

CHINA MERCHANTS PORT GROUP CO., LTD.

FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024

CHINA MERCHANTS PORT GROUP CO., LTD.

FINANCIAL STATEMENTS AND AUDITOR'S REPORT
FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024

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AT 30 JUNE 2024

Consolidated Balance Sheet

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Item	Notes	30/06/2024	31/12/2023
Current Assets:			
Cash and bank balances	(VIII)1	17,378,542,552.70	16,079,646,178.24
Held-for-trading financial assets	(VIII)2	3,180,085,926.18	4,568,806,108.84
Notes receivable	(VIII)3	206,216,580.72	325,150,195.09
Accounts receivable	(VIII)4	2,069,333,396.20	1,103,901,466.25
Receivables financing	(VIII)5	-	2,001,669.46
Prepayments	(VIII)6	68,587,293.06	37,664,552.30
Other receivables	(VIII)7	1,059,570,728.10	940,014,994.01
Including: Interest receivable		-	-
Dividends receivable	(VIII)7	493,079,578.90	343,386,866.06
Inventories	(VIII)8	297,849,790.11	218,898,192.87
Non-current assets due within one year	(VIII)9	14,189,207.65	17,451,380.98
Other current assets	(VIII)10	182,809,878.79	189,673,500.87
Total current assets		24,457,185,353.51	23,483,208,238.91
Non-current Assets:			
Long-term receivables	(VIII)11	3,862,480,589.73	3,856,466,116.99
Long-term equity investments	(VIII)12	97,978,665,265.16	96,666,117,776.27
Investments in other equity instruments	(VIII)13	157,461,648.16	157,461,648.16
Other non-current financial assets	(VIII)14	1,322,285,501.80	877,576,442.83
Investment properties	(VIII)15	4,865,142,527.67	4,958,374,968.79
Fixed assets	(VIII)16	29,565,382,474.26	28,986,538,326.35
Including: Fixed assets - cost		53,563,199,590.12	51,987,700,820.76
Accumulated depreciation		23,784,517,134.31	22,787,694,400.09
Provision for impairment of fixed assets		213,422,103.17	213,504,483.08
Construction in progress	(VIII)17	2,546,977,089.31	2,909,817,281.46
Right-of-use assets	(VIII)18	9,378,784,554.58	9,441,668,311.22
Intangible assets	(VIII)19	17,642,433,336.45	18,073,062,184.72
Development expenditure	(IX)2	48,966,825.42	50,990,153.18
Goodwill	(VIII)20	6,425,370,717.88	6,493,002,246.44
Long-term prepaid expenses	(VIII)21	947,649,101.31	993,793,505.29
Deferred tax assets	(VIII)22	405,103,110.35	415,063,477.03
Other non-current assets	(VIII)23	1,141,243,519.72	1,194,155,989.62
Total non-current assets		176,287,946,261.80	175,074,088,428.35
TOTAL ASSETS		200,745,131,615.31	198,557,296,667.26

CHINA MERCHANTS PORT GROUP CO., LTD.

AT 30 JUNE 2024

Consolidated Balance Sheet - continued

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Item	Notes	30/06/2024	31/12/2023
Current liabilities:			
Short-term borrowings	(VIII)24	11,914,293,884.20	15,714,045,288.97
Notes payable	(VIII)25	33,648,733.23	73,461,165.82
Accounts payable	(VIII)26	595,136,679.08	691,765,137.25
Receipts in advance	(VIII)27	26,254,832.70	17,387,537.36
Contract liabilities	(VIII)28	136,314,445.28	142,080,101.00
Employee benefits payable	(VIII)29	831,400,024.70	917,964,606.65
Including: Payroll payable		790,851,685.41	883,913,277.13
Welfare payable		3,756,362.39	-
Taxes payable	(VIII)30	685,146,685.84	923,053,572.50
Other payables	(VIII)31	4,637,311,020.75	1,654,622,170.02
Including: Interest payable		-	-
Dividends payable	(VIII)31	3,049,267,902.67	111,897,214.27
Non-current liabilities due within one year	(VIII)32	5,672,954,810.61	6,817,404,289.25
Other current liabilities	(VIII)33	2,132,961,799.00	2,143,842,534.53
Total current liabilities		26,665,422,915.39	29,095,626,403.35
Non-current Liabilities:			
Long-term borrowings	(VIII)34	18,985,278,952.69	18,227,543,954.71
Bonds payable	(VIII)35	16,356,687,170.33	14,287,508,564.15
Including: Preferred shares		-	-
Perpetual bonds		-	-
Lease liabilities	(VIII)36	1,543,989,619.78	1,001,172,206.92
Long-term payables	(VIII)37	3,549,972,175.88	3,822,862,202.17
Long-term employee benefits payable	(VIII)38	600,365,732.58	603,009,921.91
Provisions	(VIII)39	75,889,086.50	85,590,059.41
Deferred income	(VIII)40	999,803,782.05	1,024,776,557.73
Deferred tax liabilities	(VIII)22	4,824,097,022.05	4,659,638,104.37
Other non-current liabilities	(VIII)41	169,867,058.85	179,634,263.73
Total non-current liabilities		47,105,950,600.71	43,891,735,835.10
TOTAL LIABILITIES		73,771,373,516.10	72,987,362,238.45
Shareholders' equity:			
Share capital	(VIII)42	2,500,282,481.00	2,499,074,661.00
Including: State capital		-	-
State-owned corporate capital		2,238,593,409.00	2,264,090,797.00
Collective capital		-	-
Private capital		241,536,826.00	218,857,094.00
Foreign capital		20,152,246.00	16,126,770.00
Capital reserve	(VIII)43	37,328,977,703.38	37,076,846,803.06
Other comprehensive income	(VIII)44	-1,203,256,302.91	-903,626,594.35
Special reserve	(VIII)45	49,651,276.14	34,003,994.41
Surplus reserve	(VIII)46	1,095,980,563.68	1,095,980,563.68
Unappropriated profit	(VIII)47	20,141,978,136.85	19,045,313,519.75
Total equity attributable to shareholders of the Company		59,913,613,858.14	58,847,592,947.55
Minority interests		67,060,144,241.07	66,722,341,481.26
TOTAL SHAREHOLDERS' EQUITY		126,973,758,099.21	125,569,934,428.81
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		200,745,131,615.31	198,557,296,667.26

The accompanying notes form part of the financial statements.

The financial statements were signed by the following:

Xu Song
Legal Representative

Tu Xiaoping
Chief Financial Officer

Liu Shixia
Head of Accounting Department

CHINA MERCHANTS PORT GROUP CO., LTD.

AT 30 JUNE 2024

Balance Sheet of the Company

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Item	Notes	30/06/2024	31/12/2023
Current Assets:			
Cash and bank balances		5,456,403,369.58	3,281,038,218.84
Held-for-trading financial assets		1,002,597,260.27	1,500,517,808.22
Prepayments		9,569,345.46	10,075,055.61
Other receivables	(XX)1	2,692,062,826.08	1,742,461,670.32
Including: Interest receivable		-	-
Dividends receivable	(XX)1	210,443,391.92	167,092,526.14
Other current assets		6,600,844.96	10,882,675.96
Total current assets		9,167,233,646.35	6,544,975,428.95
Non-current Assets:			
Long-term receivables		9,446,822.18	9,391,615.50
Long-term equity investments	(XX)2	55,283,853,923.28	55,168,618,338.79
Investments in other equity instruments		148,088,364.25	148,088,364.25
Other non-current financial assets		-	-
Fixed assets		26,438,147.37	27,343,639.28
Including: Fixed assets - cost		32,572,411.94	32,478,382.04
Accumulated depreciation		6,134,264.57	5,134,742.76
Provision for impairment of fixed assets		-	-
Construction in progress		607,774.34	607,774.34
Intangible assets		57,343,584.87	54,876,218.77
Development expenditure		47,981,978.33	38,923,289.23
Long-term prepaid expenses		476,230.26	665,319.42
Deferred tax assets		928,465.21	928,465.21
Total non-current assets		55,575,165,290.09	55,449,443,024.79
TOTAL ASSETS		64,742,398,936.44	61,994,418,453.74

CHINA MERCHANTS PORT GROUP CO., LTD.

AT 30 JUNE 2024

Balance Sheet of the Company - continued

RMB

Item	Notes	30/06/2024	31/12/2023
Current Liabilities:			
Receipts in advance		9,569,345.44	5,358,074.44
Employee benefits payable		41,596,801.95	45,188,572.96
Including: Payroll payable		41,581,638.24	45,032,983.18
Welfare payable		-	-
Taxes payable		353,067.43	1,046,270.66
Other payables		1,799,964,025.96	376,323,201.93
Including: Interest payable		-	-
Dividends payable		1,484,741,417.10	34,577,578.12
Non-current liabilities due within one year		4,161,288,010.74	5,119,243,623.45
Other current liabilities		2,005,876,712.33	2,007,190,136.98
Total current liabilities		8,018,647,963.85	7,554,349,880.42
Non-current Liabilities:			
Long-term borrowings		8,968,000,000.00	7,979,000,000.00
Bonds payable		5,000,000,000.00	3,000,000,000.00
Deferred tax liabilities		42,468,225.14	41,948,362.13
Total non-current liabilities		14,010,468,225.14	11,020,948,362.13
TOTAL LIABILITIES		22,029,116,188.99	18,575,298,242.55
SHAREHOLDERS' EQUITY			
Share capital		2,500,282,481.00	2,499,074,661.00
Including: State capital		-	-
State-owned corporate capital		2,238,593,409.00	2,264,090,797.00
Collective capital		-	-
Private capital		241,536,826.00	218,857,094.00
Foreign capital		20,152,246.00	16,126,770.00
Capital reserve		37,724,977,402.42	37,704,543,586.11
Other comprehensive income		132,241,011.29	120,520,832.83
Surplus reserve		1,095,980,563.68	1,095,980,563.68
Unappropriated profit		1,259,801,289.06	1,999,000,567.57
TOTAL SHAREHOLDERS' EQUITY		42,713,282,747.45	43,419,120,211.19
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		64,742,398,936.44	61,994,418,453.74

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024

Consolidated Income Statement

RMB

Item	Notes	Current period	Prior period
I. Total operating income	(VIII)48	7,975,193,083.64	7,795,261,570.99
Less: Operating costs	(VIII)48	4,390,869,294.96	4,519,943,753.79
Taxes and surcharges	(VIII)49	163,583,488.76	141,777,332.44
Administrative expenses	(VIII)50	808,178,756.18	790,916,154.65
Research and development expenses	(VIII)51	84,732,961.30	121,041,310.72
Financial expenses	(VIII)52	996,212,773.81	960,449,741.90
Including: Interest expenses		1,148,465,132.44	1,112,890,609.92
Interest income		240,157,542.78	248,901,354.18
Net exchange loss		84,715,364.32	93,018,282.35
Add: Other income	(VIII)53	108,396,207.87	62,556,943.27
Investment income	(VIII)54	3,437,849,898.46	3,187,492,718.40
Including: Income from investments in associates and joint ventures	(VIII)54	3,357,745,272.28	3,095,294,518.20
Gains from changes in fair value	(VIII)55	465,852,896.11	143,037,303.68
Gains (Losses) from impairment of credit (Losses are marked with "-")	(VIII)56	315,726,501.93	-7,295,621.30
Gains on impairment of assets	(VIII)57	-	65,324.84
Gains from disposal of assets	(VIII)58	884,468.18	352,045.75
II. Operating profit		5,860,325,781.18	4,647,341,992.13
Add: Non-operating income	(VIII)59	17,538,434.73	36,583,484.46
Including: Government grants		-	51,161.13
Less: Non-operating expenses	(VIII)60	33,699,628.09	10,079,003.33
III. Gross profit		5,844,164,587.82	4,673,846,473.26
Less: Income tax expenses	(VIII)63	804,518,878.51	613,219,852.56
IV. Net profit		5,039,645,709.31	4,060,626,620.70
(I) Categorized by continuity of operation			
1. Net profit from continuing operation		5,039,645,709.31	4,060,626,620.70
2. Net profit from discontinued operation		-	-
(II) Categorized by attribution of ownership			
1. Net profit attributable to shareholders of the Company		2,546,828,456.08	1,902,334,759.43
2. Profit or loss attributable to minority shareholders		2,492,817,253.23	2,158,291,861.27
V. Other comprehensive income, net of tax	(VIII)66	-738,931,293.40	1,427,173,705.07
(I) Other comprehensive income attributable to shareholders of the Company, net of tax		-299,629,708.56	338,817,383.79
1. Other comprehensive income that will not be reclassified to profit or loss		2,419,297.96	29,979,361.65
(1) Changes from remeasurement of the defined benefit plan		-	-
(2) Other comprehensive income that cannot be reclassified to profit or loss under the equity method		2,419,297.96	29,979,361.65
(3) Changes in fair value of investments in other equity instruments		-	-
2. Other comprehensive income that will be reclassified subsequently to profit or loss		-302,049,006.52	308,838,022.14
(1) Other comprehensive income that can be reclassified to profit or loss under the equity method		-42,117,286.47	18,341,346.24
(2) Translation differences of financial statements denominated in foreign currencies		-259,931,720.05	290,496,675.90
(II) Other comprehensive income attributable to minority interests, net of tax		-439,301,584.84	1,088,356,321.28
VI. Total comprehensive income attributable to:		4,300,714,415.91	5,487,800,325.77
(I) Shareholders of the Company		2,247,198,747.52	2,241,152,143.22
(II) Minority shareholders		2,053,515,668.39	3,246,648,182.55
VII. Earnings per share			
(I) Basic earnings per share (Yuan/share)		1.02	0.76
(II) Diluted earnings per share (Yuan/share)		1.02	0.76

