in operating payables ("-" for decrease)	263,180,904.97	485,894,971.69
Net cash inflow from operating activities	8,174,432,389.05	8,013,212,824.40
2. Significant investing and financing activities that do not involve cash receipts and payments:		
Conversion of debt into capital	-	-
Convertible bonds due within one year	-	-
3. Net changes in cash and cash equivalents:		
Cash at the end of the year	15,244,357,662.04	16,515,069,554.91
Less: Opening balance of cash	16,515,069,554.91	16,018,613,631.10
Add: Cash equivalents at the end of the year	-	-
Less: Opening balance of cash equivalents	-	-
Net (decrease)/increase in cash and cash equivalents	-1,270,711,892.87	496,455,923.81

(2) Cash and cash equivalents at the end of the year

Item	Closing Balance	Opening Balance
I. Cash	15,244,357,662.04	16,515,069,554.91
Including: Cash on hand	191,636.31	457,486.90
Bank deposits available for payment at any time	15,050,273,330.58	16,444,638,576.67
Other monetary funds available for payment at any time	193,892,695.15	69,973,491.34
II. Cash equivalents	-	-
III. Balance of cash and cash equivalents at the end of the year	15,244,357,662.04	16,515,069,554.91

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

68. Supplementary information to the cash flow statement - continued

(3) Payment for dividends, profit distributions or interest

Item	Current Year	Prior Year
Dividends and profits paid to non-controlling shareholders of subsidiaries	3,163,208,603.63	3,553,580,816.50
Cash paid for interest repayment	1,673,474,864.06	1,955,539,593.93
Profit distributions	1,839,908,417.00	1,452,793,553.86
Total	6,676,591,884.69	6,961,913,964.29

(4) The Group has no limited scope of use but is still listed as cash and cash equivalents.

(5) See Note (VIII) 1 (3) for details of cash at bank and on hand not belonging to cash and cash equivalents.

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

69. Foreign currency monetary items

Item	Closing Balance of Foreign currency	Exchange rate	Closing Balance of RMB
Cash and bank balances			3,315,013,093.30
Including: HKD	6,950,166.79	0.9032	6,277,390.64
USD	200,558,290.59	7.0288	1,409,684,112.90
RMB	1,863,532,961.33	1.0000	1,863,532,961.33
EUR	2,968,362.12	8.2355	24,445,946.24
AUD	2,361,315.83	4.6892	11,072,682.19
Accounts receivable			40,457,946.36
Including: USD	5,215,880.50	7.0288	36,661,380.86
EUR	461,000.00	8.2355	3,796,565.50
Other receivables			522,662,772.46
Including: HKD	667,661.36	0.9032	603,031.74
USD	2,196,642.72	7.0288	15,439,762.35
EUR	16,727.30	8.2355	137,757.68
RMB	506,482,220.69	1.0000	506,482,220.69
Long-term receivables			1,281,362,958.94
Including: HKD	2,366,680.97	0.9032	2,137,586.25
USD	1,023,180.69	7.0288	7,191,732.43
EUR	29,029,189.56	8.2355	239,069,890.62
AUD	220,285,709.64	4.6892	1,032,963,749.64
Short-term borrowings			1,240,000,000.00
Including: RMB	1,240,000,000.00	1.0000	1,240,000,000.00
Accounts payable			18,446,717.71
Including: HKD	2,642,487.52	0.9032	2,386,694.73
USD	2,186,561.90	7.0288	15,368,906.28
EUR	68,423.01	8.2355	563,497.70
RMB	127,619.00	1.0000	127,619.00
Other payables			301,958,314.85
Including: HKD	39,807,256.57	0.9032	35,953,914.13
USD	31,343,525.45	7.0288	220,307,371.68
EUR	102,570.00	8.2355	844,715.24
RMB	44,852,313.80	1.0000	44,852,313.80
Non-current liabilities due within one year			127,531,021.74
Including: USD	13,791,252.17	7.0288	96,935,953.25
RMB	30,595,068.49	1.0000	30,595,068.49
Bonds payable			9,709,787,532.30
Including: USD	1,096,885,319.30	7.0288	7,709,787,532.30
RMB	2,000,000,000.00	1.0000	2,000,000,000.00

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

70. Leases

(1) Lessor under operating lease

Item	Amount
I. Operating income	
Lease income	327,825,231.69
Including: Income related to variable lease payments that are not included in lease receipts	-
II. Undiscounted lease receipts received after the balance sheet date	
1st year	226,527,243.20
2nd year	147,218,460.94
3rd year	65,558,125.14
4th year	45,625,303.05
5th year	16,278,501.34
Over 5 years	72,037,928.73

Note: The operating leases where the Group acts as the lessor are related to port and terminal facilities, machinery and equipment, vehicles, land and buildings, with lease terms ranging from 1 years to 38.5 years and option to renew the lease of port and terminal facilities, machinery and equipment, land and buildings. The Group considers that the unguaranteed balance of leased assets does not constitute significant risk of the Group, as the assets are properly used.

(2) Lessee

Item	Amount
Interest expenses on lease liabilities	109,991,536.83
Short-term lease expenses that are accounted for using simplified approach and included in cost of related assets or profit or loss for the year	67,625,674.06
Expenses on leases of low-value assets (exclusive of expenses on short-term leases of low-value assets) that are accounted for using simplified approach and included in cost of related assets or profit or loss for the year	-
Variable lease payments that are included in cost of related assets or profit or loss but not included in measurement of lease liabilities	-
Including: The portion arising from sale and leaseback transactions	-
Income from sub-lease of right-of-use assets	5,116,445.28
Total cash outflows relating to leases	226,981,079.86
Losses from sale and leaseback transactions	10,224,962.17
Cash inflows from sale and leaseback transactions	173,214,720.00
Cash outflows from sale and leaseback transactions	21,941,578.19
Others	-

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

71. Leases - continued

(2) Lessee - continued

Sale and leaseback transactions and basis for determination:

For the purpose of raising funds and leasing back for use, the Company carries out sale and leaseback transaction with the legally owned terminal assets as the subject of the transfer and the leased assets, for a term of 2-5 years. As the Company is entitled to repurchase at the expiry of the lease term and the repurchase price is not lower than the original selling price, it is considered as a financing transaction and is recognised as a long-term payable when the amount is received from the lessor, and the difference between the original selling price and the repurchase price is recognised as interest expenses.

(IX) R&D EXPENDITURE

1. Disclosure by nature of expenses

Item	Current Year	Prior Year
Employee benefits	144,725,172.10	130,912,466.55
Direct materials and outsourced R&D	41,040,415.17	82,743,846.15
Depreciation and amortisation	5,025,793.67	4,568,822.85
Others	21,743,509.89	31,884,552.82
Total	212,534,890.83	250,109,688.37
Including: R&D expenditure recorded as expenses	177,750,273.52	201,755,066.36
R&D expenditure capitalised	34,784,617.31	48,354,622.01

(IX) R&D EXPENDITURE - continued

2. Expenditures on R&D projects which are eligible for capitalisation

Item	Opening Balance	Increase	Decrease			Closing Balance
		Internal development costs	Recognised as intangible assets	Recognised as fixed assets	Transferred to profit or loss for the year	
Digital Petrochemical Terminal (Phase II)	6,080,864.69	6,930,860.43	-	-	-	13,011,725.12
ePort comprehensive service platform	43,805,653.86	-	43,805,653.86	-	-	-
Other R&D projects	13,508,535.14	42,099,794.03	2,645,976.64	17,493,440.77	14,246,037.15	21,222,874.61
Total	63,395,053.69	49,030,654.46	46,451,630.50	17,493,440.77	14,246,037.15	34,234,599.73
Including: Data resources	-	-	-	-	-	-

(X) CHANGES IN SCOPE OF CONSOLIDATION

1. Business combination not involving enterprises under common control

In January 2025, China United Tally Co., Ltd. Shantou (hereinafter referred to as 'China Tally'), an associate of the Company's subsidiary Shantou Port, absorbed Shantou Zhongli Wailun tally Co., Ltd. (hereinafter referred to as 'Shantou Zhongli'), a subsidiary of Shantou Port. After the transaction, Shantou Port holds 62.50% shares of China Tally, which contributs to business combination not involving enterprises under common control. Consequently, China Tally has been in the scope of consolidation for the current year. Shantou Zhongli was deregistered on 14 February 2025 after the transaction.

2. Business combination under the common control

There is no business combination under the common control of the Group in the current year.

3. Reverse purchase

The Group has no reverse purchase in the current year.

4. Disposal of subsidiaries

The Group has no disposal of subsidiaries in the current year.

(X) CHANGES IN SCOPE OF CONSOLIDATION - continued

5. Change in consolidation scope for other reasons

The Group has not changed the consolidation scope for other reasons this year.

(XI) EQUITY IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the Group - Major subsidiaries

Name of the subsidiary	Principal place of business	Place of incorporation	Nature of business	Registered capital (RMB'0000, unless otherwise specified)	Shareholding ratio of the Company (%)		Acquisition method
					Direct	Indirect	
Shenzhen Chiwan International Freight Agency Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	550.00	100.00	-	Established through investment
Chiwan Port and Shipping (Hong Kong) Co., Ltd. (hereinafter referred to as "Wharf Holdings Hong Kong ")	HK China	HK China	Investment holding	HKD 1,000,00.00	100.00	-	Established through investment
Dongguan Shenchiwan Port Affairs Co., Ltd. (hereinafter referred to as "Dongguan Port Affairs")	Dongguan China	Dongguan China	Logistics support services	45,000.00	85.00	-	Established through investment
Dongguan Shenchiwan Wharf Co., Ltd. (hereinafter referred to as "Dongguan Wharf")	Dongguan China	Dongguan China	Logistics support services	40,000.00	100.00	-	Established through investment
Shenzhen Chiwangang Container Co. Ltd.	Shenzhen China	Shenzhen China	Logistics support services	28,820.00	100.00	-	Business combination involving enterprises under common control
Shenzhen Chiwan Port Development Co., Ltd. (hereinafter referred to as "Shenchiwan Development")	Shenzhen China	Shenzhen China	Logistics support services	10,000.00	100.00	-	Business combination involving enterprises under common control
Chiwan Container Terminal Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	USD 95,300,000.00	55.00	20.00	Business combination involving enterprises under common control
Shenzhen Chiwan Tugboat Co., Ltd. (hereinafter referred to as "Shenchiwan Tugboat")	Shenzhen China	Shenzhen China	Logistics support services	2,400.00	100.00	-	Business combination involving enterprises under common control
Chiwan Shipping (Hong Kong) Limited (hereinafter referred to as "Chiwan Shipping")	HK China	HK China	Logistics support services	HKD 800,000.00	100.00	-	Business combination involving enterprises under common control
CM Port (Note 1)	HK China	HK China	Investment holding	HKD 48,730,938,800.00	0.37	49.30	Business combination involving enterprises under common control
China Merchants Bonded Logistics Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	70,000.00	40.00	60.00	Business combination involving enterprises under common control
China Merchants Holdings (International) Information Technology Co. Ltd. (hereinafter referred to as " CM International Tech ")	Shenzhen China	Shenzhen China	IT service	8,784.82	56.26	43.74	Business combination involving enterprises under common control
China Merchants International (China) Investment Co., Ltd.	Shenzhen China	Shenzhen China	Investment holding	USD 67,400,000.00	-	100.00	Business combination involving enterprises under common control
China Merchants International Container Terminal (Qingdao) Co., Ltd.	Qingdao China	Qingdao China	Logistics support services	USD 206,300,000.00	-	100.00	Business combination involving enterprises under common control
China Merchants Container Services Limited	HK China	HK China	Logistics support services	HKD 500,000.00	-	100.00	Business combination involving enterprises under common control
China Merchants Port (Shenzhen) Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	55,000.00	-	100.00	Business combination involving enterprises under common control
Shenzhen Haiqin Project Management Co., Ltd.	Shenzhen China	Shenzhen China	Engineering supervision service	1,000.00	-	100.00	Business combination involving enterprises under common control
Antonje Wharf Storage Service (Shenzhen) Co., Ltd.	Shenzhen China	Shenzhen China	Preparation for the warehousing project	HKD 100,000,000.00	-	100.00	Business combination involving enterprises under common control
ASJ	Shenzhen China	Shenzhen China	Preparation for the warehousing project	HKD 520,000,000.00	-	100.00	Business combination involving enterprises under common control
China Merchants International Terminal (Qingdao) Co., Ltd.	Qingdao China	Qingdao China	Logistics support services	USD 44,000,000.00	-	90.10	Business combination involving enterprises under common control
CICT	Sri Lanka	Sri Lanka	Logistics support services	USD 150,000,100.00	-	85.00	Business combination involving enterprises under common control
Magang Godown & Wharf	Shenzhen China	Shenzhen China	Logistics support services	33,500.00	-	100.00	Business combination involving enterprises under common control
Zhangzhou China Merchants Tugboat Co., Ltd.	Zhangzhou China	Zhangzhou China	Logistics support services	1,500.00	-	100.00	Business combination involving enterprises under common control
Zhangzhou China Merchants Port Co., Ltd.	Zhangzhou China	Zhangzhou China	Logistics support services	122,700.00	-	60.00	Business combination involving enterprises under common control
Zhangzhou Investment Promotion Bureau Xiamenwan Port Affairs Co., Ltd. (hereinafter referred to as "Xiamenwan Port Affairs") (Note 2)	Zhangzhou China	Zhangzhou China	Logistics support services	44,450.00	-	31.00	Business combination involving enterprises under common control
Shekou Container Terminals Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	HKD 618,201,200.00	-	100.00	Business combination involving enterprises under common control
Shenzhen Lianyunjie Container Terminals Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	60,854.90	-	100.00	Business combination involving enterprises under common control
Anxunjie Container Terminals (Shenzhen) Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	127,600.00	-	100.00	Business combination involving enterprises under common control
Anyunjie Port Warehousing Service (Shenzhen) Co., Ltd.	Shenzhen China	Shenzhen China	Preparation for the warehousing project	6,060.00	-	100.00	Business combination involving enterprises under common control