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024

Income Statement of the Company

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Item	Notes	Current period	Prior period
I. Operating income	(XX)3	8,997,504.49	8,968,995.20
Less: Operating costs	(XX)3	1,869,721.92	1,843,205.76
Taxes and surcharges		121,516.02	103,691.21
Administrative expenses		63,984,932.28	66,853,404.89
Research and development expenses		5,232,425.72	7,589,098.79
Financial expenses		205,245,017.72	206,197,148.38
Including: Interest expenses		242,938,818.40	251,482,309.35
Interest income		37,911,483.72	48,604,367.40
Net exchange loss (Gains are marked with "-")		-12,932.54	2,346,071.39
Add: Other income		214,855.53	206,131.06
Investment income	(XX)4	976,137,968.37	954,616,989.55
Including: Income from investments in associates and joint ventures	(XX)4	509,529,672.39	513,357,921.90
Gains (losses) from changes in fair value (Losses are marked with "-")		2,597,260.27	-48,735,325.75
Losses from impairment of assets		-	-
Gains from disposal of assets (Losses are marked with "-")		-9,551.52	-
II. Operating profit		711,484,423.48	632,470,241.03
Add: Non-operating income		-	-
Less: Non-operating expenses		-	-
III. Gross profit		711,484,423.48	632,470,241.03
Less: Income tax expenses		519,863.01	276,303.95
IV. Net profit		710,964,560.47	632,193,937.08
V. Other comprehensive income, net of tax		11,720,178.46	10,596,817.21
(I) Other comprehensive income that cannot be reclassified to profit or loss		-	-
1. Changes from remeasurement of the defined benefit plan		-	-
2. Other comprehensive income that cannot be reclassified to profit or loss under the equity method		-	-
3. Changes in fair value of investments in other equity instruments		-	-
(II) Other comprehensive income that will be reclassified to profit or loss		11,720,178.46	10,596,817.21
1. Other comprehensive income that can be reclassified to profit or loss under the equity method		11,720,178.46	10,596,817.21
2. Translation differences of financial statements denominated in foreign currencies		-	-
VI. Total comprehensive income		722,684,738.93	642,790,754.29

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024

Consolidated Cash Flow Statement

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Item	Notes	Current period	Prior period
I. Cash Flows from Operating Activities:			
Cash receipts from sales of goods and rendering of services		7,311,373,521.74	7,087,683,808.17
Receipts of tax refunds		41,020,468.74	8,515,483.02
Other cash receipts relating to operating activities	(VIII) 67(1)	758,800,617.46	373,799,421.93
Sub-total of cash inflows		8,111,194,607.94	7,469,998,713.12
Cash payments for goods purchased and services received		1,997,624,016.80	2,200,251,570.38
Cash payments to and on behalf of employees		1,827,233,164.62	1,955,256,571.31
Payments of various types of taxes		779,954,861.85	615,016,288.84
Other cash payments relating to operating activities	(VIII) 67(1)	383,998,859.64	388,628,976.63
Sub-total of cash outflows		4,988,810,902.91	5,159,153,407.16
Net Cash Flows from Operating Activities	(VIII) 68(1)	3,122,383,705.03	2,310,845,305.96
II. Cash Flows from Investing Activities:			
Cash receipts from disposal and recovery of investments		11,200,000,000.00	13,267,000,000.00
Cash receipts from investments income		2,049,095,054.18	849,743,795.10
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		4,259,742.53	29,004,019.28
Other cash receipts relating to investing activities	(VIII) 67(2)	-	103,159,042.89
Sub-total of cash inflows		13,253,354,796.71	14,248,906,857.27
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		915,709,052.44	554,196,022.65
Cash payments to acquire investments		9,970,468,537.76	14,912,654,969.50
Net cash paid for acquisition of a subsidiary and other operating units		293,538,608.94	-
Other cash payments relating to investing activities	(VIII) 67(2)	260,079,588.44	7,346,305.63
Sub-total of cash outflows		11,439,795,787.58	15,474,197,297.78
Net Cash Flows from Investing Activities		1,813,559,009.13	-1,225,290,440.51
III. Cash Flows from Financing Activities:			
Cash receipts from capital contributions		25,266,119.97	107,188,200.00
Including: Cash receipts from capital contributions from minority shareholders of subsidiaries		10,000,000.00	107,188,200.00
Cash receipts from borrowings		8,027,711,156.20	8,326,794,657.48
Cash receipts from issue of bonds		4,000,000,000.00	4,000,000,000.00
Other cash receipts relating to financing activities	(VIII) 67(3)	40,308,276.99	322,361,300.44
Sub-total of cash inflows		12,093,285,553.16	12,756,344,157.92
Cash repayments of borrowings		14,254,925,680.86	10,190,021,538.82
Cash payments for distribution of dividends or profits or settlement of interest expenses		1,110,413,413.55	2,301,689,391.64
Including: Payments for distribution of dividends or profits to minority shareholders of subsidiaries		132,165,604.67	284,157,004.21
Other cash payments relating to financing activities	(VIII) 67(3)	291,254,795.48	474,856,036.85
Sub-total of cash outflows		15,656,593,889.89	12,966,566,967.31
Net Cash Flows from Financing Activities		-3,563,308,336.73	-210,222,809.39
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		-85,035,447.73	113,688,926.60
V. Net Increase in Cash and Cash Equivalents		1,287,598,929.70	989,020,982.66
Add: Opening balance of cash and cash equivalents	(VIII) 68(2)	16,018,613,631.10	13,567,309,471.62
VI. Closing Balance of Cash and Cash Equivalents	(VIII) 68(2)	17,306,212,560.80	14,556,330,454.28

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024

Cash Flow Statement of the Company

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Item	Notes	Current period	Prior period
I. Cash Flows from Operating Activities:			
Receipts of tax refunds		4,719,888.38	1,576,989.49
Other cash receipts relating to operating activities		111,793,289.71	43,868,259.92
Sub-total of cash inflows		116,513,178.09	45,445,249.41
Cash payments for goods purchased and services received		-	40,000.00
Cash payments to and on behalf of employees		54,465,051.41	63,518,456.65
Payments of various types of taxes		135,871.68	257,952.03
Other cash payments relating to operating activities		31,628,988.51	30,081,745.57
Sub-total of cash outflows		86,229,911.60	93,898,154.25
Net Cash Flows from Operating Activities		30,283,266.49	-48,452,904.84
II. Cash Flows from Investing Activities:			
Cash receipts from disposal and recovery of investments		3,400,000,000.00	5,500,000,000.00
Cash receipts from investment income		842,543,860.33	809,514,985.64
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		4,620.00	-
Other cash receipts relating to investing activities		1,097,124,093.96	1,814,592,762.53
Sub-total of cash inflows		5,339,672,574.29	8,124,107,748.17
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		13,173,117.25	14,018,573.00
Cash payments to acquire investments		2,910,408,200.00	6,503,750,000.00
Other cash payments relating to investing activities		1,990,006,067.51	440,005,946.71
Sub-total of cash outflows		4,913,587,384.76	6,957,774,519.71
Net Cash Flows from Investing Activities		426,085,189.53	1,166,333,228.46
III. Cash Flows from Financing Activities:			
Cash receipts from capital contributions		15,266,119.97	-
Cash receipts from borrowings		2,081,483,943.48	1,120,000,000.00
Cash receipts from issue of bonds		4,000,000,000.00	4,000,000,000.00
Other cash receipts relating to financing activities		308,276.99	160,820.44
Sub-total of cash inflows		6,097,058,340.44	5,120,160,820.44
Cash repayments of borrowings		4,178,000,000.00	3,104,000,000.00
Cash payments for distribution of dividends or profits or settlement of interest expenses		203,207,855.76	1,304,284,778.80
Other cash payments relating to financing activities		1,383,669.41	2,061,702.22
Sub-total of cash outflows		4,382,591,525.17	4,410,346,481.02
Net Cash Flows from Financing Activities		1,714,466,815.27	709,814,339.42
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		96,546.12	372,588.93
V. Net Increase in Cash and Cash Equivalents		2,170,931,817.41	1,828,067,251.97
Add: Opening balance of cash and cash equivalents		3,280,985,718.84	3,333,936,587.44
VI. Closing Balance of Cash and Cash Equivalents		5,451,917,536.25	5,162,003,839.41

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024

Consolidated Statement of Changes in Shareholders' Equity

RMB

Item	Current period								
	Equity attributable to shareholders of the Company							Minority interests	Total shareholders' equity
	Share capital	Capital reserve	Other comprehensive income	Including: Foreign currency conversion difference	Special reserve	Surplus reserve	Unappropriated profit		
I. Closing balance of the preceding 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	66,722,341,481.26	125,569,934,428.81
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-
Corrections of prior period errors	-	-	-	-	-	-	-	-	-
Business combination involving enterprises under common control	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
II. Opening balance of the period	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	66,722,341,481.26	125,569,934,428.81
III. Changes for the period	1,207,820.00	252,130,900.32	-299,629,708.56	-259,931,720.05	15,647,281.73	-	1,096,664,617.10	337,802,759.81	1,403,823,670.40
(I) Total comprehensive income	-	-	-299,629,708.56	-259,931,720.05	-	-	2,546,828,456.08	2,053,515,668.39	4,300,714,415.91
(II) Owners' contributions and reduction in capital	1,207,820.00	252,130,900.32	-	-	-	-	-	-121,000,479.19	132,338,241.13
1. Ordinary shares contributed by owners	1,207,820.00	21,539,187.16	-	-	-	-	-	10,000,000.00	32,747,007.16
2. Capital contribution from holders of other equity instruments	-	-	-	-	-	-	-	-	-
3. Share-based payment recognized in shareholders' equity	-	-3,219,134.56	-	-	-	-	-	-1,037,221.12	-4,256,355.68
4. Others	-	233,810,847.72	-	-	-	-	-	-129,963,258.07	103,847,589.65
(III) Profit distribution	-	-	-	-	-	-	-1,450,163,838.98	-1,608,593,994.12	-3,058,757,833.10
1. Transfer to surplus reserve	-	-	-	-	-	-	-	-	-
2. Distribution to shareholders	-	-	-	-	-	-	-1,450,163,838.98	-1,581,056,078.83	-3,031,219,917.81
3. Others	-	-	-	-	-	-	-	-27,537,915.29	-27,537,915.29
(IV) Transfers within shareholders' equity	-	-	-	-	-	-	-	-	-
1. Capitalization of capital reserve	-	-	-	-	-	-	-	-	-
2. Capitalization of surplus reserve	-	-	-	-	-	-	-	-	-
3. Loss offset by surplus reserve	-	-	-	-	-	-	-	-	-
4. Retained earnings carried forward from other comprehensive income	-	-	-	-	-	-	-	-	-
5. Others	-	-	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	-	15,647,281.73	-	-	13,881,564.73	29,528,846.46
1. Transfer to special reserve in the period	-	-	-	-	26,486,147.83	-	-	27,203,210.18	53,689,358.01
2. Amount utilized in the period	-	-	-	-	-10,838,866.10	-	-	-13,321,645.45	-24,160,511.55
(VI) Others	-	-	-	-	-	-	-	-	-
IV. Closing balance of the period	2,500,282,481.00	37,328,977,703.38	-1,203,256,302.91	-713,908,038.30	49,651,276.14	1,095,980,563.68	20,141,978,136.85	67,060,144,241.07	126,973,758,099.21

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024

Consolidated Statement of Changes in Shareholders' Equity - continued

RMB

Item	Prior Period								
	Equity attributable to shareholders of the Company							Minority interests	Total shareholders' equity
	Share capital	Capital reserve	Other comprehensive income	Including: Foreign currency conversion difference	Special reserve	Surplus reserve	Unappropriated profit		
I. Closing balance of the preceding year	2,499,074,661.00	34,751,640,835.25	-691,536,248.44	-681,788,363.07	26,358,259.97	1,001,917,449.15	16,679,688,347.09	73,994,641,893.21	128,261,785,197.23
Add: Changes in accounting policies	-	-	1,982,628.58	1,982,628.58	-	-	22,299,954.05	35,540,449.45	59,823,032.08
Corrections of prior period errors	-	-	-	-	-	-	-	-	-
Business combination involving enterprises under common control	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
II. Opening balance of the period (Restated)	2,499,074,661.00	34,751,640,835.25	-689,553,619.86	-679,805,734.49	26,358,259.97	1,001,917,449.15	16,701,988,301.14	74,030,182,342.66	128,321,608,229.31
III. Changes for the period	-	318,734,698.03	338,817,383.79	290,496,675.90	17,526,089.68	-	777,751,161.98	977,223,004.61	2,430,052,338.09
(I) Total comprehensive income	-	-	338,817,383.79	290,496,675.90	-	-	1,902,334,759.43	3,246,648,182.55	5,487,800,325.77
(II) Owners' contributions and reduction in capital	-	318,734,698.03	-	-	-	-	-	-698,157,619.42	-379,422,921.39
1. Ordinary shares contributed by owners	-	-	-	-	-	-	-	-	-
2. Capital contribution from holders of other equity instruments	-	-	-	-	-	-	-	-	-
3. Share-based payment recognized in shareholders' equity	-	859,840.86	-	-	-	-	-	493,006.74	1,352,847.60
4. Business combinations involving enterprises under common control	-	-	-	-	-	-	-	-	-
5. Others	-	317,874,857.17	-	-	-	-	-	-698,650,626.16	-380,775,768.99
(III) Profit distribution	-	-	-	-	-	-	-1,124,583,597.45	-1,593,417,985.35	-2,718,001,582.80
1. Transfer to surplus reserve	-	-	-	-	-	-	-	-	-
2. Transfer to general risk reserve	-	-	-	-	-	-	-	-	-
3. Distribution to shareholders	-	-	-	-	-	-	-1,124,583,597.45	-1,493,778,223.41	-2,618,361,820.86
4. Others	-	-	-	-	-	-	-	-99,639,761.94	-99,639,761.94
(IV) Transfers within shareholders' equity	-	-	-	-	-	-	-	-	-
1. Capitalization of capital reserve	-	-	-	-	-	-	-	-	-
2. Capitalization of surplus reserve	-	-	-	-	-	-	-	-	-
3. Loss offset by surplus reserve	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	-	17,526,089.68	-	-	22,150,426.83	39,676,516.51
1. Transfer to special reserve in the period	-	-	-	-	31,106,449.65	-	-	36,567,997.25	67,674,446.90
2. Amount utilized in the period	-	-	-	-	-13,580,359.97	-	-	-14,417,570.42	-27,997,930.39
(VI) Others	-	-	-	-	-	-	-	-	-
IV. Closing balance of the period	2,499,074,661.00	35,070,375,533.28	-350,736,236.07	-389,309,058.59	43,884,349.65	1,001,917,449.15	17,479,739,463.12	75,007,405,347.27	130,751,660,567.40

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024

The Company's Statement of Changes in Shareholders' Equity

RMB

Item	Current period						
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Unappropriated profit	Total shareholders' equity
I. Closing balance of the preceding 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. Opening balance of the period	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 for the period	1,207,820.00	20,433,816.31	11,720,178.46	-	-	-739,199,278.51	-705,837,463.74
(I) Total comprehensive income	-	-	11,720,178.46	-	-	710,964,560.47	722,684,738.93
(II) Owners' contributions and reduction in capital	1,207,820.00	20,433,816.31	-	-	-	-	21,641,636.31
1. Ordinary shares contributed by owners	1,207,820.00	21,539,187.16	-	-	-	-	22,747,007.16
2. Share-based payment recognized in shareholders' equity	-	-	-	-	-	-	-
3. Share-based payment recognized in owners' equity	-	-3,253,422.05	-	-	-	-	-3,253,422.05
4. Others	-	2,148,051.20	-	-	-	-	2,148,051.20
(III) Profit distribution	-	-	-	-	-	-1,450,163,838.98	-1,450,163,838.98
1. Transfer to surplus reserve	-	-	-	-	-	-	-
2. Distribution to shareholders	-	-	-	-	-	-1,450,163,838.98	-1,450,163,838.98
3. Others	-	-	-	-	-	-	-
(IV) Transfers within shareholders' equity	-	-	-	-	-	-	-
1. Capitalization of capital reserve	-	-	-	-	-	-	-
2. Capitalization of surplus reserve	-	-	-	-	-	-	-
3. Loss offset by surplus reserve	-	-	-	-	-	-	-
4. Retained earnings carried forward from other comprehensive income	-	-	-	-	-	-	-
5. Others	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	-	-	-	-
1. Transfer to special reserve in the period	-	-	-	-	-	-	-
2. Amount utilized in the period	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-
IV. Closing balance of the period	2,500,282,481.00	37,724,977,402.42	132,241,011.29	-	1,095,980,563.68	1,259,801,289.06	42,713,282,747.45

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024

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

RMB

Item	Prior Period						
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Unappropriated profit	Total shareholders' equity
I. Closing balance of the preceding year	2,499,074,661.00	37,749,723,642.07	99,525,686.03	-	1,001,917,449.15	2,277,016,134.29	43,627,257,572.54
Add: Changes in accounting policies	-	-	-	-	-	-	-
Corrections of prior period errors	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
II. Opening balance of the period	2,499,074,661.00	37,749,723,642.07	99,525,686.03	-	1,001,917,449.15	2,277,016,134.29	43,627,257,572.54
III. Changes for the period	-	-20,918,864.84	10,596,817.21	-	-	-492,389,660.37	-502,711,708.00
(I) Total comprehensive income	-	-	10,596,817.21	-	-	632,193,937.08	642,790,754.29
(II) Owners' contributions and reduction in capital	-	-20,918,864.84	-	-	-	-	-20,918,864.84
1. Ordinary shares contributed by owners	-	-	-	-	-	-	-
2. Share-based payment recognized in shareholders' equity	-	1,096,369.68	-	-	-	-	1,096,369.68
3. Others	-	-22,015,234.52	-	-	-	-	-22,015,234.52
(III) Profit distribution	-	-	-	-	-	-1,124,583,597.45	-1,124,583,597.45
1. Transfer to surplus reserve	-	-	-	-	-	-	-
2. Transfer to general risk reserve	-	-	-	-	-	-	-
3. Distribution to shareholders	-	-	-	-	-	-1,124,583,597.45	-1,124,583,597.45
4. Others	-	-	-	-	-	-	-
(IV) Transfers within shareholders' equity	-	-	-	-	-	-	-
1. Capitalization of capital reserve	-	-	-	-	-	-	-
2. Capitalization of surplus reserve	-	-	-	-	-	-	-
3. Loss offset by surplus reserve	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	-	-	-	-
1. Transfer to special reserve in the period	-	-	-	-	-	-	-
2. Amount utilized in the period	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-
IV. Closing balance of the period	2,499,074,661.00	37,728,804,777.23	110,122,503.24	-	1,001,917,449.15	1,784,626,473.92	43,124,545,864.54

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024 (Unless otherwise specified, the monetary unit shall be RMB)

(I) GENERAL INFORMATION OF THE COMPANY

China Merchants Port Group Co., Ltd. (hereinafter referred to as the "Company") is a stock limited 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 service, bonded logistics service and other businesses such as property development and investment.

The Company's and consolidated financial statements were approved by the Board of Directors on 29 August 2024.

(II) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Basis of preparation of financial statements

The Group has adopted the Accounting Standards for Business Enterprises ("ASBE") issued by the Ministry of Finance ("MoF"). 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 30 June 2024, the Group had total current liabilities in excess of total current assets by RMB 2,208,237,561.88. As at 30 June 2024, the Group had available and unused line of credit and bonds amounting to RMB 68,897,329,600.71, 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 of the Company have been prepared in accordance with ASBE, and present truly and completely, the Company's and consolidated financial position as at 30 June 2024, and the Company's and consolidated results of operations and shareholders' equity and cash flows for the period from 1 January to 30 June 2024.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Accounting year

The Group has adopted the calendar year as its accounting year, e.g., from 1 January to 31 December.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
(Unless otherwise specified, the monetary unit shall be RMB)

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

2. Operating cycle

An operating cycle refers to the period since when an enterprise purchases assets for processing purpose till the realization of those assets in cash or cash equivalents. The Group is principally engaged in the rendering of port service, bonded logistics service and other businesses such as property development and investment with one year being an operating cycle.

3. Functional currency

Renminbi ("RMB") is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. Therefore, the Company and its domestic subsidiaries choose RMB as their functional currency. The Company's overseas subsidiaries choose their functional currencies on the basis of the primary economic environment in which they operate. The Company adopts RMB to prepare its financial statements.

4. 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 50 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 \geq 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 \geq 20% of the amount of total assets
Significant accounts payable aged more than 1 year	The amount exceeds RMB 10 million individually
Significant receipts in advance 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 10 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 \geq 10% of the amount of total consolidated assets or in which the investment income recognized under the equity method accounts for \geq 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

5. 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 recognized 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/or 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.

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.

(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 shall be measured at their respective carrying amounts as recorded by the combining entities at the date of the combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination 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 retained earnings.

Costs that are directly attributable to the combination are charged to profit or loss in the period in which they are incurred.

6.2 Business combinations not involving enterprises under common control and goodwill

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. Where a business combination not involving enterprises under common control is achieved in stages that involve multiple transactions, the cost of combination is the sum of the consideration paid at the acquisition date and the fair value at the acquisition date of the acquirer's previously held interest in the acquiree. The intermediary expenses (fees in respect of auditing, legal services, valuation and consultancy services, etc.) and other administrative expenses attributable to the business combination are recognized 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.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

6. Business combinations - continued

6.2 Business combinations not involving enterprises under common control and goodwill
- continued

When a business combination contract provides for the acquirer's recovery of consideration previously paid contingent on one or multiple future event(s), the Group recognizes the contingent consideration provided in the contract as an asset, as part of the consideration transferred in the business combination, and includes it in the cost of business combination at the fair value at the acquisition date. Within 12 months after the acquisition, where the contingent consideration needs to be adjusted as new or further evidences are obtained in respect of the circumstances existed at the acquisition date, the adjustment shall be recognized and the amount originally recognized in goodwill or non-operating income shall be adjusted. A change in or adjustment to the contingent consideration under other circumstances shall be accounted for in accordance with Accounting Standards for Business Enterprise No. 22 - Financial Instruments: Recognition and Measurement and Accounting Standards for Business Enterprises No. 13 - Contingencies. Any change or adjustment is included in profit or loss for the current period.

Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is treated as an asset and recognized 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 recognizes the remaining difference immediately in profit or loss for the current period.

If either the fair values of identifiable assets, liabilities and contingent liabilities acquired in a combination or the cost of business combination can be determined only provisionally by the end of the period in which the business combination was affected, the acquirer recognizes and measures the combination using those provisional values. Any adjustments to those provisional values within twelve months after the acquisition date are treated as if they had been recognized and measured on the acquisition date.

Goodwill arising from a business combination is measured at cost less accumulated impairment losses, and is presented separately in the consolidated financial statements.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

7. Consolidated financial statements

7.1 Determination criteria 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.

7.2 Preparation of consolidated financial statements

The scope of consolidation in the consolidated financial statements is determined on the basis 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, 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 or the party being absorbed under merger by absorption are included in the Group's scope of consolidation 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

7. Consolidated financial statements - continued

7.2 Preparation of consolidated financial statements - continued

The portion of subsidiaries' equity that is not attributable to the Company is treated as minority interests and presented as "minority 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 minority interests is presented as "minority 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 minority interests is presented as "total comprehensive income attributable to minority shareholders" in the consolidated income statement under the line item of "total comprehensive income".

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

Acquisition of minority 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 minority interests are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the minority 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, the excess is adjusted against retained earnings.

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 recognized 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 (i) the aggregate of the consideration received on disposal and the fair value of any retained interest and (ii) the share of the former subsidiary's net assets cumulatively calculated from the acquisition date according to the original proportion of ownership interests is recognized as investment income in the period in which control is lost, and the goodwill is offset accordingly. 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

7. Consolidated financial statements - continued

7.2 Preparation of 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 recognized 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.

8. Joint arrangements

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), 15.3.2 "Long-term equity investments accounted for using the equity method" for details.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognizes 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.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

9. 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.

10. Transactions denominated in foreign currencies and translation of financial statements denominated in foreign currencies

10.1 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 recognized 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 amortized cost) of monetary items at fair value through other comprehensive income are recognized 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 recognized 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; the amounts in functional currency remain unchanged. 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 recognized in profit or loss or as other comprehensive income.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

10. Transactions denominated in foreign currencies and translation of financial statements denominated in foreign currencies - continued

10.2 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 unappropriated profit 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; the opening balance of unappropriated profit is the translated closing balance of the previous year's unappropriated profit; the closing balance of unappropriated profit is calculated and presented on the basis of each translated income statement and profit distribution item. The difference between the translated assets and the aggregate of liabilities and shareholders' equity items is recognized 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 closing balances 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 of foreign currency statements related to this disposed part are re-attributed to minority interests and are not recognized 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 of statements of foreign operations is reclassified to profit or loss.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments

The Group recognizes 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 recognized on the transaction date or assets sold are derecognized 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) 5). For financial assets and financial liabilities at fair value through profit or loss, transaction costs are immediately recognized in profit or loss. For other financial assets and financial liabilities, transaction costs are included in their initial recognized amounts. Upon initial recognition of contract assets, notes 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 ("Revenue Standards"), the Group adopts the transaction price as defined in the Revenue Standards for initial measurement.

The effective interest method is a method of calculating the amortized 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 gross carrying amount of the financial asset or to the amortized 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 amortized cost of a financial asset or a financial liability is the amount of a financial asset or a financial liability initially recognized net of principal repaid, plus or less the cumulative amortized amount arising from amortization of the difference between the amount initially recognized 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 amortized cost, at fair value through other comprehensive income or at fair value through 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

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 amortized cost, which include cash and bank balances, notes 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 notes receivable classified as at FVTOCI upon acquisition are presented under receivables 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.

On initial recognition, the Group may irrevocably designate non-trading equity instruments, other than contingent consideration recognized 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
- It is a derivative that is not a financial guarantee contract or designated and effective as a hedging instrument.