(XI) EQUITY IN OTHER ENTITIES - continued

1. Interests in subsidiaries - continued

(1) Composition of the Group - Major subsidiaries - continued

Name of the subsidiary	Principal place of business	Place of incorporation	Nature of business	Registered capital (RMB'0000, unless otherwise specified)	Shareholding ratio of the Company (%)		Acquisition method
					Direct	Indirect	
Shenzhen Haixing	Shenzhen China	Shenzhen China	Logistics support services	53,072.92	-	67.00	Business combination involving enterprises under common control
Shenzhen Lianyongtong Terminal Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	USD 7,000,000.00	-	100.00	Business combination involving enterprises under common control
Yide Port	Foshan China	Foshan China	Logistics support services	21,600.00	51.00	-	Business combination involving enterprises under common control
Mega SCT	BVI	BVI	Investment holding	USD 120.00	-	80.00	Business combination involving enterprises under common control
Oasis King International Limited	BVI	BVI	Investment holding	USD 100.00	-	100.00	Business combination involving enterprises under common control
Lome Container Terminal S.A. (Note 3)	Republic of Togo	Republic of Togo	Logistics support services	XOF 200,000,000.00	-	100.00	Business combination involving enterprises under common control
Gainpro Resources Limited	BVI	BVI	Investment holding	USD1.00	-	76.47	Business combination involving enterprises under common control
Hambantota International Port Group (Private) Limited	Sri Lanka	Sri Lanka	Logistics support services	USD 1,145,480,000.00	-	85.00	Business combination involving enterprises under common control
Shantou port	Shantou China	Shantou China	Logistics support services	12,500.00	-	60.00	Business combination involving enterprises under common control
Shenzhen Jinyu Rongtai Investment Development Co., Ltd.	Shenzhen China	Shenzhen China	Property lease, etc.	80,000.00	-	100.00	Asset acquisition
Shenzhen Merchants Qianhaiwan Real Estate Co., Ltd.	Shenzhen China	Shenzhen China	Property lease, etc.	20,000.00	-	100.00	Asset acquisition
Juzhongzhi Investment (Shenzhen) Co., Ltd.	Shenzhen China	Shenzhen China	Investment consulting	4,000.00	-	75.00	Business combination involving enterprises under common control
Shantou Zhonglian	Shantou China	Shantou China	Logistics support services	380.00	-	62.50	Business combination not involving enterprises under common control
Shenzhen Lianda Tugboat Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	3,000.00	-	60.29	Business combination involving enterprises under common control
China Ocean Shipping Tally Zhangzhou Co., Ltd.	Zhangzhou China	Zhangzhou China	Logistics support services	200.00	-	84.00	Business combination involving enterprises under common control
China Merchants Holdings (Djibouti) FZE	Djibouti	Djibouti	Logistics support services	USD 38,140,000.00	-	100.00	Business combination involving enterprises under common control
Xinda Resources Limited	BVI	BVI	Investment holding	USD 107,620,000.00	-	77.45	Business combination involving enterprises under common control
Kong Rise Development Limited	HK China	HK China	Investment holding	USD 107,620,000.00	-	100.00	Business combination involving enterprises under common control
TCP	Brazil	Brazil	Logistics support services	BRL 68,851,600.00	-	100.00	Business combination not involving enterprises under common control
Direct Achieve Investments Limited	HK China	HK China	Investment holding	USD 814,781,300.00	-	100.00	Business combination involving enterprises under common control
Zhoushan RoRo	Zhoushan China	Zhoushan China	Logistics support services	17,307.86	51.00	-	Asset acquisition
Zhanjiang Port	Zhanjiang China	Zhanjiang China	Logistics support services	587,420.91	30.78	27.58	Business combination not involving enterprises under common control
Zhanjiang Port International Container Terminal Co., Ltd.	Zhanjiang China	Zhanjiang China	Logistics support services	60,000.00	-	80.00	Business combination not involving enterprises under common control
Zhanjiang Port Petrochemical Terminal Co., Ltd. (Note 4)	Zhanjiang China	Zhanjiang China	Logistics support services	18,000.00	-	50.00	Business combination not involving enterprises under common control
China Ocean Shipping Tally Co., Ltd., Zhanjiang	Zhanjiang China	Zhanjiang China	Logistics support services	300.00	-	84.00	Business combination not involving enterprises under common control
Zhanjiang Port Donghaidao Bulk Cargo Terminal Co., Ltd.	Zhanjiang China	Zhanjiang China	Logistics support services	5,000.00	-	100.00	Business combination not involving enterprises under common control
Zhanjiang Port Logistics	Zhanjiang China	Zhanjiang China	Logistics support services	10,000.00	-	100.00	Business combination not involving enterprises under common control
Guangdong Zhanjiang Port Longteng Shipping Co., Ltd.	Zhanjiang China	Zhanjiang China	Logistics support services	9,000.00	-	51.00	Business combination not involving enterprises under common control
Shantou Port Tugboat Service Co., Ltd.	Shantou China	Shantou China	Logistics support services	1,000.00	-	100.00	Established through investment
Sanya Merchants Port Development Co., Ltd.	Sanya China	Sanya China	Logistics support services	1,000.00	51.00	-	Established through investment
China Merchants Port Modern Logistics Technology (Shenzhen) Co., Ltd. (Original name: China Division of Malai Warehousing (Shenzhen) Co., Ltd.)	Shenzhen China	Shenzhen China	Owning China Qianhai property	HKD 1,600,000,000.00	-	100.00	Business combination involving enterprises under common control
Ports Development (Hong Kong) Limited	Hong Kong China	Hong Kong China	Investment holding	2,768,291.56	100.00	-	Established through investment
Shunkong Port	Foshan China	Foshan China	Property development and management	43,379.95	51.00	-	Asset acquisition
South Asia Commercial and Logistic Hub Limited	Sri Lanka	Sri Lanka	Logistics support services	USD 37,140,000.00	-	70.00	Established through investment
NPH	Indonesia	Indonesia	Logistics support services	IDR 281,394,199,000.00	51.00	-	Business combination not involving enterprises under common control

(XI) EQUITY IN OTHER ENTITIES - continued

1. Interests in subsidiaries - continued

(1) Composition of the Group - Major subsidiaries - continued

Note 1: China Merchants Group (Hong Kong) Co., Ltd. (hereinafter referred to as "CMHK") accounts for 21.85% of the total issued ordinary shares of China Merchants Port Holdings. On 19 June 2018, the Company signed the *Agreement on Concerted Action of China Merchants Port Holdings Limited with CMHK*. According to the agreement, CMHK has the voting right of China Merchants Port Holdings entrusted to exercise, when voting on the matters to be considered at the General Meeting of Port Holding Shareholders of China Merchants Group, they are unconditionally consistent with the Company, and the opinions of the Company shall prevail. In March 2022, the Company transferred 43.00% of the shares held by China Merchants Group Port Holdings to its Hong Kong wholly-owned subsidiary Port Development (Hong Kong) Co., Ltd. Therefore, the Group holds 71.52% of the voting rights of China Merchants Group Port Holdings in total, and can control it.

Note 2: The Group signed the *Equity Custody Agreement* with China Merchants Zhangzhou Development Zone Co., Ltd., which agreed that China Merchants Zhangzhou Development Zone Co., Ltd. entrusted its 29% equity of Xiamenwan Port Affairs to the Group for operation and management. Therefore, the Group has 60% of the voting rights in Xiamenwan Port Affairs, which can be controlled and included in the consolidation scope of the Group's consolidated financial statements.

Note 3: The Group has the right to control Lome Container Terminal S.A. by appointing most members of the Executive Committee, so the Group includes the company into the consolidation scope of the consolidated financial statements.

Note 4: The Group holds 50% equity interest in Zhanjiang Port Petrochemical Terminal Co., Ltd. According to the agreement, the Group has control over Zhanjiang Port Petrochemical Terminal Co., Ltd., and therefore includes it in the scope of consolidation of the consolidated financial statements.

(XI) EQUITY IN OTHER ENTITIES - continued

1. Interests in subsidiaries - continued

(2) Significant non-wholly-owned subsidiaries

For the year of 2025

Name of the subsidiary	Proportion of ownership interest held by the non-controlling shareholders (%)	Profit or loss attributable to non-controlling shareholders in the current year	Dividends distributed to non-controlling shareholders in the current year	Closing balance of non-controlling interests at the end of the year
CM Port	50.33	4,353,804,976.08	1,168,378,259.06	62,386,045,963.64

For the year of 2024

Name of the subsidiary	Proportion of ownership interest held by the non-controlling shareholders (%)	Profit or loss attributable to non-controlling shareholders in the current year	Dividends distributed to non-controlling shareholders in the current year	Closing balance of non-controlling interests at the end of the year
CM Port	50.33	4,277,480,912.41	1,774,966,740.92	61,825,440,800.08

(XI) EQUITY IN OTHER ENTITIES - continued

1. Interests in subsidiaries - continued

(3) Major financial information of significant non-wholly-owned subsidiaries

Name of the subsidiary	Closing Balance						Opening Balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
CM Port	16,951,536,855.85	137,055,044,454.74	154,006,581,310.59	23,735,547,354.21	21,470,010,459.46	45,205,557,813.67	15,225,606,631.78	135,382,012,965.53	150,607,619,597.31	22,281,042,457.07	21,803,874,037.96	44,084,916,495.03

Name of the subsidiary	Current Year				Prior Year			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
CM Port	12,441,209,669.47	7,443,789,947.75	8,736,642,698.20	6,368,687,421.03	10,990,023,251.60	7,477,357,716.48	6,371,332,629.59	5,708,869,820.55

(XI) EQUITY IN OTHER ENTITIES - continued

2. Transactions resulting from changes in ownership interests in subsidiaries without losing control over the subsidiaries

During this year, there were no changes of the Group in ownership interests in subsidiaries without losing control over the subsidiaries.

3. Interests in joint ventures and associates

(1) Significant joint ventures or associates

Investee	Principal place of business	Place of registration	Nature of business	Proportion of ownership interests held by the Group (%)		Proportion of voting rights (%)	Accounting treatment of investments in associates
				Direct	Indirect		
Associate							
SIPG	Shanghai, China	Shanghai, China	Port and container terminal business	-	28.06	28.06	Equity method
Ningbo Zhoushan	Ningbo, China	Ningbo, China	Port and container terminal business	20.98	2.10	23.08	Equity method

(XI) EQUITY IN OTHER ENTITIES - continued

4. Key financial information of significant associate

Item	SIPG	
	Closing Balance / Current Year	Opening Balance / Prior Year
Current assets	47,413,401,186.78	48,744,038,847.45
Including: Cash and cash equivalents	31,597,464,469.62	32,830,782,585.55
Non-current assets	174,322,241,805.95	163,311,502,225.58
Total assets	221,735,642,992.73	212,055,541,073.03
Current liabilities	27,825,518,945.32	23,068,287,468.52
Non-current liabilities	37,978,516,336.38	41,578,448,514.91
Total liabilities	65,804,035,281.70	64,646,735,983.43
Net assets	155,931,607,711.03	147,408,805,089.60
Non-controlling interests	14,990,095,964.43	14,101,913,028.59
Net assets attributable to owners of the Company	140,941,511,746.60	133,306,892,061.01
Share of net assets calculated based on the proportion of ownership interests	39,541,866,969.29	37,392,583,223.11
Adjustments		
- Goodwill	2,427,508,397.27	2,427,508,397.27
- Others	213,133,462.53	222,282,154.18
Carrying amount of equity investments in associates	42,182,508,829.09	40,042,373,774.56
Fair value of publicly quoted equity investments in associates	35,399,715,619.90	39,971,634,611.40
Operating income	39,611,497,351.53	38,116,972,285.82
Financial expenses	630,411,404.37	504,486,954.24
Income tax expenses	3,257,029,262.19	2,652,365,896.79
Net profit	14,953,696,046.09	16,063,786,892.13
Net profit attributable to the owner of the parent company of the investee in the current year	13,564,589,175.03	14,954,353,821.25
Other comprehensive income	178,319.65	281,406,740.21
Total comprehensive income	14,953,874,365.74	16,345,193,632.34
Dividends received from associates in the current year	1,273,606,004.78	1,449,951,451.59

(XI) EQUITY IN OTHER ENTITIES - continued

4. Key financial information of significant associate - continued

Item	Ningbo Zhoushan	
	Closing Balance / Current Year	Opening Balance/ Prior Year
Current assets	23,642,829,000.00	15,453,223,000.00
Including: Cash and cash equivalents	7,454,715,000.00	4,586,107,000.00
Non-current assets	99,776,714,000.00	97,445,761,000.00
Total assets	123,419,543,000.00	112,898,984,000.00
Current liabilities	24,178,804,000.00	17,449,594,000.00
Non-current liabilities	9,131,706,000.00	9,899,823,000.00
Total liabilities	33,310,510,000.00	27,349,417,000.00
Net assets	90,109,033,000.00	85,549,567,000.00
Non-controlling interests	9,361,536,000.00	7,256,126,000.00
Net assets attributable to owners of the Company	80,747,497,000.00	78,293,441,000.00
Share of net assets calculated based on the proportion of ownership interests	18,636,522,307.60	18,070,126,182.80
Adjustments		
- Goodwill	1,231,115,756.87	1,231,115,756.87
- Others	130,502,729.48	120,244,072.03
Carrying amount of equity investments in associates	19,998,140,793.95	19,421,486,011.70
Fair value of publicly quoted equity investments in associates	16,296,791,509.35	17,284,475,843.25
Operating income	31,020,365,000.00	28,702,311,000.00
Financial expenses	105,974,000.00	203,921,000.00
Income tax expenses	1,541,350,000.00	1,509,655,000.00
Financial expenses	105,974,000.00	203,921,000.00
Income tax expenses	1,541,350,000.00	1,509,655,000.00
Net profit	5,667,764,000.00	5,408,738,000.00
Net profit attributable to the owner of the parent company of the investee in the current year	5,162,938,000.00	4,897,513,000.00
Other comprehensive income	-102,098,000.00	110,866,000.00
Total comprehensive income	5,565,666,000.00	5,519,604,000.00
Dividends received from associates in the current year	619,547,445.81	408,578,523.82

Note: Ningbo Zhoushan's financial data are accurate to the nearest RMB 1,000.00.