Financial assets measured at fair value through profit or loss ("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 amortized cost and financial assets at FVTOCI are classified as financial assets at FVTPL.
- Upon initial recognition, the Group may irrevocably designate the financial assets as at FVTPL if doing so eliminates or significantly reduces accounting mismatch.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.1 Classification, recognition and measurement of financial assets - continued

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 amortized cost

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

For financial assets measured at amortized cost, the Group recognizes interest income using effective interest method. The Group calculates and recognizes interest income through gross carrying amount of financial assets multiplying effective interest rate, except for the following circumstances:

- For purchased or originated credit-impaired financial assets, the Group calculates and recognizes the interest income based on amortized cost of the financial asset and the effective interest rate through credit adjustment since initial recognition.

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 amortized 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 recognized in other comprehensive income, and the cumulative gains or losses previously recognized in other comprehensive income allocated to the part derecognized are transferred and included in retained earnings. During the period in which the Group holds the non-trading equity instruments, revenue from dividends is recognized 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 recognized in profit or loss.

11.2 Impairment of financial instruments

For financial assets at amortized 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 recognizes the provision for losses on the basis of expected credit loss ("ECL").

For all contract assets, notes 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 recognizes 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 recognizes 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 recognizes the provision for losses at an amount equivalent to 12-month ECL. The increase or reversal of credit loss provision for financial assets other than those classified as at FVTOCI is recognized as impairment loss or gain and included in profit or loss for the period. For financial assets classified as at FVTOCI, the credit loss provision is recognized 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 recognizes 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 recognized 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 amortized 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 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 undrawn loan commitments (refer to Note IV, 11.4.1.3 for the detail of accounting policies), the credit loss is the present value of the difference between the contractual cash flows that are due to the Group if the holder of the loan commitments draws down the loan, and the cash flows that the Group expects to receive if the loan is drawn down. The Group's estimation of the ECL for loan commitments is consistent with its expectation of the loan commitments drawn down.
- 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 gross carrying amount 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 recognized 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-down 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 gross carrying amount of the financial assets, which constitutes derecognition of relevant financial assets.

11.3 Transfer of financial assets

The Group will derecognize 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.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.3 Transfer of financial assets - continued

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 recognize the financial asset to the extent of its continuing involvement in the transferred financial asset and recognize an associated liability. The Group will measure relevant liabilities as follows:

- For transferred financial assets carried at amortized cost, the carrying amount of relevant liabilities is the carrying amount of financial assets transferred with continuing involvement less amortized cost of the Group's retained rights (if the Group retains relevant rights upon transfer of financial assets) with addition of amortized 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 recognized in other comprehensive income, is recognized in profit or loss. Where the transferred assets are non-trading equity instrument investments designated as at FVTOCI, cumulative gains or losses previously recognized in other comprehensive income are transferred out and included in retained earnings.

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 recognized and the part that is derecognized, 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 derecognized on the date of derecognition and (2) the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated to the part derecognized which has been previously recognized in other comprehensive income, is recognized in profit or loss. Where the transferred assets are non-trading equity instrument investments designated as at FVTOCI, cumulative gains or losses previously recognized 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 recognize the transferred financial asset in its entirety. The consideration received from transfer of assets is recognized as a liability upon receipt.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

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.

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 recognized in profit or loss.

(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

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 recognized in other comprehensive income, is transferred to retained earnings. Any dividend or interest expense on the financial liabilities is recognized 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 recognized 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.

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 amortized cost, with gain or loss arising from derecognition or amortization recognized 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 amortized cost but the changes in contractual cash flows, the Group will recalculate the carrying amount of the financial liability, with relevant gain or loss recognized 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 amortization during the remaining term of the modified financial liability.

(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

11.4.1.3 Financial guarantee contracts and loan commitments

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, and loan commitments to provide a loan at a below-market interest rate, which are not designated at fair value through profit or loss, are measured at the higher of: (1) amount of loss provision; and (2) the amount initially recognized less cumulative amortization amount determined based on the revenue standards.

11.4.2 Derecognition of financial liabilities

The Group derecognizes 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 derecognizes a financial liability or a part of it, it recognizes the difference between the carrying amount of the financial liability (or part of the financial liability) derecognized 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 recognized as changes in equity. Changes in fair value of equity instruments are not recognized by the Group. Transaction costs related to equity transactions are deducted from equity.

The Group recognizes 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 recognized 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 recognized. 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 amortized 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 amortized 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 amortized cost is reclassified as a financial asset at fair value through profit or loss ("FVTPL") 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 recognized in profit or loss for the period.

Where a financial asset at amortized cost is reclassified as a financial asset at fair value through other comprehensive income ("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 recognized in other comprehensive income.

Where a financial asset at FVTOCI is reclassified as a financial asset at amortized cost by the Group, the accumulated gains or losses previously recognized 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 amortized 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 recognized 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 amortized cost by the Group, the fair value at the date of reclassification is determined as the new gross carrying amount.

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 impairment losses or gains.

12.2 Categories of portfolios for which bad debt provision 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 bad debt provision 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 of 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. Receivables financing

Notes receivable classified as at FVTOCI should be listed as receivables financing within one year (including one year) from the date of acquisition. Those over one year should be listed as other debt investments. For related accounting policies, refer to Note (IV) 11 and Note (IV) 12.

14. Inventories

14.1 Categories of inventories, valuation method of inventories upon delivery, inventory count system, and amortization method for ow cost and short-lived consumable items and packaging materials

14.1.1 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

14. Inventories - continued

14.1 Categories of inventories, valuation method of inventories upon delivery, inventory count system, and amortization method for low cost and short-lived consumable items and packaging materials - continued

14.1.2 Valuation method of inventories upon delivery

The actual cost of inventories upon delivery is calculated using the weighted average method and first-in-first-out method.

14.1.3 Inventory count system

The perpetual inventory system is maintained for stock system.

14.1.4 Amortization method for low cost and short-lived consumable items and packaging materials

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

14.2 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

15. Long-term equity investments

15.1 Basis for determining joint control and significant influence over investee

Control is achieved when the Group has the power over the investee and has rights to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating policy decisions relating to the activity require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. When determining whether an investing enterprise is able to exercise control or significant influence over an investee, the effect of potential voting rights of the investee (for example, warrants and convertible debts) held by the investing enterprises or other parties that are currently exercisable or convertible shall be considered.

15.2 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 recognized 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, any excess is adjusted to retained earnings. 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, any excess is adjusted to retained earnings. Where equity interests in an acquiree are acquired in stages through multiple transactions ultimately constituting a business combination involving enterprises under common control, the acquirer shall determine if these transactions are considered to be a "package deal". If yes, these transactions are accounted for as a single transaction where control is obtained. If no, 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 difference between the initial investment cost and the sum of carrying amount of equity investments previously held in the acquiree and the new investment cost is adjusted to capital reserve. If the balance of capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained earnings. Other comprehensive income recognized for the previously held equity investments by accounting treatment of equity method or non-trading equity instrument investments designated as at FVTOCI is not subject to accounting treatment temporarily.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

15. Long-term equity investments - continued

15.2 Determination of initial investment cost - continued

For a long-term equity investment acquired through business combination not involving enterprises under common control, the 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 administrative expenses attributable to the business combination are recognized 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.

15.3 Subsequent measurement and recognition of profit or loss

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

Long-term equity investments in subsidiaries are accounted for using the cost method in the 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 recognized in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee.

15.3.2 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 recognized 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

15. Long-term equity investments - continued

15.3 Subsequent measurement and recognition of profit or loss - continued

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

Under the equity method, the Group recognizes 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 and other comprehensive income are correspondingly adjusted to the carrying amount of the long-term equity investment, and recognized in capital reserve. The Group recognizes 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 appropriate adjustments. When the investee's accounting policies and accounting period are inconsistent with those of the Group, the Group recognizes 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, which do not constitute a business, are eliminated based on the proportion attributable to the Group and then investment gains or losses are recognized. 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.

The Group discontinues recognizing its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee are reduced to zero. In addition, if the Group has incurred obligations to assume additional losses, a provision is recognized 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 recognizing its share of those profits only after its share of the profits exceeds the share of losses previously not recognized.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

15. Long-term equity investments - continued

15.4 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized in profit or loss for the period. Other comprehensive income recognized using the equity method or in accordance with the standards for the recognition and measurement of financial instruments before losing 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 recognized 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 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

15. Long-term equity investments - continued

15.4 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 recognized in profit or loss for the period. Other comprehensive income previously recognized 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 recognized as other comprehensive income, and transferred to profit or loss for the period when the control is lost.

16. 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 recognized 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 derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal.

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(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

16. Investment properties - continued

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

17. 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 recognized 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. Upon being restructured into a stock company, the fixed assets initially contributed by the state-owned shareholders are recognized 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 derecognized. Other subsequent expenditures are recognized 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 derecognized. 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 recognized in profit or loss for the period.

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.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

18. 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.

19. 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 recognized 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 recognized in profit or loss for the period in which they are incurred.

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(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

20. Intangible assets

20.1 Useful life and the basis for determination, estimates, amortization method or review procedures

Intangible assets include land use rights, terminal operating rights 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 recognized 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 is amortized over its estimated useful life. The terminal operating rights under the output method are amortized 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 amortization. An intangible asset with indefinite useful life will not be amortized.

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

Category	Amortization method	Useful life (year)	Residual value (%)
Land use rights	Straight-line method	From the date of the land transfer, it is amortized using the straight-line method over the land transfer period	-
Terminal operating right	Output/Straight-line method	Output method - it is amortized over periods according to the ratio of the estimated minimum guaranteed throughput to the estimated minimum guaranteed total throughput; straight-line method - it is amortized 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	-
Others	Straight-line method	It is amortized 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 amortization method at the end of the year, and makes adjustments when necessary.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

20. Intangible assets - continued

20.2 Scope of R&D expenditure and method for accounting treatment

Expenditure during the research phase is recognized 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 recognized as intangible asset. Expenditure during development phase that does not meet the following conditions is recognized 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 recognizes 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

21. Impairment of long-term assets

The Group assesses at the balance sheet date whether there is any indication that long-term equity investments, investment properties measured at cost model, fixed assets, construction in progress, right-of-use assets, intangible assets with a finite useful life and assets related to contract costs may be impaired. 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 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.

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

Goodwill is tested for impairment at least at the end of each year. For the purpose of impairment testing, goodwill is considered together with the related assets group(s) or portfolio of assets group(s), i.e., goodwill is reasonably allocated to the related assets group(s) or portfolio of assets group(s) expected to benefit from the synergies of the combination. An impairment loss is recognised if the recoverable amount of the assets group(s) or portfolio of assets group(s) (including goodwill) is less than its carrying amount. The impairment loss is firstly allocated to reduce the carrying amount of any goodwill allocated to such assets group(s) or portfolio of assets group(s), and then to the other assets of the group pro-rata on the basis of the carrying amount of each asset (other than goodwill) in the group.

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

22. Long-term prepaid expenses

Long-term prepaid expenses represent expenses incurred that should be borne and amortized over the current and subsequent periods (together of more than one year). Long-term prepaid expenses are amortized using the straight-line method over the expected periods in which benefits are derived.

23. Contract liabilities

Contract liabilities refer to the Group's obligation to transfer goods or services to a customer for consideration received or receivable from the customer. The contract assets and contract liabilities under the same contract are presented on a net basis.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

24. Employee benefits

24.1 Short-term employee benefits

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 recognized as liabilities, with a corresponding charge to profit or loss for the period or in the costs of relevant assets in the accounting period in which employees provide services to the Group. Staff welfare expenses incurred by the Group are recognized 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 recognized 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.

24.2 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 recognized as liabilities and included in profit or loss for the period or costs of related assets.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

24. Employee benefits - continued

24.2 Post-employment benefits - continued

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.

Service costs and net interest of net liabilities and net assets of defined benefit plans are recognized 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 recognized 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 recognized as a net defined benefit plan liability or net asset.

24.3 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 recognized 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 recognizes costs or expenses related to restructuring that involves the payment of termination benefits.

24.4 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.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

24. Employee benefits - continued

24.4 Other long-term employee benefits - continued

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 recognized 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 recognized 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.

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 reach 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 recognized 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.

25. Provisions

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

The amount recognized 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.

Where all or some of the expenditure required to settle a provision is expected to be reimbursed by a third party, the reimbursement is recognized as a separate asset only when it is virtually certain that reimbursement will be received, and the amount of reimbursement recognized does not exceed the carrying amount of the provision.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

26. 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 recognized 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.

27. Preferred stock, perpetual bonds and other financial instruments

The consideration received by the Group for the issuance of equity instruments is included in shareholders' equity after deducting transaction costs. Repurchase the consideration and transaction costs paid by the Group's equity instruments to reduce shareholders' equity.

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.

28. Revenue recognition

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

The Group's revenue is mainly from port business, bonded logistics business and other businesses.

The Group recognizes 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.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

28. Revenue recognition - continued

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

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 satisfied during a period of time or at a point in time. It is a performance obligation satisfied during a period of time and the Group recognizes 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 recognized at a point in time when the customer obtains control over the relevant goods or services.

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 recognized 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.

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. In determining the transaction price, the Group should consider the effects of variable consideration, significant financing components in the contract, non-cash consideration and consideration payable to customers.

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 recognized revenue which is unlikely to be significantly reversed

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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

28. Revenue recognition - continued

28.1 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.

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 amortized 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 recognizes revenue in the gross amount of consideration received or receivable. Otherwise, the Group is an agent and recognizes 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 recognized as a liability and then transferred to revenue when the related performance obligation has been satisfied. When the Group's receipts in advance are not required to be refunded and it is probable that the customer will waive all or part of its contractual rights, the Group recognizes 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.

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

28. Revenue recognition - continued

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

For bonded logistics business, the revenue is recognized 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.

28.2 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.

29. Contract costs

29.1 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 recognized as an asset. If the amortization period of such asset is less than one year, it is recognized 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.

29.2 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 recognizes 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 amortized on a basis that is consistent with the revenue recognition of the goods or services to which the asset relates and recognized in profit or loss for the period.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

29. Contract costs - continued

29.3 Impairment loss of assets related to contract costs

In determining the impairment losses of assets related to contract costs, the Group first determines the impairment losses of other assets related to contracts recognized in accordance with other ASBE; then, for assets related to contract costs, if the carrying amount of the assets is higher than the difference between: (1) the remaining consideration that the Group expects to obtain for the transfer of the goods or services related to the assets; and (2) the estimated costs to be incurred for the transfer of the related goods or services, any excess is provided for impairment and recognized as impairment loss of assets.

After the provision for impairment of assets related to contract costs is made, if the factors of impairment in previous periods change so that the difference between the above two is higher than the carrying amount of the assets, the original provision for impairment of the assets is reversed and recognized in profit or loss for the period, provided that the carrying amount of the assets after the reversal does not exceed the carrying amount of the assets at the date of reversal assuming no provision for impairment was made.

30. Government grants

Government grants are transfer of monetary assets or non-monetary assets from the government to the Group at no consideration. A government grant is recognized only when the Group can comply with the conditions attached to the grant and the Group will receive the grant.

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 recognized immediately in profit or loss for the period.

30.1 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 recognized as deferred income, and evenly amortized to profit or loss over the useful life of the related asset.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

30. Government grants - continued

30.2 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 recognized as deferred income and recognized in profit or loss for the period in which the related costs or losses are recognized; If the grant is a compensation for related expenses or losses already incurred, the grant is recognized immediately in profit or loss.

A government grant related to the Group's daily activities is recognized in other income based on the nature of economic activities; a government grant not related to the Group's daily activities is recognized in non-operating income.

31. Income tax

The income tax expenses include current income tax and deferred income tax.

31.1 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.

31.2 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 recognized as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognized using the balance sheet liability method.

Deferred tax are generally recognized for all taxable temporary differences. Deferred tax assets for deductible temporary differences are recognized 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 recognized.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Deferred tax assets/ deferred tax liabilities - continued

31.2 Deferred tax assets and deferred tax liabilities - continued

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognized 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.

Deferred tax liabilities are recognized 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 recognized 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 recognized in profit or loss for the period, except when they arise from transactions or events that are directly recognized in other comprehensive income or shareholders' equity, in which case they are recognized 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.

31.3 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

32. 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.

For contracts entered into, the Group assesses whether the contract is, or contains, a lease at the commencement date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

32.1 The Group as lessee

32.1.1 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.

32.1.2 Right-of-use assets

Except for short-term leases and leases of low-value assets, the Group recognizes 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.

The Group applies ASBE No. 8 Impairment of Assets, to determine whether the right-of-use assets are impaired and to account for any impairment loss identified.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

32. Leases - continued

32.1 The Group as lessee - continued

32.1.3 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 recognized 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 recognize 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 lease term 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 a revised discount rate is applied to calculate the present value.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

32. Leases - continued

32.1 The Group as lessee - continued

32.1.4 Short-term leases and leases of low-value assets

The Group elects not to recognize 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 low when it is new. For short-term leases and leases of low-value assets, the Group recognizes 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.

32.1.5 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 modification 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 recognized 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

32. Leases - continued

32.1 The Group as lessee - continued

32.1.6 Sale and leaseback transactions

The Group as seller-lessee

The Group applies the requirements of Revenue Standard to determine whether the transfer of an asset is accounted for as a sale of that asset. If the transfer of an asset does not constitute a sale, the Group shall continue to recognize the transferred assets, recognize a financial liability equal to the transfer proceeds and accounts for such financial liability in accordance with the *Accounting Standards for Business Enterprises No. 22 - Financial Instruments: Recognition and Measurement*. If the transfer of an asset is a sale, the Group shall measure the right-of-use assets arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use, and recognize any gain or loss for rights transferred to the lessor only.

32.2 The Group as lessor

32.2.1 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.

32.2.2 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.

32.2.2.1 The Group as lessor under operating leases

The Group recognizes 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 recognized in profit or loss for the period when they are actually incurred.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

32. Leases - continued

32.2 The Group as lessor - continued

32.2.2 Classification of leases - continued

32.2.2.2 The Group as lessor under finance leases

At the commencement date, the Group recognizes a finance lease receivable at the amount equal to the net lease investment with assets under finance lease derecognized. 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 recognized in profit or loss when they are actually incurred.

Interest income for each period over the lease term is calculated and recognized by the Group at a fixed periodic rate.

32.2.3 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

32. Leases - continued

32.2 The Group as lessor - continued

32.2.4 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.

32.2.5 Sale and leaseback transactions

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 recognize 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

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 recognized as the cost at initial recognition; For the asset given up, at derecognition, the difference between the fair value and the carrying amount is recognized 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 recognized 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 recognized 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 recognized as the cost of at initial recognition. For the asset given up, at derecognition, no profit or loss is recognized.

34. 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 recognized in profit or loss for the period, and transferred to special 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 special 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 special reserve with the accumulated depreciation recognized at the same amount. Depreciation will not be made in the future period on such fixed assets.

(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.

(V) CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY ASSUMPTIONS AND UNCERTAINTIES IN ACCOUNTING ESTIMATES - continued

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 recognized in the current period; changes which not only affect the current but the future periods should be recognized in the current and future periods. 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:

Goodwill impairment

For the purpose of impairment testing, the present value of the expected future cash flows of the assets group or portfolio including goodwill shall be calculated, and such expected future cash flows shall be estimated. Meantime, a rate shall be determined that should reflect the time value of money on the current market and the specific interest risks.

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 recognized. If the profits to be actually distributed in future years are more or less than those expected, corresponding deferred tax liabilities will be recognized 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 recognized 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 recognized or reversed in profit or loss for the period in which they are actually incurred.

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 amortization, or write off or eliminate the technically obsolete fixed assets or intangible assets.

(VI) CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Changes in significant accounting policies

1.1 Interpretation No. 17 of the Accounting Standards for Business Enterprises

The Ministry of Finance issued the *Interpretation No. 17 of the Accounting Standards for Business Enterprises* (the "Interpretation No.17") on 25 October 2023, which clarifies the provisions on "the division of current liabilities and non-current liabilities".

According to the Interpretation No. 17, when the Group classifies the liquidity of liabilities, it only considers whether the Group has the substantive right to postpone the settlement of liabilities to more than one year after the balance sheet date (hereinafter referred to as "the right to postpone the settlement of liabilities"), without considering whether the Group has the subjective possibility of exercising the above rights.

For the liabilities arising from the Group's loan arrangements, if the right of the Group to postpone the repayment of the liabilities depends on whether the Group has complied with the conditions specified in the loan arrangements (hereinafter referred to as "contractual conditions"), the Group only considers the contractual conditions that should be complied with on or before the balance sheet date when dividing the liquidity of the relevant liabilities, without considering the impact of contractual conditions that should be complied with by the Group after the balance sheet date.

If the Group classifies the above options as equity instruments and recognizes them separately as equity components of composite financial instruments in accordance with *the Accounting Standards for Business Enterprises No. 37- Disclosure of financial instruments*, the liquidity division of the liabilities that the Group pays off by delivering its own equity instruments at the option of the counterparty will not be affected; On the contrary, if the above options cannot be classified as equity instruments, it will affect the liquidity classification of the liabilities.

The adoption of this provision has not had a significant impact on the Group's financial position and operating results.

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(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 ("VAT") (Note 3)	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 the 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, to the local government.

2. Tax preference

Certain subsidiaries of the Group in China are recognized as high-tech enterprises or encouraged industrial enterprises in the region and are subject to an enterprise income tax rate of 15%. The Group's subsidiaries outside of China may be subject to enterprise income tax preference in accordance with relevant local tax policies. The preferential tax rate for small and micro enterprises applicable to some subsidiaries of the Group in China is 20%.

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(VII) TAXES - continued

2. Tax preference - continued

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. The preferential tax rate for small and micro enterprises applicable to some subsidiaries of the Group in China is 20%.

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.

As approved by 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 (warehousing services, excluding delivery services) provided to overseas enterprises.

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

Item	30/06/2024	31/12/2023
Cash	2,344,695.38	974,692.93
Including: RMB	517.60	2,767.60
USD	96,206.03	225,565.37
HKD	10,098.78	25,259.89
BRL	7,777.06	8,625.45
IDR	67,250.93	-
Others	2,162,844.98	712,474.62
Bank deposits (Note 1)	15,038,094,493.62	13,934,385,410.92
Including: RMB	10,693,934,315.23	8,215,456,953.08
USD	1,635,920,738.01	3,189,067,302.34
EUR	916,008,002.85	655,188,558.31
BRL	771,895,935.94	283,264,276.30
HKD	611,503,425.18	1,211,715,308.91
AUD	26,890,222.40	36,381,245.06
FCFA	212,237,437.17	295,232,843.14
IDR	120,749,166.50	-
Others	48,955,250.34	48,078,923.78
Other cash and bank balances (Note 2)	48,475,976.12	54,207,918.46
Including: LKR	41,615,058.75	39,287,209.66
RMB	6,860,917.37	14,920,544.77
HKD	-	164.03
Funds deposited in Finance Company (Note 3)	2,289,627,387.58	2,090,078,155.93
Total	17,378,542,552.70	16,079,646,178.24
Including: Total amount of funds deposited overseas	3,147,340,153.44	4,143,910,318.92

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

1. Cash and bank balances - continued

Note 1: The interest receivable and funds frozen for ETC card business which are included in the balance of bank deposits at the end of the period amounted to RMB 14,428,916.61 and RMB 12,000.00, respectively.

Note 2: The funds frozen for litigation, the balance of the securities account, the restricted banker's letter of guarantee, and the restricted performance bond, which are included in the balance of other cash and bank balances at the end of the period, amounted to RMB 1,826,085.98, RMB 214,951.56, RMB 4,213,730.40, RMB 42,221,208.18.

Note 3: The funds deposited in Finance Company included the interest receivable amounting to RMB 9,628,050.73.

2. Held-for-trading financial assets

Item	30/06/2024	31/12/2023
Financial assets classified as at FVTPL	3,180,085,926.18	4,568,806,108.84
Including: Investments in debt instruments	450,209.48	450,209.48
Structured deposits	3,179,635,716.70	4,568,355,899.36
Total	3,180,085,926.18	4,568,806,108.84

3. Notes receivable

(1) Category of notes receivable

Category	30/06/2024	31/12/2023
Bank acceptance	206,216,580.72	315,150,195.09
Commercial acceptance	-	10,000,000.00
Total	206,216,580.72	325,150,195.09

Note: For the period from 1 January to 30 June 2024, no provision for bad debts of notes 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 30 June 2024, the Group has no notes receivable pledged.

(3) As at 30 June 2024, the Group has no endorsed or discounted and not yet matured notes receivable at the balance sheet date.

(4) For the period from 1 January to 30 June 2024, there were no notes receivable written off.

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

4. Accounts receivable

(1) Overall situation of accounts receivable

Category	30/06/2024	31/12/2023
Accounts receivable	2,159,135,291.52	1,194,923,829.34
Less: provision for credit loss	89,801,895.32	91,022,363.09
Total	2,069,333,396.20	1,103,901,466.25

(2) Aging analysis of accounts receivable

Aging	30/06/2024	31/12/2023
Within 1 year	2,069,209,329.92	1,112,613,215.99
1-2 years	29,695,348.28	23,735,983.67
2-3 years	7,393,175.19	3,139,299.76
More than 3 years	52,837,438.13	55,435,329.92
Total	2,159,135,291.52	1,194,923,829.34

(3) Disclosure of accounts receivable by category

Credit rating	Expected credit loss rate (%)	30/06/2024			31/12/2023		
		Gross carrying amount	Bad debt provision	Carrying amount	Gross carrying amount	Bad debt provision	Carrying amount
A	0.00-0.10	1,223,611,599.97	431,584.03	1,223,180,015.94	622,585,699.82	428,822.70	622,156,877.12
B	0.10-0.30	702,183,964.35	1,330,485.43	700,853,478.92	428,914,672.70	552,173.90	428,362,498.80
C	0.30-50.00	155,016,866.11	9,716,964.77	145,299,901.34	62,942,396.67	9,638,519.30	53,303,877.37
D	50.00-100.00	78,322,861.09	78,322,861.09	-	80,481,060.15	80,402,847.19	78,212.96
Total		2,159,135,291.52	89,801,895.32	2,069,333,396.20	1,194,923,829.34	91,022,363.09	1,103,901,466.25

(4) Accounts receivable disclosed by method of bad debt provision:

Category	30 June 2024					31 December 2023				
	Gross carrying amount		Bad debt provision		Carrying amount	Gross carrying amount		Bad debt provision		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Bad debt provision assessed on an individual basis	78,322,861.09	3.63	78,322,861.09	100.00	-	80,481,060.15	6.74	80,402,847.19	99.90	78,212.96
Bad debt provision assessed on a portfolio basis	2,080,812,430.43	96.37	11,479,034.23	0.55	2,069,333,396.20	1,114,442,769.19	93.26	10,619,515.90	0.95	1,103,823,253.29
Total	2,159,135,291.52	100.00	89,801,895.32		2,069,333,396.20	1,194,923,829.34	100.00	91,022,363.09		1,103,901,466.25