(XI) EQUITY IN OTHER ENTITIES - continued

5. Summarized financial information of insignificant associates and joint ventures

Item	Closing Balance / Current Year	Opening Balance/ Prior Year
Joint ventures:		
Total carrying amount of investments	9,261,898,509.63	9,307,873,045.30
Aggregate of following items calculated based on the proportion of ownership interest		
- Net profit	299,080,492.93	367,446,997.79
- Other comprehensive income	60,392,562.78	161,730,408.57
- Total comprehensive income	359,473,055.71	529,177,406.36
Associates:		
Total carrying amount of investments	31,630,551,932.20	31,246,297,063.40
Aggregate of following items calculated based on the proportion of ownership interest		
- Net profit	1,038,238,586.18	757,730,103.41
- Other comprehensive losses (Income) ("-" for losses)	489,612,977.27	-375,707,391.94
- Total comprehensive income	1,527,851,563.45	382,022,711.47

6. The investees where the Group holds long-term equity investments are not restricted to transfer funds to the Group.

(XII) GOVERNMENT GRANTS

1. Government grants recognised as receivables at the end of current year

Balance of receivables at the end of current year	-

2. Liabilities involving government grants

Item	Opening Balance	New government grants	Amount included in non-operating income	Amount included in other income	Other changes	Closing Balance	Related to assets/income
Deferred income	1,268,975,316.61	8,876,921.27	-	51,963,816.21	-302,538,972.26	923,349,449.41	Related to assets
Total	1,268,975,316.61	8,876,921.27	-	51,963,816.21	-302,538,972.26	923,349,449.41	——

(XII) GOVERNMENT GRANTS - continued

3. Government grants included in profit or loss

Item	Current Year	Prior Year
Business development subsidy	106,275,887.50	75,662,052.93
Subsidy fund for Qianhai Comprehensive Bonded Zone	-	45,939,617.40
Special operation subsidy	1,300,000.00	3,184,128.00
Others	11,410,333.43	7,094,562.35
Total	118,986,220.93	131,880,360.68

(XIII) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

The Group's major financial instruments include cash and bank balances, financial assets held for trading, bills receivable, accounts receivable, receivables under financing, other receivables, long-term receivables, other non-current financial assets, borrowings, bills payable, accounts payable, other payables, other current liabilities, non-current liabilities due within one year, bonds payable, long-term payables, other non-current liabilities, etc. Details of these financial instruments are disclosed in Note (VIII). The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management of the Group manages and monitors these exposures to ensure the risks are monitored at a certain level.

The Group adopts sensitivity analysis technique to analyse how the profit or loss for the period and shareholders' equity would have been affected by reasonably possible changes in the relevant risk variables. As it is unlikely that risk variables will change in an isolated manner, and the interdependence among risk variables will have significant effect on the amount ultimately influenced by the changes in a single risk variable, the following are based on the assumption that the change in each risk variable is on a stand-alone basis.

1. Risk management objectives and policies

The Group's risk management objectives are to achieve a proper balance between risks and yield, minimise the adverse impacts of risks on the Group's operation performance, and maximise the benefits of the shareholders and other stakeholders. Based on these risk management objectives, the Group's basic risk management strategy is to identify and analyse the Group's exposure to various risks, establish an appropriate maximum tolerance to risk, implement risk management, and monitors regularly and effectively these exposures to ensure the risks are monitored at a certain level.

(XIII) FINANCIAL INSTRUMENTS AND RISKS MANAGEMENT - continued

1. Risk management objectives and policies - continued

1.1 Market risk

1.1.1 Currency risk

Currency risk is the risk that losses will occur because of changes in foreign exchange rates. The Group's exposure to the currency risk is primarily associated with HKD, USD, EUR and AUD. Except for part of the purchases and sales, the Group's other principal activities are denominated and settled in RMB. As at 31 December 2025, the balances of the Group's assets and liabilities are both denominated in functional currency, except that the assets and liabilities set out below are recorded using foreign currencies. Currency risk arising from the foreign currency balance of assets and liabilities may have impact on the Group's performance.

Item	Assets		Liabilities	
	Closing Balance	Opening Balance	Closing Balance	Opening Balance
HKD	35,333,835.31	506,851,221.94	456,993,404.43	36,479,381.62
USD	90,451,325.27	73,334,708.12	235,676,277.96	217,821,536.39
RMB (Note)	2,370,015,182.02	1,305,729,601.40	3,315,575,001.29	6,858,128,218.76
EUR	269,524,555.00	231,125,613.67	1,408,212.94	2,008,471.23
AUD	1,044,036,431.83	922,445,897.97	-	-
Total	3,809,361,329.43	3,039,487,043.10	4,009,652,896.62	7,114,437,608.00

Note: It refers to RMB financial assets and financial liabilities held by subsidiaries with non RMB currency as functional currency.

The Group closely monitors the effects of changes in the foreign exchange rates on the Group's currency risk exposures. According to the current risk exposure and judgment on the exchange rate movements, the management considers it is unlikely that the exchange rate changes in the next year will result in significant loss to the Group.

(XIII) FINANCIAL INSTRUMENTS AND RISKS MANAGEMENT - continued

1. Risk management objectives and policies - continued

1.1 Market risk - continued

1.1.1 Currency risk - continued

Sensitivity analysis on currency risk

The assumption for the sensitivity analysis on currency risk is that all the cash flow hedges and hedges of a net investment in a foreign operation are highly effective. On the basis of the above assumption, where all other variables are held constant, the reasonably possible changes in the foreign exchange rate may have the following pre-tax effect on the profit or loss for the period and shareholders' equity:

Item	Changes in exchange rate	Current Year		Prior Year	
		Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
All foreign currencies	5% increase against RMB	-47,277,990.96	-47,277,990.96	-277,619,930.87	-277,619,930.87
All foreign currencies	5% decrease against RMB	47,277,990.96	47,277,990.96	277,619,930.87	277,619,930.87
All foreign currencies	5% increase against USD	-7,261,247.63	-7,261,247.63	-7,224,341.41	-7,224,341.41
All foreign currencies	5% decrease against USD	7,261,247.63	7,261,247.63	7,224,341.41	7,224,341.41
All foreign currencies	5% increase against HKD	-21,082,978.46	-21,082,978.46	23,518,592.02	23,518,592.02
All foreign currencies	5% decrease against HKD	21,082,978.46	21,082,978.46	-23,518,592.02	-23,518,592.02
All foreign currencies	5% increase against EUR (including FCFA)	13,405,817.10	13,405,817.10	11,455,857.12	11,455,857.12
All foreign currencies	5% decrease against EUR (including FCFA)	-13,405,817.10	-13,405,817.10	-11,455,857.12	-11,455,857.12
All foreign currencies	5% increase against AUD	52,201,821.59	52,201,821.59	46,122,294.90	46,122,294.90
All foreign currencies	5% decrease against AUD	-52,201,821.59	-52,201,821.59	-46,122,294.90	-46,122,294.90

1.1.2 Interest rate risk - changes in cash flows

Risk of changes in cash flows of financial instruments arising from interest rate changes is mainly related to bank loans with floating interest rate. (See Note (VIII) 24 and Note (VIII) 34). The Group continuously and closely monitors the impact of interest rate changes on the Group's interest rate risk. The Group's policy is to maintain these borrowings at floating rates. Presently, the Group has no arrangement such as interest rate swaps.

(XIII) FINANCIAL INSTRUMENTS AND RISKS MANAGEMENT - continued

1. Risk management objectives and policies - continued

1.1 Market risk - continued

1.1.2 Interest rate risk - changes in cash flows - continued

Sensitivity analysis on interest rate risk

Sensitivity analysis on interest rate risk is based on the following assumptions:

- Fluctuations of market interest rate can affect the interest income or expense of a financial instrument with floating interest rate;
- For a financial instrument at fair value with fixed interest rate, the fluctuations of market interest rate can only affect its interest income or expense;
- For a derivative financial instrument designated as hedging instrument, the fluctuations of market interest rate affect its fair value, and all interest rate hedges are expected to be highly effective;
- The changes in fair value of derivative financial instruments and other financial assets and liabilities are calculated using cash flow discounting method by applying the market interest rate at balance sheet date.

On the basis of above assumptions, where the other variables held constant, the pre-tax effect of possible and reasonable changes in interest rate on the profit or loss for the year and shareholders' equity are as follows:

Item	Changes in interest rate	Current Year		Prior Year	
		Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
Short-term borrowings and long-term borrowings	1% increase	-314,120,988.56	-314,120,988.56	-286,274,021.36	-286,274,021.36
Short-term borrowings and long-term borrowings	1% decrease	314,120,988.56	314,120,988.56	286,274,021.36	286,274,021.36

1.2 Credit risk

As at 31 December 2025, the Group's maximum exposure to credit risk which may cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees issued by the Group (without considering the available collateral or other credit enhancements) is arising from cash and bank balances (Note (VIII) 1), bills receivable (Note (VIII) 3), accounts receivable (Note (VIII) 4), other receivables (Note (VIII) 7), long-term receivables (Note (VIII) 11), etc. At the balance sheet date, the carrying amounts of the Group's financial assets represent its maximum exposure to credit risk. In addition, the Group's maximum credit risk exposure to credit losses includes the amount of financial guarantee contract as disclosed in (Note (XVII) 2) "Contingencies". For financial instruments measured at fair value, the book value reflects its risk exposure, but not the maximum risk exposure, and its maximum risk exposure will change with the change of future fair value.

(XIII) FINANCIAL INSTRUMENTS AND RISKS MANAGEMENT - continued

1. Risk management objectives and policies - continued

1.2 Credit risk - continued

In order to minimise the credit risk, the Group has delegated a department responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of financial assets at each balance sheet date to ensure that adequate provision for bad debts is made for relevant financial assets. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

The credit risk on cash and bank balances is limited because they are deposited with financial institutions with high credit ratings.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

The Group has adopted a policy to ensure that all sales customers have good credit records.

1.3 Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

As at 31 December 2025, the Group had total current liabilities in excess of total current assets of RMB 7,384,414,975.47. As at 31 December 2025, the Group had available and unused line of credit and bonds amounting to RMB 49,239,851,263.83, among which the amount available for the Group to withdraw and use exceeds the balance of net current liabilities by more than twelve months after the balance sheet date. The Group can obtain financial support from the available line of credit and bonds when needed. Therefore, the Group's management believes that the Group has no significant liquidity risk.

The following is the maturity analysis for financial assets and financial liabilities held by the Group which is based on undiscounted remaining contractual obligations:

Item	Carrying amount	Within 1 year	1 to 5 years	Over 5 years	Total
Short-term borrowings	19,775,820,831.32	20,352,475,904.75	-	-	20,352,475,904.75
Accounts payable	739,900,492.35	739,900,492.35			739,900,492.35
Other payables	2,034,923,078.95	2,034,923,078.95			2,034,923,078.95
Non-current liabilities due within one year	5,985,434,723.30	7,024,927,664.35	-	-	7,024,927,664.35
Other current liabilities	2,199,301,417.02	2,218,261,417.02	-	-	2,218,261,417.02
Long-term borrowings	7,439,956,123.50	-	5,655,365,514.96	2,343,604,818.11	7,998,970,333.07
Bonds payable	20,709,787,532.29	-	20,113,151,565.97	1,636,701,369.86	21,749,852,935.83
Lease liabilities	1,690,860,832.08	-	731,079,098.61	2,719,341,503.38	3,450,420,601.99
Long-term payables	3,715,144,055.04	-	891,844,488.69	4,790,769,972.72	5,682,614,461.41

(XIV) DISCLOSURE OF FAIR VALUE

1. Assets and liabilities measured at fair value at the end of the year

Item	Fair value of closing balanceof closing balance			
	Level 1	Level 2	Level 3	Total
	Fair value measurement	Fair value measurement	Fair value measurement	
Continuously measured at fair value	-	-	-	-
Financial assets held for trading	-	7,578,824,365.75	-	7,578,824,365.75
Investments in other equity instruments	-	-	141,766,365.15	141,766,365.15
Receivables under financing	-	-	114,680,738.25	114,680,738.25
Other non-current financial assets	-	-	28,768,810.95	28,768,810.95
Total assets continuously measured at fair value	-	7,578,824,365.75	285,215,914.35	7,864,040,280.10

2. Qualitative and quantitative information of valuation techniques and key parameters adopted for items continuously measured at level 2 fair value

Item	Fair value of closing balance	Valuation techniques	Inputs
Financial assets held for trading	7,578,824,365.75	Cash flow discounting	Expected rate of return

The fair value of debt instruments at fair value through profit or loss is determined using the cash flow discounting approach. During the valuation, the Group adopts the expected return as the input.

3. Qualitative and quantitative information of valuation techniques and key parameters adopted for items continuously measured at level 3 fair value

Item	Fair value of closing balance	Valuation techniques	Inputs
Investments in other equity instruments	141,766,365.15	Income approach, Net asset method	expected profit distribution, discount rate, and carrying amount
Receivables under financing	114,680,738.25	Cash flow discounting	expected rate of return
Other non-current financial assets	28,768,810.95	Net asset method	carrying amount

The fair value of non-listed equity instruments included in equity instruments at fair value through profit or loss or other comprehensive income is determined using the income approach and net asset method. The fair value of debt investments is determined using the valuation method of the discounted cash flow method.

(XIV) DISCLOSURE OF FAIR VALUE - continued

4. Fair value of financial assets and financial liabilities not measured at fair value

The financial assets and liabilities not measured at fair value mainly include bills receivable, accounts receivable, other receivables, non-current assets due within one year, long-term receivables, short-term borrowings, bills payable, accounts payable, other payables, non-current liabilities due within one year, other current liabilities, lease liabilities, long-term borrowings, bonds payable and long-term payables etc.

The Group's management believes that the carrying amounts of financial assets and financial liabilities at amortised cost in the financial statements approximate their fair values.

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. Parent of the Company

Name of the Company	Related party relationship	Type of the entity	Place of registration	Nature of business	Issued share capital	Proportion of ownership interests held by the Company (%)	Proportion of voting power held by the Company (%)
Broadford	Parent	Private limited company (share limited)	Hong Kong	Investment holding	HKD 21,120,986,262	2.21	62.96 (Note)

Note: Broadford directly holds 2.21% of the Company's equity, and holds 14.83% of the Company's equity through its subsidiary China Merchants Gangtong Development (Shenzhen) Co., Ltd. For the year ended 31 December 2024, the controlling shareholder Broadford transferred its 74.66% shares of Honghui (Hong Kong) Co., Ltd. to CMHK, and CMHK entrusted the 74.66% shares of Honghui (Hong Kong) Co., Ltd. obtained from the above transfer to Broadford for management. After the completion of this share transfer and share custody, the controlling shareholder of the company will still be Broadford, The ultimate controlling shareholder of the Company is China Merchants Group Co., Ltd..

2. Subsidiaries of the Company

Details of the subsidiaries of the Company are set out in Note (X) 1and Note (XI) 1.

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

3. Associates and joint ventures of the Company

Details of the Company's significant joint ventures and associates are set out in Note (XI) 3.