Bad debt provision assessed on an individual basis:

Name	30 June 2024			Reason for provision
	Gross carrying amount	Bad debt provision	Proportion (%)	
Entity 1	24,908,308.44	24,908,308.44	100.00	Low probability of recovery
Entity 2	14,965,689.98	14,965,689.98	100.00	Low probability of recovery
Entity 3	6,936,029.60	6,936,029.60	100.00	Low probability of recovery
Entity 4	6,211,165.11	6,211,165.11	100.00	Low probability of recovery
Entity 5	5,700,298.86	5,700,298.86	100.00	Low probability of recovery
Others	19,601,369.10	19,601,369.10	100.00	Low probability of recovery
Total	78,322,861.09	78,322,861.09	100.00	

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

4. Accounts receivable - continued

(4) Accounts receivable disclosed by method of bad debt provision: - continued

Bad debt provision assessed on a portfolio basis:

Name	30 June 2024		
	Accounts receivable	Bad debt provision	Proportion (%)
A	1,223,611,599.97	431,584.03	0.04
B	702,183,964.35	1,330,485.43	0.19
C	155,016,866.11	9,716,964.77	6.27
Total	2,080,812,430.43	11,479,034.23	0.55

(5) Measurement of expected credit loss at an amount equivalent to the lifetime expected credit loss

Item	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	Total
At 1 January 2024		80,402,847.19	91,022,363.09
Gross carrying amount of accounts receivable at 1 January 2024			
- Transfer to credit-impaired accounts receivable		-	-
- Reversal of accounts receivable that are not credit-impaired		-	-
Provision for the period		-	1,843,140.23
Reversal for the period		-877,330.14	-1,381,380.28
Effect of changes in the scope of consolidation		-	785,325.91
Transfer-out due to derecognition of financial assets (including direct write-down)	-	-	-
Other changes	-1,264,897.67	-1,202,655.96	-2,467,553.63
At 30 June 2024	11,479,034.23	78,322,861.09	89,801,895.32

(6) Details of bad debt provision

Category	01/01/2024	Changes for the period					30/06/2024
		Provision	Recovery or reversal	Effect of changes in the scope of consolidation	Charge-off or write-off	Other changes	
Bad debt provision assessed on an individual basis	80,402,847.19	-	-877,330.14	-	-	-1,202,655.96	78,322,861.09
Bad debt provision assessed on a portfolio basis	10,619,515.90	1,843,140.23	-504,050.14	785,325.91	-	-1,264,897.67	11,479,034.23
Total	91,022,363.09	1,843,140.23	-1,381,380.28	785,325.91	-	-2,467,553.63	89,801,895.32

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

4. Accounts receivable - continued

(7) The top five balances of accounts receivable at the end of the period classified by debtor

Name of entity	Relationship with the Group	30/06/2024	Aging	Proportion of the amount to the total accounts receivable (%)	Bad debt provision at 30/06/2024
Entity 6	Non-related party	445,385,165.01	Within 2 years	20.63%	3,975.42
Entity 7	Non-related party	67,832,380.45	Within 1 year	3.14%	7,614.60
Entity 8	Non-related party	64,391,302.11	Within 2 years	2.98%	15,991.80
Entity 9	Non-related party	61,351,516.16	Within 1 year	2.84%	-
Entity 10	Non-related party	60,808,588.38	Within 2 years	2.82%	1,555.56
Total		699,768,952.11		32.41%	29,137.38

5. Receivables financing

(1) Classification of receivables financing

Item	30/06/2024	31/12/2023
Bank acceptance measured at fair value	-	2,001,669.46

(2) As at 30 June 2024, the Group has no pledged receivables financing.

(3) As at 30 June 2024, the Group has no receivables financing that have been endorsed or discounted and have not yet matured at the balance sheet date.

(4) As at 30 June 2024, no provision for bad debt of receivables financing is assessed on an individual basis and, the acceptor of bank 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 credit loss is made.

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

6. Prepayments

(1) Aging analysis of prepayments

Aging	30/06/2024			31/12/2023		
	Gross carrying amount	Proportion (%)	Impairment provision	Gross carrying amount	Proportion (%)	Impairment provision
Within 1 year	67,568,125.83	98.51	-	36,798,888.01	97.70	-
1-2 years	766,912.89	1.12	-	615,427.75	1.63	-
2-3 years	122,834.11	0.18	-	129,361.04	0.34	-
More than 3 years	129,420.23	0.19	-	120,875.50	0.33	-
Total	68,587,293.06	100.00	-	37,664,552.30	100.00	-

(2) As at 30 June 2024, the Group has no significant prepayments aged more than one year.

(3) The top five balances of prepayments at the end of the period classified by entities

Name of entity	Relationship with the Company	30/06/2024	Aging	Proportion of the closing balance to the total prepayments (%)	Reason for not being settled
Entity 1	Non-related party	16,413,333.95	Within 1 year	23.93	Unsettled prepayment for construction expenditure
Entity 2	Non-related party	5,375,380.00	Within 1 year, 1-2 years, and 2-3 years	7.84	Unsettled prepayment for communication charges
Entity 3	Non-related party	3,748,122.62	Within 1 year	5.46	Unsettled prepayment for premium
Entity 4	Non-related party	3,595,609.43	Within 1 year, 1-2 years, and 2-3 years	5.24	Unsettled prepayment for premium
Entity 5	Non-related party	1,719,782.40	Within 1 year	2.51	Unsettled prepayment for premium
Total		30,852,228.40		44.98	

7. Other receivables

7.1 Presentation of other receivables

Item	30/06/2024	31/12/2023
Dividends receivable	493,079,578.90	343,386,866.06
Other receivables	566,491,149.20	596,628,127.95
Total	1,059,570,728.10	940,014,994.01

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

7. Other receivables - continued

7.2 Dividends receivable

(1) Presentation of dividends receivable

Name of investee	30/06/2024	31/12/2023
China Nanshan Development (Group) Incorporation ("Nanshan Group")	277,605,000.00	203,577,000.00
Liaoning Port Co., Ltd.	51,863,401.35	-
Qingdao Port International Co., Ltd	44,888,121.12	-
Zhanjiang Merchants Port City Investment Co., Ltd. ("Merchants Port City")	38,809,044.77	38,809,044.77
Dalian Port Logistics Network Co., Ltd.	30,605,256.76	30,605,256.76
Yingkou Gangxin Technology Co., Ltd.	23,881,213.75	23,881,213.75
COSCO Logistics (Zhanjiang) Co., Ltd.	13,449,001.16	13,449,001.16
Tin-can Island Container Terminal Ltd	6,901,587.25	21,960,680.22
Tianjin Port Container Terminal Co., Ltd	5,354,125.89	-
China Shenzhen Ocean Shipping Agency Co., Ltd	-	11,232,000.00
Others	216,400.00	216,400.00
Sub-total	493,573,152.05	343,730,596.66
Less: Bad debt provision	493,573.15	343,730.60
Carrying amount	493,079,578.90	343,386,866.06

(2) Significant dividends receivable aged more than 1 year

Name of investee	30/06/2024	31/12/2023	Aging	Reason for not being recovered	Whether bad debts have been incurred and the basis for determination
Nanshan Group	129,549,000.00	129,549,000.00	2-3 years	Undergoing relevant formalities, expected to be recovered by the end of 2024	No

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

7. Other receivables - continued

7.2 Dividends receivable - continued

(3) Changes in provision for credit loss of dividends receivable

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)	
At 1 January 2024	343,730.60	-	-	343,730.60
Balance at 1 January 2024				
- Transfer to Stage 2	-	-	-	-
- Transfer to Stage 3	-	-	-	-
- Reverse to Stage 2	-	-	-	-
- Reverse to Stage 1	-	-	-	-
Provision for the period	149,842.55			149,842.55
Reversal for the period	-			-
Transfer-out due to derecognition of financial assets (including direct write-down)	-			-
Other changes	-			-
At 30 June 2024	493,573.15			493,573.15

(4) Details of bad debt provision

Category	31/12/2023	Changes for the period				30/06/2024
		Provision	Recovery or reversal	Charge-off or write-off	Other changes	
Bad debt provision assessed on an individual basis	-	-	-	-	-	-
Bad debt provision assessed on a portfolio basis	343,730.60	149,842.55	-	-	-	493,573.15
Total	343,730.60	149,842.55	-	-	-	493,573.15

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(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	30/06/2024			31/12/2023		
	Other receivables	Bad debt provision	Proportion (%)	Other receivables	Bad debt provision	Proportion (%)
Within 1 year	28374097	14201		23301665	38638	
1-2 years	7128917	5048		2834616	1869218	
2-3 years	3631685	1519653		1812548	453165	
More than 3 years	5657757	486284		8422722	7306315	
Total	1,181,249,446	621,633,455		1,553,366,128.21	956,738,000.26	

(2) Disclosure of other receivables by nature

Item	30/06/2024	31/12/2023
Operation compensation (Note 1)	522,457,774.94	857,551,782.45
Advance payments	202,671,641.34	264,603,548.43
Land compensation (Note 2)	89,630,000.00	89,630,000.00
Guarantees and deposits	26,203,758.03	24,853,374.42
Special subsidy	21,560,000.00	24,800,000.00
Others	325,601,020.15	291,927,422.91
Sub-total	1,188,124,194.46	1,553,366,128.21
Less: Bad debt provision	621,633,045.26	956,738,000.26
Total	566,491,149.20	596,628,127.95

Note 1: This represents the operation compensation receivable by a subsidiary of the Company from the holding company of its minority shareholder in accordance with the agreement. As at 31 December 2023, a bad debt provision has been made for the accumulated outstanding compensation amounting to RMB 857,551,782.45. During the period from 1 January to 30 June 2024, the Group received the operation compensation amount equivalent to RMB 316,356,000.00 and accordingly revised the allowance for bad debt provision of RMB 316,356,000.00. As at 30 June 2024, a bad debt provision has been made for the accumulated outstanding compensation amounting to RMB 522,457,774.94.

Note 2: On 9 October 2021, Zhanjiang Port, a subsidiary of the Company, entered into the Agreement on Recovery of State-owned Land Use Rights with the local government. Pursuant to the Agreement, Zhanjiang Port shall return the land of approximately 195.68 mu located in Zhanjiang Comprehensive Bonded Zone on the east of Shugang Avenue, which is amounting to RMB 89,630,000.00. The above-mentioned land has been returned before 31 December 2021. As at 30 June 2024, the above-mentioned land compensation of RMB 89,630,000.00 has not been recovered yet.

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(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

Credit rating	Expected credit loss rate (%)	30/06/2024				31/12/2023			
		12-month expected credit loss	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	Total	12-month expected credit loss	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	Total
A	0.00-0.10	566,500,631.74	-	-	566,500,631.74	596,631,116.95	-	-	596,631,116.95
B	0.10-0.30	-	-	-	-	-	-	-	-
C	0.30-50.00	-	-	-	-	-	-	-	-
D	50.00-100.00	-	-	621,623,562.72	621,623,562.72	-	-	956,735,011.26	956,735,011.26
Gross carrying amount		566,500,631.74	-	621,623,562.72	1,188,124,194.46	596,631,116.95	-	956,735,011.26	1,553,366,128.21
Bad debt provision		9,482.54	-	621,623,562.72	621,633,045.26	2,989.00	-	956,735,011.26	956,738,000.26
Carrying amount		566,491,149.20	-	-	566,491,149.20	596,628,127.95	-	-	596,628,127.95

Significant other receivables for which bad debt provision is assessed on an individual basis (credit rating of D)

Name	30/06/2024	Bad debt provision	ECL rate (%)	Reason for provision
Entity 1	522,457,774.94	522,457,774.94	100.00	Expected to be unrecoverable (Note)
Entity 2	64,841,250.09	64,841,250.09	100.00	Expected to be unrecoverable
Entity 3	14,000,000.00	14,000,000.00	100.00	Expected to be unrecoverable
Others	20,324,537.69	20,324,537.69	100.00	Expected to be unrecoverable
Total	621,623,562.72	621,623,562.72		

Note: Refer to Note (VIII) 7.3(2).

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

7. Other receivables - continued

7.3 Other receivables - continued

(4) Provision, reversal and write-off of credit loss of other receivables

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)	
At 1 January 2024	2,989.00	-	956,735,011.26	956,738,000.26
Balance of other receivables at 1 January 2024				
- Transfer to Stage 2	-			-
- Transfer to Stage 3	-			-
- Reverse to Stage 2	-			-
- Reverse to Stage 1	-			-
Provision for the period	6,493.54		5,745	12,207.79
Reversal for the period	-		-316,357,900.00	-316,357,900.00
Effect of changes in the scope of consolidation	-			-
Charge-off for the period	-			-
Write-off for the period	-			-
Other changes	-		-18,759,262.79	-18,759,262.79
At 30 June 2024	9,482.54		621,623,562.72	621,633,045.26

(5) Details of bad debt provision

Category	01/01/2024	Changes for the period					30/06/2024
		Provision	Recovery or reversal	Effect of changes in the scope of consolidation	Charge-off or write-off	Other changes	
Bad debt provision assessed on an individual basis	956,735,011.26	5,714.25	-316,357,900.00	-	-	-18,759,262.79	621,623,562.72
Bad debt provision assessed on a portfolio basis	2,989.00	6,493.54	-	-	-	-	9,482.54
Total	956,738,000.26	12,207.79	-316,357,900.00	-	-	-18,759,262.79	621,633,045.26

Among which, the bad debt provision recovered or reversed for the period that is significant in amount is listed as below:

Name	Amount recovered or reversed	Reason for retrieve	Recovered through	Basis to determine the original proportion of bad debt provision and its reasonableness
Entity 1	316,356,000.00	According to the settlement agreement, the debtor repaid part of the receivables	Cash recovery	Based on prior years' financial position
Total	316,356,000.00			

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

7. Other receivables - continued

7.3 Other receivables - continued

(6) The Group has no write-off of other receivables in this period.

(7) The top five balances of other receivables at the end of the period classified by debtor

Name of entity	Relationship with the Group	Nature	30/06/2024	Aging	Proportion to total other receivables (%)	Closing balance of provision for credit loss
Entity 1	Non-related party	Operation compensation	522,457,774.94	2-3 years, more than 3 years	43.97	522,457,774.94
Entity 4	Non-related party	Advance payments	122,674,255.48	Within 1 year, 1-2 years, 2-3 years, more than 3 years	10.33	-
Entity 5	Non-related party	Land compensation	89,630,000.00	2-3 years	7.54	-
Entity 2	Non-related party	Advance payments	64,841,250.09	Within 1 year, 1-2 years, 2-3 years, more than 3 years	5.46	64,841,250.09
Entity 6	Related party	Advance payments	36,822,042.40	more than 3 years	3.10	-
Total			836,425,322.91		70.40	587,299,025.03

8. Inventories

(1) Category of inventories

Item	30/06/2024			31/12/2023		
	Gross carrying amount	Provision for decline in value of inventories	Carrying amount	Gross carrying amount	Provision for decline in value of inventories	Carrying amount
Raw materials	274,520,414.48	1,238,035.93	273,282,378.55	217,097,512.98	1,234,628.38	215,862,884.60
Finished goods	23,568,015.76	-	23,568,015.76	2,520,205.91	-	2,520,205.91
Others	999,395.80	-	999,395.80	515,102.36	-	515,102.36
Total	299,087,826.04	1,238,035.93	297,849,790.11	220,132,821.25	1,234,628.38	218,898,192.87

(2) Provision for decline in value of inventories

Category	01/01/2024	Increase		Decrease		Effect of translation of financial statements denominated in foreign currencies	30/06/2024
		Provision	Others	Reversal or charge-off	Others		
Raw materials	1,234,628.38	-	-	-	-	3,407.55	1,238,035.93

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

8. Inventories - continued

(2) Provision for decline in value of inventories - continued

Provision for decline in value of inventories is made on an item-by-item basis and no provision for decline in value of inventories is made on a portfolio basis.

(3) As at 30 June 2024, the Group has no capitalized borrowing cost in the balance of inventories.

9. Non-current assets due within one year

(1) Presentation of non-current assets due within one year

Item	30/06/2024	31/12/2023
Long-term receivables due within one year	14,203,411.03	17,468,849.83
Less: Bad debt provision	14,203.38	17,468.85
Carrying amount	14,189,207.65	17,451,380.98

(2) Provision for bad 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)	
At 1 January 2024	17,468.85	-	-	17,468.85
Gross carrying amount of long-term receivables at 1 January 2024				
- Transfer to Stage 2	-	-	-	-
- Transfer to Stage 3	-	-	-	-
- Reverse to Stage 2	-	-	-	-
- Reverse to Stage 1	-	-	-	-
Provision for the period	-	-	-	-
Reversal for the period	-3,265.47	-	-	-3,265.47
Transfer-out due to derecognition of financial assets (including direct write-down)	-	-	-	-
Other changes	-	-	-	-
At 30 June 2024	14,203.38	-	-	14,203.38

(3) Details of bad debt provision

Category	31/12/2023	Changes for the period				30/06/2024
		Provision	Recovery or reversal	Charge-off or write-off	Other changes	
Bad debt provision assessed on a portfolio basis	17,468.85	-	-3,265.47	-	-	14,203.38
Total	17,468.85	-	-3,265.47	-	-	14,203.38

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

10. Other current assets

(1) Category of other current assets

Item	30/06/2024	31/12/2023
Input tax to be deducted and certified	93,774,614.21	115,121,766.13
Prepaid taxes	89,035,264.58	71,771,659.09
Others	-	2,780,075.65
Total	182,809,878.79	189,673,500.87

11. Long-term receivables

(1) Details of long-term receivables

Item	30/06/2024			31/12/2023			Range of discount rate at the end of period
	Gross carrying amount	Bad debt provision	Carrying amount	Gross carrying amount	Bad debt provision	Carrying amount	
Advances to shareholders (Note 1)	1,184,335,484.28	1,184,335.48	1,183,151,148.80	1,167,470,819.35	1,167,470.82	1,166,303,348.53	3.65%-8.50%
Guarantees for finance leases	1,419,005.18	1,419.00	1,417,586.18	10,695,876.01	10,695.88	10,685,180.13	0-5.37%
Land compensation receivable (Note 2)	2,691,932,000.00	-	2,691,932,000.00	2,691,932,000.00	-	2,691,932,000.00	
Others	169,062.40	-	169,062.40	4,996,969.31	-	4,996,969.31	
Total	3,877,855,551.86	1,185,754.48	3,876,669,797.38	3,875,095,664.67	1,178,166.70	3,873,917,497.97	
Less: Long-term receivables due within 1 year	14,203,411.03	14,203.38	14,189,207.65	17,468,849.83	17,468.85	17,451,380.98	
Long-term receivables due after 1 year	3,863,652,140.83	1,171,551.10	3,862,480,589.73	3,857,626,814.84	1,160,697.85	3,856,466,116.99	

Note 1: It mainly represents the aggregate principal and interest receivable from Port of Newcastle and Terminal Link SAS, equivalent to RMB 937,157,345.83 and 212,878,138.43, respectively.

On 14 June 2018, China Merchants Port Holdings Company ("CM Port"), a subsidiary of the Company, provided a long-term loan to Port of Newcastle, which matures in 2023 and has been extended to 31 December 2034 as stipulated in an agreement entered into during the year. 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. ("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 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 30 June 2024, the land compensation totalling RMB1,158,032,000.00 has not yet been recovered.

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

11. Long-term receivables - continued

(1) Details of long-term receivables - continued

Note 2: - continued

On 21 August 2020, Shantou Port entered into the Contract for the Acquisition of State-Owned Land Use Rights in Shantou with Land Reserve Center of Shantou Haojiang District. Pursuant to the contract, the land and attached buildings of approximately 152.34 mu located in Yutianwen, Queshi, Haojiang District, Shantou, should be returned to Land Reserve Center of Shantou Haojiang District by Shantou Port, which is amounting to RMB250,000,000.00. The transfer of above-mentioned land and attached buildings was completed before 31 December 2020. As at 30 June 2024, the land compensation totalling RMB200,000,000.00 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 RMB2,724,876,000.00. Among them, 320 mu of land and attached buildings were transferred by 31 December 2020, which is amounting to RMB1,344,000,000.00, and the remaining 328.78 mu of land and attached buildings have not been transferred. As at 30 June 2024, the land compensation totalling RMB 1,333,900,000.00 has not yet been recovered.

(2) Long-term receivables disclosed by method of bad debt provision

Category	30 June 2024					31 December 2023				
	Gross carrying amount		Bad debt provision		Carrying amount	Gross carrying amount		Bad debt provision		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Bad debt provision assessed on a portfolio basis	3,877,855,551.86	100.00	1,185,754.48	0.03	3,876,669,797.38	3,875,095,664.67	100.00	1,178,166.70	0.03	3,873,917,497.97
Total	3,877,855,551.86	100.00	1,185,754.48		3,876,669,797.38	3,875,095,664.67	100.00	1,178,166.70		3,873,917,497.97

Bad debt provision assessed on a portfolio basis

Name	30 June 2024		
	Accounts receivable	Bad debt provision	Proportion (%)
A	3,877,855,551.86	1,185,754.48	0.03
Total	3,877,855,551.86	1,185,754.48	— —

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

11. Long-term receivables - continued

(3) Provision for credit loss of long-term receivables

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)	
At 1 January 2024	1,178,166.70	-	-	1,178,166.70
Gross carrying amount of long-term receivables at 1 January 2024				
- Transfer to Stage 2	-	-	-	-
- Transfer to Stage 3	-	-	-	-
- Reverse to Stage 2	-	-	-	-
- Reverse to Stage 1	-	-	-	-
Provision for the period	22,497.85	-	-	22,497.85
Reversal for the period	-14,910.07	-	-	-14,910.07
Charge-off for the period	-	-	-	-
Write-off for the period	-	-	-	-
Other changes	-	-	-	-
At 30 June 2024	1,185,754.48	-	-	1,185,754.48

(4) Details of bad debt provision

Category	01/01/2024	Changes for the period				30/06/2024
		Provision	Recovery or reversal	Charge-off or write-off	Effect of changes in the scope of consolidation	
Advances to shareholders	1,167,470.82	21,774.73	-4,910.07	-	-	1,184,335.48
Guarantees for finance leases	10,695.88	723.12	-10,000.00	-	-	1,419.00
Total	1,178,166.70	22,497.85	-14,910.07	-	-	1,185,754.48

(5) There are no long-term receivables written off during the period.

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

12. Long-term equity investments

(1) Details of long-term equity investments

Investees	01/01/2024	Changes for the period								30/06/2024	Closing balance of provision for impairment	
		Investment increase	Investment decrease	Investment income under equity method	Reconciliation of other comprehensive income	Other equity movements	Cash dividends or profits declared	Others	Provision for impairment			Effect of translation of financial statements denominated in foreign currencies
I. Joint ventures												
Euro-Asia OcéanGate S.à.r.l.	2,045,841,414.96	-	-	55,117,511.36	-	-	-	-	-	11,636,506.99	2,112,595,433.31	-
Port of Newcastle	2,075,023,699.91	-	-	12,734,170.16	-	-	-	-	-	-38,034,172.87	2,049,723,697.20	-
Others	4,837,128,220.35	160,468,537.76	-	116,686,368.24	-	2,407,793.83	-78,602,290.59	-	-	-10,627,904.03	5,027,460,725.56	-
Sub-total	8,957,993,335.22	160,468,537.76	-	184,538,049.76	-	2,407,793.83	-78,602,290.59	-	-	-37,025,569.91	9,189,779,856.07	-
II. Associates												
Shanghai International Port (Group) Co., Ltd. ("Shanghai Port Group")	37,212,885,138.77	-	-	2,356,313,485.80	6,968,157.13	29,150,493.27	-1,123,385,809.34	-	-	-	38,481,931,465.63	-
Nanshan Group	6,559,245,040.52	-	-	-27,433,343.85	1,224,895.21	-3,659,407.99	-74,028,000.00	-	-	220,239.64	6,455,569,423.53	-
Terminal Link SAS	6,453,040,914.20	-	-	183,301,622.28	-108,327,524.98	-	-395,260,400.37	-	-	35,452,104.03	6,168,206,715.16	-
Liaoning Port Co., Ltd. ("Liaoning Port")	4,124,157,791.26	-	-	51,318,446.09	1,948,172.48	3,686,240.18	-51,851,456.34	-	-	-2,431,128.07	4,126,828,065.60	362,420,814.81
Shenzhen China Merchants Qianhai Industrial Development Co., Ltd.	7,445,725,318.18	-	-	8,845,554.89	-	-	-	-	-	-	7,454,570,873.07	-
Ningbo Zhoushan Port Company Limited ("Ningbo Zhoushan")	18,631,154,114.31	-	-	518,924,362.26	12,893,217.46	2,362,875.58	-408,578,523.82	-	-	-	18,756,756,045.79	-
Others	7,281,916,123.81	-	-	81,937,095.05	-7,906,016.82	-122,137.68	-40,568,401.93	-	-	29,766,157.88	7,345,022,820.31	2,360,221.45
Sub-total	87,708,124,441.05	-	-	3,173,207,222.52	-93,199,099.52	31,418,063.36	-2,093,672,591.80	-	-	63,007,373.48	88,788,885,409.09	364,781,036.26
Total	96,666,117,776.27	160,468,537.76	-	3,357,745,272.28	-93,199,099.52	33,825,857.19	-2,172,274,882.39	-	-	25,981,803.57	97,978,665,265.16	364,781,036.26

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

12. Long-term equity investments - continued

(2) Impairment on long-term equity investments

Item	01/01/2024	Effect of consolidation scope change	Increase	Decrease		Effect of translation of financial statements denominated in foreign currencies	30/6/2024
				Amount	Reason		
Liaoning Port	359,989,686.74	-	-	-	-	2,431,128.07	362,420,814.81
HOA THUONG CORPORATION	2,344,389.02	-	-	-	-	15,832.43	2,360,221.45
Total	362,334,075.76	-	-	-	-	2,446,960.50	364,781,036.26

CHINA MERCHANTS PORT GROUP CO., LTD.