Other joint ventures or associates that have related party transactions with the Group in the current year, or formed balances of related party transactions with the Group in the prior year are as follows:

Name of joint venture or associate	Relationship with the Company
Port of Newcastle and its subsidiaries	Joint venture
Qingdao Qianwan West Port United Wharf Co., Ltd.	Joint venture
Qingdao Qianwan United Container Terminal Co., Ltd. (hereinafter referred to as " Qingdao Qianwan United ") and its subsidiaries	Joint venture
COSCO Logistics (Zhanjiang) Co., Ltd.	Joint venture
China Ocean Shipping Agency (Zhanjiang) Co., Ltd.	Joint venture
Yantai Port Group Laizhou Port Co., Ltd.	Joint venture
Qingdao Wutong Century Supply Chain Co., Ltd.	Joint venture
Qingdao Port Dongjiakou Ore Terminal Co., Ltd.	Joint venture
Euro-Asia Oceangate S.à r.l.	Joint venture
GREAT HORN DEVELOPMENT COMPANY FZCO	Associate
International Djibouti Industrial Parks Operation FZCo	Associate
Port de Djibouti S.A.	Associate
Terminal Link SAS	Associate
Nanshan Group and its subsidiaries	Associate
Shanggang Group and its subsidiaries	Associate
Shenzhen Baohong Technology Co., Ltd.	Associate
Tianjin Haitian Bonded Logistics Co., Ltd.	Associate
Chu Kong River Trade Terminal Co., Ltd.	Associate
Shantou International Container Terminals Limited	Associate
Shenzhen Chiwan Industrial Development Co., Ltd and its subsidiaries	Associate
CM Port Chuangrong (Shenzhen) Technology Co., Ltd.	Associate
New Land-Sea Corridor Operation (Zhanjiang) Co., Ltd.	Associate
Antong Holdings	Associate
RED SEA WORLD S.A.	Associate
Liaoning Port and its subsidiaries	Associate, controlled by the same ultimate controlling shareholder
Zhanjiang Sinotrans Chemical International Logistics Co., Ltd.	Associate, controlled by the same ultimate controlling shareholder
Lac Assal Investment Holding Company Limited	Associate, controlled by the same ultimate controlling shareholder
Zhanjiang Infrastructure Construction Investment Group Co., Ltd.	Minority shareholders of subsidiary
Yihai Kerry Arawana Holdings Co., Ltd.	Minority shareholders of subsidiary

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

4. Other related parties of the Company

Name of other related parties	Relationship with the Company
China Marine Shipping Agency Guangdong Co., Ltd.	Controlled by the same ultimate controlling shareholder
Hoi Tung (Shanghai) Company Limited	Controlled by the same ultimate controlling shareholder
South China Sinotrans Supply Chain Management Co., Ltd.	Controlled by the same ultimate controlling shareholder
EuroAsia Dockyard Enterprise and Development Limited	Controlled by the same ultimate controlling shareholder
Qingdao Bonded Logistics Park Sinotrans Warehousing Logistics Co., Ltd.	Controlled by the same ultimate controlling shareholder
Qingdao Sinotrans Supply Chain Management Co., Ltd.	Controlled by the same ultimate controlling shareholder
Shenzhen Foreign Forwarding International Freight Co., Ltd.	Controlled by the same ultimate controlling shareholder
Shenzhen Nanyou (Holdings) Ltd. and its subsidiaries	Controlled by the same ultimate controlling shareholder
Sinotrans Shenzhen Qianhai Supply Chain Management Ltd.	Controlled by the same ultimate controlling shareholder
Shenzhen Qianhai Shekou Free Trade Investment Development Co. Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants International Shipping Agency (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Real Estate Co., Ltd.	Controlled by the same ultimate controlling shareholder
Shenzhen Merchants to Home Technology Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Shenzhen Ro-Ro Shipping Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Property Management (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Marine Shipping Agency Shenzhen Co., Ltd.	Controlled by the same ultimate controlling shareholder
Yiu Lian Dockyards (Shekou) Limited	Controlled by the same ultimate controlling shareholder
Yiu Lian Dockyards Limited	Controlled by the same ultimate controlling shareholder
China Merchants International Cold Chain (Shenzhen) Company Limited	Controlled by the same ultimate controlling shareholder
China Merchants Group Finance Company Limited	Controlled by the same ultimate controlling shareholder
China Merchants Investment Development Company Limited	Controlled by the same ultimate controlling shareholder
China Merchants Finance Lease (Shanghai) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Finance Lease (Tianjin) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchant Food (China) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Zhangzhou Development Zone Power Supply Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Securities Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Traffic Import and Export Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans Changhang Group Limited	Controlled by the same ultimate controlling shareholder
Guangdong Sinotrans Shipping Co., Ltd	Controlled by the same ultimate controlling shareholder
Sinotrans Central China Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans (HK) Shipping Limited	Controlled by the same ultimate controlling shareholder
Sinotrans (Djibouti) Bonded Logistics Co., Ltd	Controlled by the same ultimate controlling shareholder
CMHK	Controlled by the same ultimate controlling shareholder

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

4. Other related parties of the Company - continued

Name of other related parties	Relationship with the Company
Sinoway Shipping Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants-Logistics Shenzhen Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Zhangzhou Development Zone Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Ocean Shipping Agency Shenzhen Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans Container Lines Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dalian Port Construction Supervision Consulting Co., Ltd.	Controlled by the same ultimate controlling shareholder
Shenzhen West Port Security Service Co., Ltd.	Controlled by the same ultimate controlling shareholder
Qingdao Sinotrans Mining Technology Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Surplus Property Management Co., Ltd.	Controlled by the same ultimate controlling shareholder
Hong Kong Haitong Co., Ltd.	Controlled by the same ultimate controlling shareholder
Haitong Haihui (Shanghai) Technology Co., Ltd	Controlled by the same ultimate controlling shareholder
Dalian Jingang United Auto International Trade Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans Container Transportation (Hainan) Co., Ltd.	Controlled by the same ultimate controlling shareholder
CIAO International Limited	Controlled by the same ultimate controlling shareholder
China Merchants Logistics Group (Tianjin) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Life Insurance Company Limited	Controlled by the same ultimate controlling shareholder
Ocean Offshore 2403 Limited	Controlled by the same ultimate controlling shareholder
Zhangzhou Development Zone China Merchants Water Service Co., Ltd.	Controlled by the same ultimate controlling shareholder
Qingdao Sinotrans Logistics Co., Ltd.	Controlled by the same ultimate controlling shareholder
Haitong (Shenzhen) Trade Co., Ltd.	Controlled by the same ultimate controlling shareholder
Khor Ambado FZCo	Significantly influenced by the ultimate controlling shareholder
China Merchants Bank Co., Ltd.	Significantly influenced by the ultimate controlling shareholder
China Merchants (Shenzhen) Power Supply Co., Ltd.	Significantly influenced by the ultimate controlling shareholder
Merchants Port City	Significantly influenced by the ultimate controlling shareholder

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions

(1) Rendering and receipt of services

Related party	Content of transaction	Pricing method and decision procedures of related transactions	Current Year	Prior Year
Rendering of services:				
Antong Holdings and its subsidiaries	Service income	Negotiation	183,425,922.18	176,859,159.34
COSCO Logistics (Zhanjiang) Co., Ltd.	Service income	Negotiation	160,059,105.02	225,947,824.45
China Ocean Shipping Agency (Zhanjiang) Co., Ltd.	Service income	Negotiation	65,253,354.03	79,233,370.18
Sinotrans Container Transportation (Hainan) Co., Ltd.	Service income	Negotiation	30,360,054.63	6,131,576.11
China Merchants International Shipping Agency (Shenzhen) Co., Ltd.	Service income	Negotiation	26,896,356.56	21,010,835.23
CIAO International Limited	Service income	Negotiation	24,410,550.76	8,880,824.63
China Marine Shipping Agency Guangdong Co., Ltd.	Service income	Negotiation	21,188,065.75	35,584,126.70
Sinotrans Container Lines Co., Ltd.	Service income	Negotiation	19,881,157.88	17,893,748.17
Qingdao Qianwan United and its subsidiaries	Service income	Negotiation	17,532,172.80	24,252,170.73
Yiu Lian Dockyards (Shekou) Limited	Service income	Negotiation	15,731,288.81	11,901,121.11
China Ocean Shipping Agency Shenzhen Co., Ltd.	Service income	Negotiation	8,960,748.62	11,097,445.63
South China Sinotrans Supply Chain Management Co., Ltd.	Service income	Negotiation	8,706,595.03	1,719,316.58
Sinotrans Shenzhen Qianhai Supply Chain Management Ltd.	Service income	Negotiation	7,735,941.43	10,909,073.38
China Merchants International Cold Chain (Shenzhen) Company Limited	Service income	Negotiation	7,313,064.96	7,292,368.68
New Land-Sea Corridor Operation (Zhanjiang) Co., Ltd.	Service income	Negotiation	5,944,398.23	4,288,394.23
Liaoning Port and its subsidiaries	Service income	Negotiation	5,540,080.74	5,172,690.67
China Merchants Investment Development Company Limited	Service income	Negotiation	5,487,311.33	6,943,066.05
Shenzhen Baohong Technology Co., Ltd.	Service income	Negotiation	5,362,761.39	5,383,991.91
Qingdao Sinotrans Mining Technology Co., Ltd.	Service income	Negotiation	5,241,046.33	1,862,160.41
Shenzhen Foreign Forwarding International Freight Co., Ltd.	Service income	Negotiation	4,976,416.56	1,076,981.63
Sinoway Shipping Ltd.	Service income	Negotiation	4,513,120.66	3,896,159.47
Qingdao Bonded Logistics Park Sinotrans Warehousing Logistics Co., Ltd.	Service income	Negotiation	4,260,105.97	3,816,815.84
China Marine Shipping Agency Shenzhen Co., Ltd.	Service income	Negotiation	2,917,185.25	4,232,109.18
Qingdao Qianwan West Port United Wharf Co., Ltd.	Service income	Negotiation	2,431,065.71	2,266,358.07
Shanghai Port Group	Service income	Negotiation	2,361,696.23	2,265,469.82
Yantai Port Group Laizhou Port Co., Ltd.	Service income	Negotiation	2,075,471.70	2,075,471.68
Other related parties	Service income	Negotiation	21,108,956.42	51,267,351.32
Port of Newcastle and its subsidiaries	Interest income	Negotiation	81,538,614.85	74,581,122.68
China Merchants Group Finance Company Limited	Interest income	Negotiation	58,333,565.48	50,639,773.00
China Merchants Bank Co., Ltd.	Interest income	Negotiation	35,222,580.54	42,250,797.70
Terminal Link SAS	Interest income	Negotiation	12,136,959.77	12,543,736.17
Tianjin Haitian Bonded Logistics Co., Ltd.	Interest income	Negotiation	1,020,955.28	1,137,311.05

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(1) Rendering and receipt of services - continued

Related party	Content of transaction	Pricing method and decision procedures of related transactions	Current Year	Prior Year
Receipt of services:				
Shenzhen Chiwan Industrial Development Co., Ltd and its subsidiaries	Service expenditure	Negotiation	63,437,864.16	60,383,382.87
Shenzhen Nanyou (Holdings) Ltd. and its subsidiaries	Service expenditure	Negotiation	27,626,951.49	36,049,247.11
Qingdao Qianwan West Port United Wharf Co., Ltd.	Service expenditure	Negotiation	14,027,138.61	20,836,557.33
China Merchants Investment Development Company Limited	Service expenditure	Negotiation	13,278,955.07	5,407,766.54
Shenzhen West Port Security Service Co., Ltd.	Service expenditure	Negotiation	13,262,603.30	12,075,631.88
COSCO Logistics (Zhanjiang) Co., Ltd.	Service expenditure	Negotiation	9,776,026.07	3,833,081.95
International Djibouti Industrial Parks Operation FZCo	Service expenditure	Negotiation	7,017,008.60	10,914,744.17
Yiu Lian Dockyards Limited	Service expenditure	Negotiation	6,972,981.32	7,591,973.82
China Merchants-Logistics Shenzhen Co., Ltd.	Service expenditure	Negotiation	5,864,244.69	2,342,750.95
China Merchants (Shenzhen) Power Supply Co., Ltd.	Service expenditure	Negotiation	5,405,707.68	8,934,659.73
China Merchants Zhangzhou Development Zone Power Supply Co., Ltd.	Service expenditure	Negotiation	4,773,226.73	5,339,186.66
China Merchants Property Management (Shenzhen) Co., Ltd.	Service expenditure	Negotiation	4,453,957.21	2,668,909.49
Shenzhen Merchants to Home Technology Co., Ltd.	Service expenditure	Negotiation	4,687,477.54	2,380,710.29
Liaoning Port and its subsidiaries	Service expenditure	Negotiation	4,135,993.38	11,984,893.16
China Merchants Surplus Property Management Co., Ltd.	Service expenditure	Negotiation	3,425,914.92	1,349,520.67
China Merchants Shenzhen Ro-Ro Shipping Co., Ltd.	Service expenditure	Negotiation	3,115,797.45	3,400,014.78
Sinotrans (Djibouti) Bonded Logistics Co., Ltd	Service expenditure	Negotiation	2,760,536.83	647,189.51
China Merchants Life Insurance Company Limited	Service expenditure	Negotiation	2,620,060.12	-
Guangdong Sinotrans Shipping Co., Ltd	Service expenditure	Negotiation	2,539,165.13	1,017,209.17
China Merchant Food (China) Co., Ltd.	Service expenditure	Negotiation	2,346,484.64	2,650,674.80
Zhangzhou Development Zone China Merchants Water Service Co., Ltd.	Service expenditure	Negotiation	2,289,168.30	-
China Merchants Bank Co., Ltd.	Service expenditure	Negotiation	2,223,229.30	3,728,413.83
Haitong Haihui (Shanghai) Technology Co., Ltd	Service expenditure	Negotiation	2,135,015.05	296,918.61
Other related parties	Service expenditure	Negotiation	24,181,425.24	69,599,130.06
China Merchants Bank Co., Ltd.	Purchase of structured deposits	Negotiation	12,210,000,000.00	7,260,000,000.00
China Merchants Bank Co., Ltd.	Interest expense	Negotiation	60,658,343.65	72,154,609.27
China Merchants Group Finance Company Limited	Interest expense	Negotiation	32,877,199.14	36,451,832.93
Ocean Offshore 2403 Limited	Interest expense	Negotiation	6,747,197.02	-
China Merchants Finance Lease (Tianjin) Co., Ltd.	Interest expense	Negotiation	3,536,983.75	3,483,279.42
China Merchants Finance Lease (Shanghai) Co., Ltd.	Interest expense	Negotiation	-	2,356,009.46

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(2) Leases with related parties

The Group as the lessor:

Name of the lessee	Type of leased assets	Pricing method and decision procedures of related transactions	Lease income recognised in the current year	Lease income recognised in the prior year
Qingdao Qianwan West Port United Wharf Co., Ltd.	Port and terminal facilities	Negotiation	17,168,242.49	14,351,518.19
Qingdao Bonded Logistics Park Sinotrans Warehousing Logistics Co., Ltd.	Port and terminal facilities	Negotiation	5,088,364.64	5,375,787.11
Qingdao Sinotrans Supply Chain Management Co., Ltd.	Buildings and structures	Negotiation	4,797,960.58	4,811,101.79
China Traffic Import and Export Co., Ltd.	Buildings and structures	Negotiation	3,869,907.41	5,179,670.76
Qingdao Sinotrans Mining Technology Co., Ltd.	Port and terminal facilities	Negotiation	3,562,917.83	4,750,557.12
Qingdao Qianwan United and its subsidiaries	Buildings and structures	Negotiation	3,499,481.46	3,508,252.92
Qingdao Wutong Century Supply Chain Co., Ltd.	Buildings and structures	Negotiation	2,565,010.92	2,713,039.19
Qingdao Sinotrans Logistics Co., Ltd.	Port and terminal facilities	Negotiation	2,477,691.42	2,477,668.56
Haitong (Shenzhen) Trade Co., Ltd.	Buildings and structures	Negotiation	2,462,532.60	2,811,192.84
China Merchants Securities Co., Ltd	Buildings and structures	Negotiation	2,458,235.85	2,460,986.37
CM Port Chuangrong (Shenzhen) Technology Co., Ltd.	Port and terminal facilities	Negotiation	2,321,467.98	2,577,426.36
Yiu Lian Dockyards (Shekou) Limited	Buildings and structures	Negotiation	2,052,603.46	2,149,478.11
Other related parties	Buildings and structures, Port and terminal facilities	Negotiation	9,344,668.62	10,106,892.93
Total	— —	— —	61,669,085.26	63,273,572.25

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(2) Leases with related parties - continued

The Group as the lessee:

Name of the lessor	Type of leased assets	Short-term lease expenses or expenses on leases of low-value assets that are accounted for using simplified approach		Variable lease payments that are not included in the measurement of lease liabilities		Rental paid		Interest expenses on lease liabilities		Addition to right-of-use assets	
		Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
China Merchants Shekou Industrial Zone Holdings Co., Ltd	Port and terminal facilities, Land use right	306,224.00	-	-	-	44,066,799.39	33,671,185.02	1,587,229.84	2,627,207.77	-	6,841,334.09
EuroAsia Dockyard Enterprise and Development Limited	Port and terminal facilities	-	-		-	15,072,619.95	16,267,717.80	383,677.34	452,003.87	-	-
Shenzhen Qianhai Shekou Free Trade Investment Development Co., Ltd	Land use right	14,277,045.89	7,718,862.46	-	-	7,780,990.03	8,413,560.00	-	-	-	-
Nanshan Group and its subsidiaries	Buildings and structures, Port and terminal facilities, Land use right, Others	122,873.40	458,524.82	-	-	4,548,686.64	72,495,152.94	9,439,152.47	1,549,113.49	373,165,903.84	-
China Merchants Finance Lease (Tianjin) Co., Ltd.	Port and terminal facilities	-	-	-	-	2,491,841.67	25,037,299.24	3,536,983.75	3,627,216.64	-	-
Others	Machinery and equipment, Buildings and structures, Port and terminal facilities, Land use right, Others	2,142,297.24	2,213,002.01	-	-	5,138,359.72	90,570,525.17	153,444.84	2,707,383.66		5,583,342.98
Total		16,848,440.53	10,390,389.29	-	-	79,099,297.40	246,455,440.17	15,100,488.24	10,962,925.43	373,165,903.84	12,424,677.07

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(3) Related party guarantees

The Group as the guarantor:

Secured party	Credit line	Guaranteed amount	Commencement date	Maturity date	The guarantee has been completed or not
For the year of 2025					
Terminal Link SAS (Note 1)	57,247,051.41	57,247,051.41	11 June 2013	2033	No
Khor Ambado FZCo (Note 3)	202,429,440.00	158,095,856.92	24 May 2019	2032	No
Terminal Link SAS (Note 2)	231,950,400.00	113,655,696.00	25 January 2023	2030	No
Total	491,626,891.41	328,998,604.33	——	——	——
For the year of 2024					
Terminal Link SAS (Note 1)	58,245,642.59	58,245,642.59	11 June 2013	2033	No
Khor Ambado FZCo (Note 3)	207,025,920.00	167,923,750.92	24 May 2019	2032	No
Terminal Link SAS (Note 2)	237,217,200.00	116,236,428.00	25 January 2023	2030	No
Total	502,488,762.59	342,405,821.51	——	——	——

Note 1: In previous years, CMA CGM S.A., another shareholder of Terminal Link SAS, an associate of the Group, provided 100% guarantee for the bank loan financing and other liabilities of Terminal Link SAS. The Group makes a commitment to CMA CGM S.A. to provide guarantee for the bank loan financing and other liabilities to Terminal Link SAS in accordance with the 49% equity ratio of Terminal Link SAS held by the Group. The actual guaranteed amount is RMB 57,247,051.41 as at 31 December 2025. If any guarantee liability occurs, the Group will compensate CMA CGM S.A..

Note 2: The Group and CMA CGM S.A. provide guarantee for bank loan financing and other liabilities of the associated company Terminal Link SAS according to their shareholding ratio. The actual guarantee amount on 31 December 2025 is RMB 113,655,696.00.

Note 3: Khor Ambado FZCo is a related party of the ultimate controlling shareholder of the Group. The Group and other shareholders of Khor Ambado FZCo provide guarantees for its bank loan financing and other liabilities in proportion to their shareholding. The actual guarantee amount on 31 December 2025 is RMB 158,095,856.92.

Note 4: For the related guarantees provided by the Group, please refer to Note (VIII) 39 for the details of credit impairment losses for this year.

The Group as the guaranteed party:

Guarantor	Credit line	Guaranteed amount	Commencement date	Maturity date	The guarantee has been completed or not
For the year of 2025					
SINOTRANS SOUTH CHINA COMPANY LIMITED (Note 5)	1,079,100,000.00	409,805,329.57	26 June 2019	1 July 2034	No
For the year of 2024					
SINOTRANS SOUTH CHINA COMPANY LIMITED (Note 5)	1,079,100,000.00	438,097,430.82	26 June 2019	1 July 2034	No

Note 5: Refer to Note (VIII) 34.

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(4) Borrowings and loans with related parties

Related party	Amount	Commencement date	Maturity date	Description
2025				
Borrowings				
China Merchants Bank Co., Ltd.	1,672,217,483.07	Actual borrowing date	Agreed repayment date	Short-term borrowings
China Merchants Bank Co., Ltd.	786,838,830.68	Actual borrowing date	Agreed repayment date	Long-term borrowings
China Merchants Group Finance Company Limited	276,992,067.79	Actual borrowing date	Agreed repayment date	Short-term borrowings
China Merchants Group Finance Company Limited	421,567,628.72	Actual borrowing date	Agreed repayment date	Long-term borrowings
Ocean Offshore 2403 Limited	135,714,720.00	Actual borrowing date	Agreed repayment date	Long-term payables
Yihai Kerry Arawana Holdings Co., Ltd.	36,658,499.40	Actual borrowing date	Agreed repayment date	Long-term payables
Total	3,329,989,229.66	——	——	——
2024				
Borrowings				
China Merchants Bank Co., Ltd.	1,298,369,781.25	Actual borrowing date	Agreed repayment date	Short-term borrowings
China Merchants Bank Co., Ltd.	1,336,953,012.50	Actual borrowing date	Agreed repayment date	Long-term borrowings
China Merchants Group Finance Company Limited	268,456,381.95	Actual borrowing date	Agreed repayment date	Short-term borrowings
China Merchants Group Finance Company Limited	59,158,045.05	Actual borrowing date	Agreed repayment date	Long-term borrowings
Total	2,962,937,220.75	——	——	——

Note 1: As at 31 December 2025, the total credit lines of the Group from the related parties China Merchants Bank Co., Ltd. and China Merchants Group Finance Co., Ltd. are RMB 5,208,300,000.00 and RMB 10,000,000,000.00 respectively.

(5) Asset transfer from related parties

Related party	Content of transaction	Pricing method and decision procedures of related transactions	Current Year	Prior Year
Sinotrans Container Lines Co., Ltd.	Transfer of equity investment	Negotiation	124,800,000.00	-
Zhanjiang Sinotrans Chemical International Logistics Co., Ltd.	Contribution of land use right	Valuation	52,122,355.00	-
Zhanjiang Sinotrans Chemical International Logistics Co., Ltd.	Transfer of land use right	Valuation	43,972,744.00	-
Shantou International Container Terminals Limited	Reduce of registered capital	Registered capital	-	120,000,000.00
RED SEA WORLD S.A.	Equity investment	Fair value	-	160,855,674.82
Hoi Tung (Shanghai) Company Limited	Fixed assets	Negotiation	4,373,097.35	2,876,106.19
Dalian Jingang United Auto International Trade Co., Ltd.	Fixed assets	Negotiation	1,526,353.98	2,454,981.76
Dalian Jingang United Auto International Trade Co., Ltd.	Construction in progress	Negotiation	6,368,176.96	-
Dalian Jingang United Auto International Trade Co., Ltd. and its subsidiary	Construction in progress	Negotiation	7,806,951.99	1,651,790.19
Ocean Offshore 2403 Limited	Construction in progress	Negotiation	3,437,294.42	-
Hong Kong Haitong Co., Ltd.	Construction in progress	Negotiation	1,572,861.85	15,893,828.70
Other related parties	Construction in progress	Negotiation	401,512.05	3,518,918.32
Total	——	——	246,381,347.60	307,251,299.98

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(6) Compensation for key management personnel

Item	Current Year	Prior Year
Compensation for key management personnel	19,426,155.25	17,310,521.40

6. Amounts due from/to related parties that have not settled

(1) Amounts due from related parties

Item	Related party	Closing Balance	Opening Balance
Cash and bank balances	China Merchants Bank Co., Ltd.	1,859,504,299.96	3,404,002,420.98
	China Merchants Group Finance Company Limited	4,733,188,415.27	4,745,991,554.35
	Total	6,592,692,715.23	8,149,993,975.33
Accounts receivable	COSCO Logistics (Zhanjiang) Co., Ltd.	20,909,052.72	12,222,891.71
	Antong Holdings and its subsidiaries	14,331,644.37	9,901,450.77
	Sinotrans Container Transportation (Hainan) Co., Ltd.	5,490,141.47	2,350,603.78
	Sinotrans (HK) Shipping Limited	4,192,924.81	1,188,868.03
	Sinotrans Container Lines Co., Ltd.	2,759,474.70	4,496,476.26
	Liaoning Port and its subsidiaries	2,270,387.91	2,358,141.87
	GREAT HORN DEVELOPMENT COMPANY FZCO	2,152,921.44	2,201,806.92
	China Ocean Shipping Agency Shenzhen Co., Ltd.	2,038,931.07	3,778,789.25
	Yiu Lian Dockyards (Shekou) Limited	1,409,897.20	355,728.00
	Sinotrans Central China Co., Ltd.	1,247,021.25	27,768.35
	China Merchants Investment Development Company Limited	1,220,166.04	3,439,600.00
	Nanshan Group and its subsidiaries	1,288,469.27	337,492.97
	China Merchants Logistics Group (Tianjin) Co., Ltd.	-	3,109,502.50
	Other related parties	9,712,084.91	13,888,769.02
	Total	69,023,117.16	59,657,889.43

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

6. Amounts due from/to related parties - continued

(1) Amounts due from related parties - continued

Item	Related party	Closing Balance	Opening Balance
Dividends receivable	Shanggang Group and its subsidiaries	326,565,642.25	326,565,642.25
	Nanshan Group and its subsidiaries	111,042,000.00	148,056,000.00
	Qingdao Port Dongjiakou Ore Terminal Co., Ltd.	68,175,602.27	-
	Merchants Port City	35,771,044.77	38,809,044.77
	Euro-Asia Oceangate S.à r.l.	28,485,290.83	23,881,469.17
	Port of Newcastle and its subsidiaries	7,264,990.21	-
	China Ocean Shipping Agency Shenzhen Co., Ltd.	-	10,575,000.00
	COSCO Logistics (Zhanjiang) Co., Ltd.	-	5,649,001.16
	Qingdao Wutong Century Supply Chain Co., Ltd.	-	1,190,109.26
	Total	577,304,570.33	554,726,266.61
Other receivables	Chu Kong River Trade Terminal Co., Ltd.	32,841,079.20	37,374,974.40
	Port de Djibouti S.A.	24,776,520.00	-
	Shenzhen Qianhai Shekou Free Trade Investment Development Co., Ltd.	7,222,330.00	6,310,000.00
	Ocean Offshore 2403 Limited	7,028,800.00	-
	China Merchants Investment Development Company Limited	5,710,073.55	3,837,775.52
	Shenzhen Nanyou (Holdings) Ltd. and its subsidiaries	3,994,120.74	31,299,652.92
	International Djibouti Industrial Parks Operation FZCo	1,891,143.64	293,452.73
	EuroAsia Dockyard Enterprise and Development Limited	1,526,824.77	1,565,400.24
	China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	1,166,408.40	1,166,408.40
	CMHK	1,059,673.20	2,300,860.48
	Other related parties	2,668,491.95	3,954,388.97
	Total	89,885,465.45	88,102,913.66
Prepayments	China Merchants Life Insurance Company Limited	3,126,654.88	-
	Other related parties	1,095,819.45	306,332.45
	Total	4,222,474.33	306,332.45
Non-current assets due within one year	Tianjin Haitian Bonded Logistics Co., Ltd.	-	34,300,000.00
	China Merchants Finance Lease (Tianjin) Co., Ltd.	-	733,025.11
	Total	-	35,033,025.11
Long-term receivables	Port of Newcastle and its subsidiaries	1,032,950,257.96	920,674,796.27
	Terminal Link SAS	239,062,457.32	215,013,954.38
	Tianjin Haitian Bonded Logistics Co., Ltd.	34,300,000.00	-
	Other related parties	539,722.23	1,058,295.37
	Total	1,306,852,437.51	1,136,747,046.02

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

6. Amounts due from/to related parties - continued

(2) Amounts due to related parties

Item	Related party	Closing Balance	Opening Balance
Short-term borrowings	China Merchants Bank Co., Ltd.	1,093,426,099.97	1,298,369,781.25
	China Merchants Group Finance Company Limited	191,124,984.44	180,132,916.65
	Total	1,284,551,084.41	1,478,502,697.90
Accounts payable	Antong Holdings and its subsidiaries	17,869,057.61	17,869,057.61
	Nanshan Group and its subsidiaries	9,459,413.49	7,793,894.49
	China Merchants (Shenzhen) Power Supply Co., Ltd.	7,849,882.40	7,491,614.83
	Shenzhen Chiwan Industrial Development Co., Ltd and its subsidiaries	5,883,063.90	5,886,136.82
	COSCO Logistics (Zhanjiang) Co., Ltd.	3,959,010.47	111,854.40
	Liaoning Port and its subsidiaries	2,956,796.42	5,020,956.61
	Yiu Lian Dockyards Limited	2,304,412.28	1,831,651.56
	EuroAsia Dockyard Enterprise and Development Limited	2,275,716.26	1,562,589.15
	International Djibouti Industrial Parks Operation FZCo	2,013,472.16	-
	Qingdao Qianwan West Port United Wharf Co., Ltd.	1,709,239.56	2,302,401.72
	China Merchants Investment Development Company Limited	1,603,085.74	1,916,766.44
	Shenzhen West Port Security Service Co., Ltd.	1,227,570.98	991,318.88
	Other related parties	11,585,506.37	27,129,981.41
	Total	70,696,227.64	79,908,223.92
Advance payments received	Other related parties	641,753.44	1,020,627.96
Contract liabilities	CIAO International Limited	1,500,000.00	-
	Other related parties	1,909,613.77	990,669.32
	Total	3,409,613.77	990,669.32
Dividends payable	China Merchants Zhangzhou Development Zone Co., Ltd.	105,526,928.23	79,792,513.04
	Yiu Lian Dockyards Limited	22,924,685.89	-
	Zhanjiang Infrastructure Construction Investment Group Co., Ltd.	-	52,542,231.24
	Total	128,451,614.12	132,334,744.28
Other payables	CMHK	309,403,432.24	3,518.95
	Lac Assal Investment Holding Company Limited	79,952,643.76	81,768,095.74
	Antong Holdings and its subsidiaries	6,340,341.84	4,743,266.37
	Nanshan Group and its subsidiaries	4,667,248.90	1,487,524.53
	Liaoning Port and its subsidiaries	4,050,509.93	1,752,579.27
	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	3,465,204.79	6,930,409.58
	CIAO International Limited	2,999,920.00	2,999,920.00
	Sinotrans Shenzhen Qianhai Supply Chain Management Ltd.	1,220,440.54	1,744,765.30
	China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	156,779.63	2,975,713.65
	China Merchants Investment Development Company Limited	-	3,559,625.15
	Other related parties	11,382,893.37	14,317,754.41
	Total	423,639,415.00	122,283,172.95

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

6. Amounts due from/to related parties - continued

(2) Amounts due to related parties - continued

Item	Related party	Closing Balance	Opening Balance
Other current liabilities	China Merchants Investment Development Company Limited	12,922,678.94	-
	Liaoning Port and its subsidiaries	755,883.15	-
	China Merchants Bank Co., Ltd.	596,666.67	
	Other related parties	943,076.91	-
	Total	15.218.305.67	-
Non-current liabilities due within one year	China Merchants Group Finance Company Limited	307,767,555.63	153,940,240.06
	China Merchants Bank Co., Ltd.	251,962,126.24	115,025,994.45
	Nanshan Group and its subsidiaries	126,190,230.53	-
	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	32,080,134.08	37,080,955.45
	Ocean Offshore 2403 Limited	28,115,200.00	-
	China Merchants Finance Lease (Tianjin) Co., Ltd.	-	40,241,960.67
	EuroAsia Dockyard Enterprise and Development Limited	-	14,776,413.72
	Other related parties	1,581,487.09	2,585,085.02
	Total	747,696,733.57	363,650,649.37
Long-term borrowings	China Merchants Bank Co., Ltd.	968,696,138.04	1,316,000,000.00
	China Merchants Group Finance Company Limited	725,208,087.03	658,012,389.53
	Total	1,693,904,225.07	1,974,012,389.53
Lease liabilities	Nanshan Group and its subsidiaries	253,660,100.77	-
	China Merchants International Cold Chain (Shenzhen) Company Limited	276,491.76	1,182,801.92
	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	-	32,067,795.24
	Total	253,936,592.53	33,250,597.16
Long-term payables	China Merchants Finance Lease (Tianjin) Co., Ltd.	109,846,754.96	31,964,366.45
	Ocean Offshore 2403 Limited	99,961,134.57	-
	Yihai Kerry Arawana Holdings Co., Ltd.	36,658,499.40	-
	Total	246,466,388.93	31,964,366.45

(XVI) SHARE-BASED PAYMENTS

1. Equity instruments

Type of targets granted	Granted in the current year		Exercised in the current year		Unlocked in the current year		Lapsed in the current year	
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount
Management	-	-	351,400.00	1,142,050.00	-	-	13,500.00	43,875.00

Outstanding stock option or other equity instruments at the end of current year

Type of targets granted	Outstanding stock option at the end of current year	
	Range of exercise prices	Remaining term of contract
Management	RMB 12.51 to RMB 14.76	13 months

(XVI) SHARE-BASED PAYMENTS - continued

2. Equity-settled share-based payments

The method used to determine the fair value of equity instruments at the grant date	The cost of granted stock options was estimated using the Black Scholes Model.
The basis for determining the number of exercisable equity instruments	At each balance sheet date in the vesting period, the best estimate was made and the estimated number of exercisable equity instruments was modified according to the latest changes in the number of employees who can exercise the rights and other subsequent information.
Reasons for the significant difference between the estimates of the current year and the estimates of prior year	Nothing
The aggregate amount of equity-settled share-based payments that is included in capital reserve	-

Pursuant to the *Official Reply on the Implementation of the Stock Option Incentive Plan of China Merchants Port Group Co., Ltd*. by State-owned Assets Supervision and Administration Commission of the State Council (No. 748 [2019], SASAC), which was deliberated and approved by the 1st Extraordinary General Meeting of the Company in 2020 on 3 February 2020, the Company implemented a stock option plan with effect from 3 February 2020 to grant 238 incentive recipients 17,198,000 stock options with an exercise price of RMB17.80 per share. With a lockup period of 24 months from the grant date, the stock options are exercisable upon expiry of the 24-month lockup period in the premise that the vesting conditions are satisfied. The stock options are exercisable in three batches, specifically, 40% for the first batch (after 24 months but within 36 months subsequent to the grant date), 30% for the second batch (after 36 months but within 48 months subsequent to the grant date) and the remaining 30% for the third batch (after 48 months but within 84 months subsequent to the grant date). Each stock option entitles the holder to subscribe for one ordinary share of the Company.

On 5 March 2021, the granting of stock option (reserved portion) under stock option inventive plan (phase I) was completed. The reserved portion of stock option targets to total 3 persons, granting 530,000 shares of stock option with exercise price of RMB15.09 per share. The grant date is 29 January 2021. With a lockup period of 24 months from the grant date, the stock options are exercisable upon expiry of the 24-month lockup period in the premise that the vesting conditions are satisfied. The stock options are exercisable in two batches, specifically, 50% for the first batch (after 24 months but within 36 months subsequent to the grant date), and the remaining 50% for the second batch (after 36 months but within 72 months subsequent to the grant date). Each stock option entitles the holder to subscribe for one ordinary share of the Company.

(XVI) SHARE-BASED PAYMENTS - continued

2. Equity-settled share-based payments - continued

According to *Article 32 of Stock Option Incentive Plan*, since the grant date of the stock option, if the Company distributes dividends prior to the exercise of the option, the exercise price shall be adjusted accordingly. Therefore, the Company uniformly adjusted the exercise price from RMB17.80 per share to 17.34 per share in respect of the first batch of stock option granted under the stock option incentive plan (phase I) on 30 January 2021; the Company uniformly adjusted the exercise price from RMB 17.34 per share to 16.96 per share in respect of the first batch of stock option granted under the stock option incentive plan (phase I), and the exercise price of the reserved portion of stock option from RMB 15.09 per share to 14.71 per share on 29 January 2022; the Company uniformly adjusted the exercise price from RMB 16.96 per share to 16.53 per share in respect of the first batch of stock option granted under the stock option incentive plan (phase I), and the exercise price of the reserved portion of stock option from RMB 14.71 per share to 14.28 per share on 20 January 2023. Company uniformly adjusted the exercise price from RMB 16.53 per share to 16.08 per share in respect of the first batch of stock option granted under the stock option incentive plan (phase I), and the exercise price of the reserved portion of stock option from RMB 14.28 per share to 13.83 per share on 16 January 2024. Company uniformly adjusted the exercise price from RMB 16.08 per share to 15.50 per share in respect of the first batch of stock option granted under the stock option incentive plan (phase I), and the exercise price of the reserved portion of stock option from RMB 13.83 per share to 13.25 per share on 31 August 2024. The Company uniformly adjusted the exercise price from RMB 15.50 per share to 14.76 per share in respect of the first batch of stock option granted under the stock option incentive plan (phase I), and the exercise price of the reserved portion of stock option from RMB 13.25 per share to 12.51 per share on 31 August 2025.

As at 31 December 2025, as 1 of the incentive targets for the first batch of stock option granted under the stock option incentive plan (phase I) have lost the qualification to participate in the company's incentive plan, the board of directors of the Company decided to cancel in total of 13,500 shares of stock option granted but not yet exercised by such persons.

As at the date on which the financial statements are issued, 192 incentive targets who can exercise the rights for the third vesting period of the stock option (1st batch) under the stock option incentive plan (phase I) included: (1) 187 incentive targets who met the designated grades in the performance assessment, holding 100% of the stock option (totalling 3,408,900 shares) for the third vesting period of the stock option (1st batch) under the stock option incentive plan (phase I) of the Company and satisfying the criteria of exercise; and (2) 5 incentive targets who met the designated grades in the performance assessment, holding 80% of the stock option (totalling 60,480 shares) for the third vesting period of the stock option (1st batch) under the stock option incentive plan (phase I) of the Company and satisfying the criteria of exercise. The second vesting period of the stock option (reserved portion) under the stock option incentive plan (phase I) targets to total 3 persons who can exercise the rights. The 3 incentive targets have met the designated grades in the performance assessment, and 100% of stock option for the second vesting period of the stock option (reserved portion) under the stock option incentive plan (phase I) of the Company held by them have satisfied the criteria of exercise, granting 265,000 shares of exercisable stock option for the second vesting period of the stock option (reserved portion) under the stock option incentive plan (phase I).

(XVI) SHARE-BASED PAYMENTS - continued

3. Share-based payment expenses in the current year

Type of targets granted	Equity-settled share-based payment expenses
Management	-

(XVII) COMMITMENTS AND CONTINGENCIES

1. Significant commitments

Item	Closing Balance	Opening Balance
Commitments that have been entered into but have not been recognised in the financial statements		
- Commitment to make contributions to the investees	2,469,326,880.09	68,882,165.47
- Commitment to acquire and construct long-term assets	3,381,159,873.68	2,891,660,439.17
Total	5,850,486,753.77	2,960,542,604.64

2. Contingencies

Item	Closing Balance	Opening Balance
Contingent liabilities brought by external litigations (Note 1)	963,662,048.81	804,570,710.82
Guarantee for borrowings of related parties (Note 2)	222,911,237.19	342,405,821.51
Total	1,186,573,286.00	1,146,976,532.33

Note 1: This mainly represents the significant contingent liabilities arising from the litigations between TCP and its subsidiaries and local tax authority, employee or former employee of TCP and its subsidiaries in Brazil at as the year end. The amount involved in the pending litigation is RMB 881,304,260.01. At the same time, for the pending litigation existing before the Group's acquisition of TCP, the counter compensation agreement in favour of the Group will be executed by the original TCP shareholders who sell shares. According to the counter compensation agreement, the original TCP shareholders need to compensate the Group for contingent liabilities, and the amount of compensation should not exceed the predetermined amount and the specified period. According to the latest estimates of the management of the Company, the above pending litigation is unlikely to lead to the outflow of economic benefits from the enterprise. Therefore, the Group has not recognised the estimated liabilities for the contingent liabilities caused by the above pending litigation.

(XVII) COMMITMENTS AND CONTINGENCIES - continued

2. Contingencies - continued

Note 2: As at 31 December 2025, the guarantees provided by the Group for related parties are detailed in Note (XV) 5.

Except for the above-mentioned contingencies, as at 31 December 2025, the Group had no other major guarantees and other contingencies that need to be explained.

(XVIII) EVENTS AFTER THE BALANCE SHEET

According to the profit distribution plan for the year 2025 passed at the 6th meeting of the 11th Board held by the Company on 31 March 2026, the Company distributed cash dividends of RMB 7.99 (including tax) for every ten shares based on 2,481,897,185 shares held in the repurchase special account deducted from the total share capital as of 24 March 2025, totaling RMB 1,983,035,850.82. The above-mentioned dividends distribution plan is yet to be reviewed and approved by the shareholders' meeting.

(XIX) OTHER SIGNIFICANT EVENTS

1. Segment reporting

(1) Basis for determining reporting segments and accounting policies

The key management team of the Company is regarded as the CODM, who reviews the Group's internal reports in order to assess performance, allocate resources and determine the operating segments. The CODM considers the operation of the Group in terms of business and locations.

Individual operating segments for which discrete financial information is available are identified by the CODM and are operated by their respective management teams. These individual operating segments are aggregated in arriving at the reporting segments of the Group.

From business and location perspectives, the management assesses the performance of the Group's business operations including ports operation, bonded logistics operation and other operations.

Ports operation

Ports operation includes container terminal operation, bulk and general cargo terminal operation operated by the Group and its associates and joint ventures.

(XIX) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(1) Basis for determining reporting segments and accounting policies - continued

Ports operation - continued

The Group's ports operation is presented as follows:

(a) Mainland China, Hong Kong and Taiwan

- Pearl River Delta
- Yangtze River Delta
- Bohai Rim
- Others

(b) Other locations outside of Mainland China, Hong Kong and Taiwan

Bonded logistics operation

Bonded logistics operation includes logistics park operation, ports transportation and airport cargo handling operated by the Group and its associates and joint ventures.

Other operations

Other operations mainly include property development and investment and logistics business operated by the Group's associates, property investment operated by the Group and corporate function.

Each of the segments under ports operation includes the operations of a number of ports in various locations within one geographic location. For the purpose of segment reporting, these individual operating segments have been aggregated into reportable segments on geographic basis in order to present a more systematic and structured segment information. To give details of each of the operating segments, in the opinion of the directors of the Company, would result in particulars of excessive length.

Bonded logistics operation and other operations include a number of different operations, each of which is considered as a separate but insignificant operating segment by the CODM. For segment reporting, these individual operating segments have been aggregated according to the nature of their operations to give rise to more meaningful presentation.

There are no material sales or other transactions between the segments.

The revenue from a major customer of ports operation amounts to RMB 2,909,072,284.64, representing 16.87% (2024: 14.25%) of the Group's operating income for 2025.

(XIX) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Financial information of reporting segments

Segment financial information for 2025 is as follows:

Item	Ports operation						Bonded logistics operation	Others	Unallocated amount	Total
	Mainland China, Hong Kong and Taiwan				Other locations	Sub-total				
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Others						
Operating income	6,846,460,971.70	624,606.56	28,724,541.44	3,102,625,214.92	6,448,810,395.23	16,427,245,729.85	644,652,943.44	174,483,854.56	-	17,246,382,527.85
Operating costs	3,759,872,234.74	8,518,229.88	14,775,255.63	2,602,356,247.42	2,713,413,778.81	9,098,935,746.48	367,307,647.16	189,943,854.64	-	9,656,187,248.28
Segment operating profit ("-" for losses)	3,086,588,736.96	-7,893,623.32	13,949,285.81	500,268,967.50	3,735,396,616.42	7,328,309,983.37	277,345,296.28	-15,460,000.08	-	7,590,195,279.57
Taxes and surcharges	38,873,568.46	1,075,744.28	1,089,548.48	53,520,036.21	216,311,120.77	310,870,018.20	26,387,183.19	24,342,004.60	5,474,194.67	367,073,400.66
Administrative expense	390,397,339.80	4,144,076.00	10,548,678.67	269,300,696.08	345,726,287.70	1,020,117,078.25	55,153,639.32	1,124,950.94	456,995,623.88	1,533,391,292.39
R&D expenses	153,732,534.35	-	-	24,017,739.17	-	177,750,273.52	-	-	-	177,750,273.52
Financial expenses	55,546,113.57	-6,720,778.10	-1,179,741.20	49,383,507.07	77,987,521.81	175,016,623.15	28,646,078.40	3,620,138.27	1,297,558,072.27	1,504,840,912.09
Other income	128,492,668.02	1,225,456.48	46,094.81	30,416,158.41	-	160,180,377.72	12,008,552.31	237,823.39	-	172,426,753.42
Investment income ("-" for losses)	88,917,035.64	4,995,379,562.85	203,431,537.60	26,182,460.37	730,228,943.85	6,044,139,540.31	166,126,606.46	188,011,112.87	23,242,868.11	6,421,520,127.75
Including: Investment income from associates and joint ventures	34,016,486.64	4,995,379,562.85	203,431,537.60	17,532,425.97	730,228,943.85	5,980,588,956.91	166,126,606.46	188,011,112.87	-	6,334,726,676.24
Gains from changes in fair value ("-" for losses)	40,183,500.98	-	-	223,064.44	-	40,406,565.42	-	-	1,967,561.64	42,374,127.06
Losses on credit impairment("-" for losses)	-502,737.37	-	-	-170,485,159.21	-12,559,983.11	-183,547,879.69	-107,068,741.24	-	-	-290,616,620.93
Impairment losses ("-" for losses)	1,610.64	-	-	-	-4,329,769.64	-4,328,159.00	-5,744,701.74	-	-	-10,072,860.74
Gains from asset disposals ("-" for losses)	710,056.40	-	-	6,528,344.28	615,155.94	7,853,556.62	-22,302.10	-	-439,495.46	7,391,759.06
Operating profit ("-" for losses)	2,705,841,315.09	4,990,212,353.83	206,968,432.27	-3,088,142.74	3,809,326,033.18	11,709,259,991.63	232,457,809.06	143,701,842.37	-1,735,256,956.53	10,350,162,686.53

(XIX) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Financial information of reporting segments - continued

Segment financial information for 2025 is as follows: - continued

Item	Ports operation						Bonded logistics operation	Others	Unallocated amount	Total
	Mainland China, Hong Kong and Taiwan				Other locations	Sub-total				
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Others						
Non-operating income	19,256,372.65	-	501,000.72	6,305,235.57	48,982,118.65	75,044,727.59	2,335,316.32	1,234,449.91	5,305,155.61	83,919,649.43
Non-operating expenses	8,469,920.94	-	318,381.18	10,079,391.06	25,144,753.70	44,012,446.88	39,632.50	324.74	13,742,994.40	57,795,398.52
Total profit ("-" for losses)	2,716,627,766.80	4,990,212,353.83	207,151,051.81	-6,862,298.23	3,833,163,398.13	11,740,292,272.34	234,753,492.88	144,935,967.54	-1,743,694,795.32	10,376,286,937.44
Income tax expenses	511,549,622.08	171,299,444.75	23,315,315.43	19,061,016.86	686,607,741.29	1,411,833,140.41	33,376,875.90	24,961,456.88	123,541.76	1,470,295,014.95
Net profit ("-" for losses)	2,205,078,144.72	4,818,912,909.08	183,835,736.38	-25,923,315.09	3,146,555,656.84	10,328,459,131.93	201,376,616.98	119,974,510.66	-1,743,818,337.08	8,905,991,922.49
Segment assets	27,957,368,640.78	64,378,877,385.23	9,053,291,782.90	26,858,430,038.04	42,154,538,054.25	170,402,505,901.20	4,625,899,703.24	16,104,573,524.32	13,881,718,365.92	205,014,697,494.68
Total assets in the financial statements										205,014,697,494.68
Segment liabilities	7,988,185,415.44	1,528,571,908.42	153,535,028.20	6,949,241,867.46	6,489,715,269.73	23,109,249,489.25	502,211,469.97	405,870,077.64	49,696,318,258.97	73,713,649,295.83
Total liabilities in the financial statements										73,713,649,295.83
Supplementary information:										
Depreciation and amortisation	1,130,965,853.52	6,156,013.81	958,604.59	867,941,806.96	1,028,266,510.30	3,034,288,789.18	94,867,041.17	154,302,489.89	33,045,575.42	3,316,503,895.66
Interest income	37,407,017.36	183,144.94	205,273.19	12,285,000.71	164,893,257.45	214,973,693.65	1,632,212.09	951,685.61	161,963,235.50	379,520,826.85
Interest expense	80,502,888.97	7,531,845.28	-	61,436,579.58	316,813,564.59	466,284,878.42	25,465,633.19	7,434,952.02	1,410,822,062.18	1,910,007,525.81
Investment income from long-term equity investments under equity method	34,016,486.64	4,995,379,562.85	203,431,537.60	17,532,425.97	730,228,943.85	5,980,588,956.91	166,126,606.46	188,011,112.87	-	6,334,726,676.24
Long-term equity investments under equity method	1,765,517,195.58	62,180,649,623.04	8,921,065,067.61	1,690,443,296.44	12,737,031,194.98	87,294,706,377.65	1,762,892,422.67	14,015,501,264.55	-	103,073,100,064.87
Non-current assets other than long-term equity investments	19,301,776,769.54	386,871,093.56	13,374,075.21	20,184,101,596.42	25,220,591,656.05	65,106,715,190.78	2,555,373,093.56	3,174,056,395.60	626,726,319.92	71,462,870,999.86

(XIX) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Financial information of reporting segments - continued

Segment financial information for 2024 is as follows:

Item	Ports operation						Bonded logistics operation	Others	Unallocated amount	Total
	Mainland China, Hong Kong and Taiwan				Other locations	Sub-total				
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Others						
Operating income	6,431,616,103.24	1,244,488.00	35,429,691.48	3,443,761,318.55	5,450,560,759.22	15,362,612,360.49	581,135,985.94	187,029,681.81	-	16,130,778,028.24
Operating costs	3,643,704,953.94	7,879,940.23	21,554,240.31	2,549,974,747.42	2,427,214,953.44	8,650,328,835.34	321,819,100.85	223,868,756.16	-	9,196,016,692.35
Segment operating profit ("-" for losses)	2,787,911,149.30	-6,635,452.23	13,875,451.17	893,786,571.13	3,023,345,805.78	6,712,283,525.15	259,316,885.09	-36,839,074.35	-	6,934,761,335.89
Taxes and surcharges	36,099,143.56	1,108,732.05	1,142,301.89	53,246,818.52	188,035,503.59	279,632,499.61	26,824,541.00	24,354,678.99	1,522,043.55	332,333,763.15
Administrative expense	441,642,697.27	3,306,900.14	13,422,831.03	528,149,064.56	300,139,650.63	1,286,661,143.63	75,409,818.29	1,125,717.14	458,347,603.12	1,821,544,282.18
R&D expenses	175,109,423.61	-	-	26,645,642.75	-	201,755,066.36	-	-	-	201,755,066.36
Financial expenses	37,387,836.75	7,762,806.23	-299,175.51	88,123,829.70	254,737,267.23	387,712,564.40	-4,790,361.01	14,653,358.03	1,459,790,075.45	1,857,365,636.87
Other income	143,256,859.08	1,225,442.53	26,641.94	29,233,233.29	-	173,742,176.84	11,444,551.72	223,574.73	-	185,410,303.29
Investment income ("-" for losses)	132,466,129.59	5,278,531,361.17	344,928,827.95	449,467,610.73	592,968,393.40	6,798,362,322.84	99,910,880.05	-374,726,770.23	23,450,098.84	6,546,996,531.50
Including: Investment income from associates and joint ventures	54,377,294.47	5,315,828,512.05	308,915,198.02	443,732,105.49	592,968,393.40	6,715,821,503.43	99,910,880.05	-374,726,770.23	-	6,441,005,613.25
Gains from changes in fair value ("-" for losses)	36,202,805.35	-	348,884,984.49	1,166,382.24	-	386,254,172.08	-	2,172,987.58	1,805,205.49	390,232,365.15
Reversal of/(Losses on) credit impairment	-2,173,136.38	-	-	-96,866,918.68	309,219,962.77	210,179,907.71	63,614,401.37	-800,000.00	-	272,994,309.08
Impairment losses ("-" for losses)	-767,306.24	-	-	-	-	-767,306.24	-	-8,113,482.64	-	-8,880,788.88
Gains from asset disposals ("-" for losses)	2,100,085.81	-	-108,483.27	35,115,963.87	-3,054,695.65	34,052,870.76	53,074.13	-	-43,549.14	34,062,395.75
Operating profit ("-" for losses)	2,408,757,485.32	5,260,942,913.05	693,341,464.87	615,737,487.05	3,179,567,044.85	12,158,346,395.14	336,895,794.08	-458,216,519.07	-1,894,447,966.93	10,142,577,703.22

(XIX) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Financial information of reporting segments - continued

Segment financial information for 2024 is as follows: - continued

Item	Ports operation						Bonded logistics operation	Others	Unallocated amount	Total
	Mainland China, Hong Kong and Taiwan				Other locations	Sub-total				
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Others						
Non-operating income	14,854,852.86	56,603.78	494,224.01	12,062,080.43	25,247,186.94	52,714,948.02	123,746.37	958,639.58	5,221,321.35	59,018,655.32
Non-operating expenses	7,303,147.15	8,273.40	-	11,096,299.32	41,686,171.97	60,093,891.84	18,742.91	12,929.40	10,126,537.58	70,252,101.73
Total profit ("-" for losses)	2,416,309,191.03	5,260,991,243.43	693,835,688.88	616,703,268.16	3,163,128,059.82	12,150,967,451.32	337,000,797.54	-457,270,808.89	-1,899,353,183.16	10,131,344,256.81
Income tax expenses	365,999,294.40	201,089,604.04	93,283,248.35	58,529,808.00	498,880,170.41	1,217,782,125.20	40,781,729.30	-5,407,160.82	-318,746.78	1,252,837,946.90
Net profit ("-" for losses)	2,050,309,896.63	5,059,901,639.39	600,552,440.53	558,173,460.16	2,664,247,889.41	10,933,185,326.12	296,219,068.24	-451,863,648.07	-1,899,034,436.38	8,878,506,309.91
Segment assets	26,481,857,320.70	61,773,227,599.24	9,089,898,859.40	27,215,990,680.75	41,379,476,385.11	165,940,450,845.20	4,728,601,803.38	17,454,804,395.36	13,393,994,837.51	201,517,851,881.45
Total assets in the financial statements										201,517,851,881.45
Segment liabilities	7,005,450,645.63	1,432,965,514.91	155,616,589.06	6,879,752,045.97	6,573,177,512.48	22,046,962,308.05	520,327,840.86	478,408,300.92	50,313,714,657.37	73,359,413,107.20
Total liabilities in the financial statements										73,359,413,107.20
Supplementary information:										
Depreciation and amortisation	1,101,974,370.36	5,227,042.20	909,172.37	880,034,559.48	953,267,886.64	2,941,413,031.05	94,938,612.00	194,188,349.73	36,732,644.12	3,267,272,636.90
Interest income	44,376,828.93	528,801.58	435,955.95	15,351,650.68	191,275,463.28	251,968,700.42	4,716,104.32	1,208,189.24	219,537,326.43	477,430,320.41
Interest expense	84,380,450.90	8,265,931.82	-	103,358,149.34	292,588,128.85	488,592,660.91	7,626,009.14	12,338,219.71	1,706,662,228.76	2,215,219,118.52
Investment income from long-term equity investments under equity method	54,377,294.47	5,315,828,512.05	308,915,198.02	443,732,105.49	592,968,393.40	6,715,821,503.43	99,910,880.05	-374,726,770.23	-	6,441,005,613.25
Long-term equity investments under equity method	1,800,864,231.47	59,463,859,786.26	9,035,598,922.91	1,625,511,203.46	12,422,348,899.54	84,348,183,043.64	1,783,293,756.67	13,886,553,094.65	-	100,018,029,894.96
Non-current assets other than long-term equity investments	19,044,348,224.36	393,057,726.70	14,332,679.80	20,423,093,188.66	25,146,123,941.56	65,020,955,761.08	2,664,151,796.28	3,292,646,256.39	649,834,176.05	71,627,587,989.80

(XIX) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(3) Degree of reliance on major customers

The total operating income derived from the top five customers of the Group is RMB 6,214,186,018.61, accounting for 36.03% of the Group's operating income.

(XX) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

1. Other receivables

1.1 Summary of other receivables

Item	Closing Balance	Opening Balance
Dividends receivable	148,813,646.87	965,690,879.89
Other receivables	1,027,288,388.73	1,447,751,781.79
Total	1,176,102,035.60	2,413,442,661.68

(XX) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS - continued

1. Other receivables - continued

1.2 Dividends receivable

(1) Dividends receivable listed by aging

Investee	Closing Balance	Opening Balance	Reason for outstanding	Impaired or not and the determination basis
Dividend receivable aged less than 1 year	**707,086.83**	**816,439,596.16**	——	——
Including: Port Development (Hong Kong) Co., Ltd.	-	805,654,800.00	——	No
Chiwan Shipping (Hong Kong) Limited	707,086.83	209,796.16	——	No
China Ocean Shipping Agency Shenzhen Co., Ltd.	-	10,575,000.00	——	No
Dividend receivable aged more than 1 year	**148,106,560.04**	**149,251,283.73**	——	——
Including: Wharf Holdings Hong Kong	147,680,363.88	147,680,363.88	Relevant procedures are being handled and past dividends are being paid in succession	No
Chiwan Shipping (Hong Kong) Limited	209,796.16	1,354,519.85	Relevant procedures are being handled and past dividends are being paid in succession	No
Others	216,400.00	216,400.00	Lack of funds	No
Sub-total	**148,813,646.87**	**965,690,879.89**	——	——
Less: Provision for bad debts	-	-	——	——
Total	**148,813,646.87**	**965,690,879.89**	——	——

(XX) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS - continued

1. Other receivables - continued

1.3 Other receivables

(1) Aging analysis of other receivables

Item	Closing Balance			Opening Balance		
	Book value	Proportion (%)	Provision for bad debts	Book value	Proportion (%)	Provision for bad debts
Within 1 year (including 1 year)	1,023,107,397.74	99.56	-	1,447,405,298.82	99.95	-
1 to 2 years (including 2 years)	3,852,675.52	0.37	-	18,167.50	-	-
2 to 3 years (including 3 years)	-	-	-	-	-	-
More than 3 years	711,772.07	0.07	383,456.60	711,772.07	0.05	383,456.60
Total	1,027,671,845.33	100.00	383,456.60	1,448,135,238.39	100.00	383,456.60

(2) Disclosure of other receivables by nature

Item	Closing Balance	Opening Balance
Amounts due from related parties	1,016,519,073.17	1,438,029,807.71
Advance payments	8,755,449.49	5,779,708.72
Others	2,397,322.67	4,325,721.96
Sub-total	1,027,671,845.33	1,448,135,238.39
Less: Provision for bad debts	383,456.60	383,456.60
Total	1,027,288,388.73	1,447,751,781.79

(XX) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS - continued

1. Other receivables - continued

1.3 Other receivables - continued

(3) Disclose by bad debt provision method

Credit rating	Closing Balance					Opening Balance					Reason for provision
	Book value		Provision for bad debts		Carrying amount	Book value		Provision for bad debts		Carrying amount	
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)		
A	1,027,288,388.73	99.96	-	-	1,027,288,388.73	1,447,751,781.79	99.97	-	-	1,447,751,781.79	——
B	-	-	-	-	-	-	-	-	-	-	——
C	-	-	-	-	-	-	-	-	-	-	——
D	383,456.60	0.04	383,456.60	100.00	-	383,456.60	0.03	383,456.60	100.00	-	Not expected to be recovered
Total	1,027,671,845.33	100.00	383,456.60	0.04	1,027,288,388.73	1,448,135,238.39	100.00	383,456.60	0.03	1,447,751,781.79	——

(XX) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS - continued

1. Other receivables - continued

1.3 Other receivables - continued

(4) Movements of provisions for bad and doubtful debts

Item	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	
As at 1 January 2025	-	-	383,456.60	383,456.60
Balance of other receivables as at 1 January 2025				
- Transfer to Stage 2	-	-	-	-
- Transfer to Stage 3	-	-	-	-
- Reverse to Stage 2	-	-	-	-
- Reverse to Stage 1	-	-	-	-
Provision for the year	-	-	-	-
Reversal for the year	-	-	-	-
Transfer out due to derecognition of financial assets (including direct write-down)	-	-	-	-
Other changes	-	-	-	-
As at 31 December 2025	-	-	383,456.60	383,456.60

(5) Details of bad debt provision

Category	Opening Balance	Changes for the year					Closing Balance
		Provision	Recovery or reversal	Effect of changes in the scope of consolidation	Charge-off or write-off	Other changes	
Provision for bad debts assessed on an individual basis	383,456.60	-	-	-	-	-	383,456.60
Provision for bad debts assessed on a portfolio basis	-	-	-	-	-	-	-
Total	383,456.60	-	-	-	-	-	383,456.60

(6) The Company has no recovery or reversal of significant provision for bad debts in the current year.

(XX) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS - continued

1. Other receivables - continued

1.3 Other receivables - continued

(7) The Company has no other receivables written off during the year.

(8) The top five balances of other receivables at the end of the year classified by debtor

Name of entity	Book value	Aging	Proportion to total other receivables (%)	Provision for credit impairment at the end of the year	Nature
Wharf Holdings Hong Kong	722,029,073.17	Within 1 year (including 1 year)	70.26	-	Loan to related parties
Dongguan Port Affairs	283,298,800.00	Within 1 year (including 1 year)	27.57	-	Loan to related parties
China Merchants Investment Development Company Limited	5,710,073.55	Within 1 year (including 1 year), 1-2 years	0.56	-	Advance payment for transactions
Shekou Container Terminal Co., Ltd.	3,227,148.00	Within 1 year (including 1 year)	0.31	-	Loan to related parties
Chiwan Container Terminal Co.,Ltd	1,792,860.00	Within 1 year (including 1 year)	0.17	-	Loan to related parties
Total	1,016,057,954.72	——	98.87	-	——

(XX) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS - continued

2. Long-term equity investments

(1) Breakdown of long-term equity investments

Investee	Investment cost	Opening Balance	Changes for the year								Closing Balance	Provision for impairment at the closing balance
			Increase	Decrease	Investment income under equity method	Other comprehensive income	Other equity movements	Cash dividends or profit declared	Provision for impairment	Others		
I. Subsidiaries												
Shenzhen Chiwan Port Development Co., Ltd. (Note 1)	206,283,811.09	206,283,811.09	392,406,780.85	-	-	-	-	-	-	-	598,690,591.94	-
Zhanjiang Port	3,381,825,528.52	3,381,825,528.52	-	-	--	--	--	--	--	--	3,381,825,528.52	-
Chiwan Container Terminal Co., Ltd.	421,023,199.85	421,023,199.85	-	-	--	-	--	--	--	-	421,023,199.85	-
Sanya Merchants Port Development Co., Ltd.	2,040,000.00	2,040,000.00	-	-	-	-	-	-	--	--	2,040,000.00	-
Shenzhen Chiwan International Freight Agency Co., Ltd. (Note 1)	5,500,000.00	5,500,000.00	-	-5,500,000.00	-	--	--	--	--	-	--	-
Wharf Holdings Hong Kong (Note 1)	1,070,000.00	1,070,000.00	-	-329,991.42	--	--	--	--	-	--	740,008.58	-
CM International Tech	130,462,575.02	130,462,575.02	-	-	--	--	--	--	--	-	130,462,575.02	-
Dongguan Shenchiwan Port Affairs Co., Ltd. (Note 1)	186,525,000.00	186,525,000.00	-	-186,525,000.00	--	-	--	-	-	--	-	-
Chiwan Shipping (Hong Kong) Limited (Note 1)	1,051,789.43	1,051,789.43	-	-1,051,789.43	--	-	--	-	-	-	-	-
Shenzhen Chiwangang Container Co. Ltd.	250,920,000.00	250,920,000.00	-	-	--	--	--	--	--	--	250,920,000.00	-
CM Port	181,479,422.23	181,479,422.23	-	-	--	--	--	-	--	-	181,479,422.23	-
Dongguan Shenchiwan Wharf Co., Ltd.(Note 1)	175,000,000.00	175,000,000.00	-	-175,000,000.00	--	-	--	--	--	-	--	-
Shenzhen Chiwan Tugboat Co., Ltd.(Note 1)	24,000,000.00	24,000,000.00	-	-24,000,000.00	-	-	-	-	--	--	-	-
Ports Development (Hong Kong) Limited	29,203,045,326.23	29,203,045,326.23	-	-	-	-	-	-	-	-	29,203,045,326.23	-
Guangdong Yide Port Co., Ltd.	131,866,700.00	131,866,700.00	-	-	-	-	--	-	-	-	131,866,700.00	-
Zhoushan RoRo	193,314,814.00	106,104,786.00	-	-	-	-	-	-	--	-	106,104,786.00	43,605,014.00
Shunkong Port	240,013,200.00	240,013,200.00	-	-	-	--	-	-	-	--	240,013,200.00	-
Sub-total	34,735,421,366.37	34,648,211,338.37	392,406,780.85	-392,406,780.85	--	--	--	--	--	--	34,648,211,338.37	43,605,014.00
II. Associates			-	-	-	-	--	-	-	--		-
China Merchants Bonded Logistics Co., Ltd.	304,536,629.73	393,184,304.83	-	-	41,558,784.24	-	-	-52,642,901.24	-	--	382,100,187.83	-
China Merchants Northeast Asia Development & Investment Co., Ltd.	1,000,000,000.00	1,021,905,232.79	-	-	3,210,194.75	-	2,000.41	-	-	--	1,025,117,427.95	-
Ningbo Zhoushan Port Company Limited	15,820,766,202.96	17,532,047,355.93	-	-	1,083,273,143.30	-21,711,673.04	16,639,132.80	-563,297,386.70	-	--	18,046,950,572.29	-
Antong Holdings	771,935,435.37	963,996,902.74	-	-135,217,143.73	69,159,085.92	-83,346.28	-	--	-	-	897,855,498.65	-
Sub-total	17,897,238,268.06	19,911,133,796.29	-	-135,217,143.73	1,197,201,208.21	-21,795,019.32	16,641,133.21	-615,940,287.94	--	-	20,352,023,686.72	-
III. Joint ventures			-	-				-	-	-		-
Fujian Zhaohang Logistics Management Partnership (Limited Partnership)	450,000,000.00	637,858,949.05	-	-	41,203,800.62	-53,599.82	-	--	-	-	679,009,149.85	--
Shenzhen Gangteng Internet Technology Co., Ltd.	15,000,000.00	8,225,982.88	-	-	-1,512,501.65	-	1,097,560.99	-	-	--	7,811,042.22	--
Yantai Port Group Laizhou Port Co., Ltd.	749,655,300.00	803,852,105.71	-	-	975,707.34	-16,000.00	-752,919.68	-19,271,356.08	-	-	784,787,537.29	-
Sub-total	1,214,655,300.00	1,449,937,037.64	-	-	40,667,006.31	-69,599.82	344,641.31	-19,271,356.08	-	-	1,471,607,729.36	-
Total	53,847,314,934.43	56,009,282,172.30	392,406,780.85	-527,623,924.58	1,237,868,214.52	-21,864,619.14	16,985,774.52	-635,211,644.02	-	--	56,471,842,754.45	43,605,014.00

(XX) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS - continued

2. Long-term equity investments - continued

(1) Breakdown of long-term equity investments - continued

Note 1: This year, our company will transfer 90% equity of Shenchiwan Tugboat, 43.75% equity of Dongguan Wharf, 41.45% equity of Dongguan Port Affairs, 100% equity of Chiwan Shipping, and 100% equity of Shenchiwan Freight Agency to Shenchiwan Development for free. The subsidiary of our company, Wharf Holdings Hong Kong, transferred its 43.55% equity in Dongguan Wharf, 56.25% equity in Dongguan Port Affairs, 10% equity in Shenchiwan Tugboat, and 4% equity in Chiwan Container Terminal Co.,Ltd. To Shenchiwan Development.

3. Operating income and operating costs

Item	Current Year		Prior Year	
	Income	Cost	Income	Cost
Principal operation	-	-	-	-
Other operations	21,190,068.20	3,739,443.84	18,456,183.80	3,739,443.84
Total	21,190,068.20	3,739,443.84	18,456,183.80	3,739,443.84

(XX) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS
- continued

4. Investment income

(1) Details of investment income

Item	Current Year	Prior Year
Income from long-term equity investments	2,573,422,379.01	2,414,410,688.27
Including: Income from long-term equity investments accounted for using the equity method	1,237,868,214.52	1,154,581,593.08
Income from long-term equity investments accounted for using the cost method	1,346,072,190.00	1,259,829,095.19
Income from disposal of equity	-10,518,025.51	-
Investment income from disposal of financial assets held for trading	43,444,715.61	28,210,701.38
Income from investments in other equity instruments	9,664,500.00	10,575,000.00
Total	2,626,531,594.62	2,453,196,389.65

1. RETURN ON NET ASSETS AND EARNINGS PER SHARE ("EPS")

In accordance with *Regulation on the Preparation of Information Disclosures by Companies Issuing Securities No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings Per Share (2010 revised)* issued by the CSRC and relevant accounting standards, the Group's weighted average return on net assets, earnings per share and diluted earnings per share for the year of 2025 are calculated as follows:

Profit in reporting period	Weighted average return on net assets (%)	EPS	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders	7.3513%	1.8540	1.8537
Net profit attributable to ordinary shareholders after deducting non-recurring profit or loss	7.0743%	1.7841	1.7838

2. BREAKDOWN OF NON-RECURRING PROFIT OR LOSS

In accordance with the provisions of China Securities Regulatory Commission's *Explanatory Announcement No. 1 on Information Disclosure for Companies Making Public Offering - Non-recurring Profit or Loss (Revised in 2023)*, the Group's non-recurring profit or loss for the year ended 31 December 2025 is as follows:

Item	Amount	Remark
Gains or losses on disposal of non-current assets, including those charged off for which provision for impairment of assets has been made	-18,117,060.19	
Government grants recognised in profit or loss (other than grants which are closely related to the Company's business, in line with the national regulations, enjoyed under established standards and have a continuous impact on the Company's profit or loss)	118,986,220.93	
Income earned from lending funds to non-financial institutions and recognised in profit or loss	94,696,529.90	
The excess of attributable fair value of identifiable net assets over the consideration paid for subsidiaries, associates and joint ventures	-	
Gains or losses on exchange of non-monetary assets	3,320,297.91	
Gains or losses on entrusted investments or asset management	-	
Losses on assets due to force majeure, e.g., natural disasters	-	
Gains or losses on debt restructuring	-	
Lump-sum costs incurred by the enterprises as a result of the discontinuation of relevant business activities, e.g., expenditure for layoff of employees, etc.	-14,869,617.41	
Gains from transactions with unfair transaction price	-	
Net profit or loss of subsidiaries recognised as a result of business combination of enterprises under common control from the beginning of the year up to the business combination date	-	
Gains or losses arising from contingencies other than those related to normal operating business	-	
Gains or losses from changes in fair value of financial assets and financial liabilities held by non-financial enterprises other than effective hedging operation relating to the Company's normal operations, and gains or losses from disposal of financial assets and financial liabilities	126,067,007.70	
Reversal of provision for accounts receivable that are tested for impairment individually	11,455,120.96	
Gains or losses on entrusted loans	-	
Gains or losses from changes in fair value of investment properties that are subsequently measured using the fair value model	-	
One-time effect of adjustments in tax laws and accounting laws and regulations on profit or loss for the period	-	
Custodian fees earned from entrusted operation	-	
Share-based payment expenses recognised once due to the cancellation or modification of equity incentive plans	-	
For cash-settled share-based payments, gains or losses arising from changes in fair value of employee benefits payable after the vesting date	-	
Other non-operating income or expenses other than above	37,794,746.74	
Other profit or loss that meets the definition of non-recurring profit or loss	3,856,538.50	
Sub-total	363,189,785.04	
Tax effects	-41,848,650.46	
Effects of non-controlling interests (after tax)	-147,536,278.02	
Total	173,804,856.56	