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(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	01/01/2024	Changes for the period					30/06/2024	Dividend income recognized for the period	Accumulated gains included in other comprehensive income	Accumulated losses included in other comprehensive income	Reasons for designation as at fair value through other comprehensive income
		Addition	Reduction	Gains included in other comprehensive income for the period	Losses included in other comprehensive income for the period	Effect of changes in the scope of consolidation					
China Ocean Shipping Agency Shenzhen Co., Ltd.	147,689,164.25	-	-	-	-	-	147,689,164.25	-	134,179,164.25	-	It is a non-trading equity instrument investment
Others	9,772,483.91	-	-	-	-	-	9,772,483.91	-	3,873,283.91	-3,128,300.00	It is a non-trading equity instrument investment
Total	157,461,648.16	-	-	-	-	-	157,461,648.16	-	138,052,448.16	-3,128,300.00	

(2) There are no other equity instruments derecognized for the period.

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

14. Other non-current financial assets

Item	30/06/2024	31/12/2023
Financial assets at FVTPL	1,322,285,501.80	877,576,442.83
Including: Investments in equity instruments	1,322,285,501.80	877,576,442.83
Including: Qingdao Port International Co., Ltd.	1,294,931,788.20	850,222,729.23
Others	27,353,713.60	27,353,713.60

15. Investment properties

(1) Investment properties measured at cost

Item	Land use rights	Buildings and structures	Total
I. Cost			
1. At 1 January 2024	136,657,995.75	6,191,446,084.83	6,328,104,080.58
2. Increase for the period	-	-	-
(1) Purchases	-	-	-
(2) Transfer from fixed assets	-	-	-
(3) Transfer from intangible assets	-	-	-
3. Decrease for the period	-	11,200,535.47	11,200,535.47
4. At 30 June 2024	136,657,995.75	6,180,245,549.36	6,316,903,545.11
II. Accumulated depreciation and amortization			
1. At 1 January 2024	47,569,315.68	1,322,159,796.11	1,369,729,111.79
2. Increase for the period	1,285,600.37	90,376,225.02	91,661,825.39
(1) Provision for the period	1,285,600.37	90,376,225.02	91,661,825.39
(2) Transfer from fixed assets	-	-	-
(3) Transfer from intangible assets	-	-	-
3. Decrease for the period	-	9,629,919.74	9,629,919.74
4. At 30 June 2024	48,854,916.05	1,402,906,101.39	1,451,761,017.44
III. Impairment provision			
1. At 1 January 2024	-	-	-
2. Increase for the period	-	-	-
3. Decrease for the period	-	-	-
4. At 30 June 2024	-	-	-
IV. Carrying amount			
1. At 30 June 2024	87,803,079.70	4,777,339,447.97	4,865,142,527.67
2. At 1 January 2024	89,088,680.07	4,869,286,288.72	4,958,374,968.79

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

15. Investment properties - continued

(2) Investment properties without ownership certificates

Item	Carrying amount at 30/06/2024	Carrying amount at 31/12/2023	Reasons for not obtaining certificate of title	Expected time of completion
Buildings, structures, and land use rights	21,794,213.72	24,363,424.74	Some buildings and structures have not yet obtained certificates of land use rights	The certificate of title is underway

16. Fixed assets

16.1 Summary of fixed assets

Item	30/06/2024	31/12/2023
Fixed assets	29,565,260,352.64	28,986,501,937.59
Disposal of fixed assets	122,121.62	36,388.76
Total	29,565,382,474.26	28,986,538,326.35

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	—	—	—	—	—
1. At 1 January 2024	31,137,311,072.50	1,825,694,719.33	16,741,310,306.89	2,283,384,722.04	51,987,700,820.76
2. Increase for the period	1,453,964,906.25	28,442,849.96	462,566,028.83	31,127,492.12	1,976,101,277.16
(1) Purchase	11,433,971.76	4,292.73	52,626,663.32	12,186,346.61	76,251,274.42
(2) Transfer from development expenditure	10,386,092.09	-	1,259,192.09	-	11,645,284.18
(3) Transfer from construction in progress	851,627,786.84	-	95,481,576.99	7,367,747.19	954,477,111.02
(4) Transfer from right-of-use assets	580,517,055.56	-	-	-	580,517,055.56
(5) Effect of changes in the scope of consolidation	-	17,238,021.76	306,374,658.26	11,573,398.32	335,186,078.34
(6) Transfer from other accounts	-	11,200,535.47	6,823,938.17	-	18,024,473.64
3. Decrease for the period	2,812,695.05	2,707,303.50	58,906,559.66	23,028,482.54	87,455,040.75
(1) Disposal or retirement	2,812,695.05	2,707,303.50	58,906,559.66	23,028,482.54	87,455,040.75
(2) Transfer to investment properties	-	-	-	-	-
4. Adjustments to the amount carried forward	-12,641,774.30	-	-1,501,024.85	-764,601.77	-14,907,400.92
5. Reclassification	757,294.28	-	-757,294.28	-	-
6. Effect of translation of financial statements denominated in foreign currencies	-202,208,161.52	283,458.61	-99,668,057.86	3,352,694.64	-298,240,066.13
7. At 30 June 2024	32,374,370,642.16	1,851,713,724.40	17,043,043,399.07	2,294,071,824.49	53,563,199,590.12
II. Accumulated depreciation					
1. At 1 January 2024	10,597,481,043.45	625,019,594.44	10,412,566,166.66	1,152,627,595.54	22,787,694,400.09
2. Increase for the period	555,881,913.12	53,909,288.98	514,988,998.55	59,472,007.75	1,184,252,208.40
(1) Provision	465,480,951.91	34,424,362.70	401,430,870.35	52,669,697.51	954,005,882.47
(2) Transfer from right-of-use assets	90,400,961.21	-	-	-	90,400,961.21
(3) Effect of changes in the scope of consolidation	-	9,855,006.54	111,735,339.71	6,802,310.24	128,392,656.49
(4) Transfer from other accounts	-	9,629,919.74	1,822,788.49	-	11,452,708.23
3. Decrease for the period	1,766,490.93	2,676,406.24	55,257,510.72	21,877,058.41	81,577,466.30
(1) Disposal or retirement	1,766,490.93	2,676,406.24	55,257,510.72	21,877,058.41	81,577,466.30
(2) Transfer to investment properties	-	-	-	-	-
4. Reclassification	-	-	-	-	-
5. Effect of translation of financial statements denominated in foreign currencies	-46,716,877.75	274,224.00	-60,405,136.33	995,782.20	-105,852,007.88
6. At 30 June 2024	11,104,879,587.89	676,526,701.18	10,811,892,518.16	1,191,218,327.08	23,784,517,134.31
III. Impairment provision					
1. At 1 January 2024	196,464,146.22	9,414,527.47	7,625,809.39	-	213,504,483.08
2. Increase for the period	-	-	-	-	-
3. Disposal or retirement for the period	-	-	-	-	-
4. Effect of translation of financial statements denominated in foreign currencies	-	-	-82,379.91	-	-82,379.91
5. At 30 June 2024	196,464,146.22	9,414,527.47	7,543,429.48	-	213,422,103.17
IV. Carrying amount					
1. At 30 June 2024	21,073,026,908.05	1,165,772,495.75	6,223,607,451.43	1,102,853,497.41	29,565,260,352.64
2. At 1 January 2024	20,343,365,882.83	1,191,260,597.42	6,321,118,330.84	1,130,757,126.50	28,986,501,937.59

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(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 30 June 2024.

(3) Fixed assets leased out under operating leases

Item	Carrying amount at 30/06/2024	Carrying amount at 31/12/2023
Buildings and structures	190,589,210.25	190,979,949.85
Port and terminal facilities	29,507,670.01	35,709,105.32
Machinery and equipment, furniture, fixture and other equipment	1,919,110.89	5,012,091.76
Total	222,015,991.15	231,701,146.93

(4) Fixed assets without ownership certificates

Item	Carrying amount at 30/06/2024	Carrying amount at 31/12/2023	Remark
Buildings, structures, port and terminal facilities	1,493,207,830.28	1,539,024,375.12	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) Details of fixed assets depreciated but still in use and temporarily idle at the end of the period, and fixed assets disposed and retired in the period:

Item	Amount	Remark
Cost of fixed assets fully depreciated but still in use at the end of the period	5,135,496,637.02	
Cost of fixed assets temporarily idle at the end of the period	-	
Fixed assets disposed and retired in the period:		
Including: Cost of fixed assets disposed and retired in the period	87,455,040.75	
Net book value of fixed assets disposed and retired in the period	5,877,574.45	
Loss on disposal or retirement of fixed assets in the period	-2,457,031.16	

(6) The details of the Group's fixed assets with restricted ownership as at 30 June 2024 are set out in Note (VIII) 64.

16.3 Disposal of fixed assets

Item	30/06/2024	31/12/2023
Machinery and equipment, furniture, fixture and other equipment	122,121.62	36,388.76
Total	122,121.62	36,388.76

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

17. Construction in progress

(1) Presentation of construction in progress

Item	30/06/2024	31/12/2023
Construction in progress	2,532,718,789.30	2,907,014,186.24
Materials for construction of fixed assets	14,258,300.01	2,803,095.22
Total	2,546,977,089.31	2,909,817,281.46

(2) Details of construction in progress

Item	30/06/2024			31/12/2023		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Port and terminal facilities	1,649,625,833.91	-	1,649,625,833.91	2,380,800,758.33	-	2,380,800,758.33
Infrastructure	372,662,030.76	-	372,662,030.76	252,638,193.22	-	252,638,193.22
Berths and yards	365,037,381.64	-	365,037,381.64	178,174,354.90	-	178,174,354.90
Cargo ships under construction	1,726,548.68	-	1,726,548.68	1,726,548.68	-	1,726,548.68
Others	143,666,994.31	-	143,666,994.31	93,674,331.11	-	93,674,331.11
Total	2,532,718,789.30	-	2,532,718,789.30	2,907,014,186.24	-	2,907,014,186.24

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

17. Construction in progress - continued

(3) Movement of significant items of construction in progress

Item	Budget amount	01/01/2024	Increase for the period	Transfer to fixed assets	Other decreases for the period	Effect of translation of financial statements denominated in foreign currencies	30/06/2024	Proportion of accumulated construction investment in budget (%)	Construction progress (%)	Amount of accumulated capitalized interest	Including: Capitalized interest for the period	Interest capitalization rate for the current period (%)	Capital source
Reconstruction project of HIPG container, oil terminal and tank area	2,817,485,265.02	831,225,294.06	-	-	-	4,670,925.88	835,896,219.94	57.68	57.68	942,888.05	-	-	Own funds and loans
General cargo terminal project at Donghai Island Port Area of Zhanjiang Port	905,348,400.00	448,945,219.84	-	-	-	-	448,945,219.84	49.59	49.59	44,364,372.49	-	-	Own funds and loans
Phase I expansion project for the container terminal at Baoman Port Area, Zhanjiang Port	2,342,775,800.00	228,565,139.35	129,488,685.06	-	-	-	358,053,824.41	15.28	15.28	2,512,870.60	1,501,500.00	3.30	Own funds and loans
Phase II project (Phase I) of the wharf in the local operation area of Foshan Port's Liaoge Mountain Port Area	746,878,600.00	173,229,108.75	131,542,260.45	-	-	-	304,771,369.20	40.81	40.81	16,371,314.38	4,364,573.40	3.44	Own funds and loans
Subsequent construction work in progress at HIPG terminal	142,450,000.00	64,518,356.73	24,063,035.21	-	-	423,380.10	89,004,772.04	62.48	62.48	-	-	-	Own funds
Back land reclamation project on Haidagan Bulk Yard and Supporting Facilities and Liquid Bulk Berth	82,400,000.00	62,250,560.60	418,555.20	-	-	-	62,669,115.80	76.05	76.05	-	-	-	Own funds
Dachanwan phase II project	6,202,000,000.00	46,192,561.48	23,180,993.38	-	-	-	69,373,554.86	1.10	1.10	-	-	-	Own funds
Phase II project (Phase II) of the wharf in the local operation area of Foshan Port's Liaoge Mountain Port Area	512,745,400.00	2,335,611.25	51,875,693.14	-	-	-	54,211,304.39	10.57	10.57	-	-	-	Own funds
Installation project of bucket-wheel stacker reclaimer, Zhanjiang Port	74,800,000.00	52,388,886.18	-	-	-	-	52,388,886.18	70.04	70.04	2,671,994.44	-	-	Own funds and loans
TCP tire-type container crane project	48,734,405.90	29,577,680.30	6,214,010.21	-	22,334.68	-3,274,858.84	32,494,496.99	66.72	66.72	-	-	-	Own funds
Total	13,875,617,870.92	1,939,228,418.54	366,783,232.65	-	22,334.68	1,819,447.14	2,307,808,763.65			66,863,439.96	5,866,073.40		

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

17. Construction in progress - continued

(4) Materials for construction of fixed assets

Item	30/06/2024			31/12/2023		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Materials for construction of fixed assets	14,258,300.01	-	14,258,300.01	2,803,095.22	-	2,803,095.22

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	---	---	---	---	---	---
1. At 1 January 2024	7,562,353,952.80	209,373,502.30	90,415,354.96	3,196,799,850.46	12,324,371.27	11,071,267,031.79
2. Increase for the period	-	9,012,748.53	-	591,077,283.40	-	600,090,031.93
(1) Purchase	-	8,968,347.27	-	37,608,409.78	-	46,576,757.05
(2) Effect of changes in the scope of consolidation	-	-	-	553,468,873.62	-	553,468,873.62
(3) Others	-	44,401.26	-	-	-	44,401.26
3. Decrease for the period	615,737,637.49	20,886,370.09	-	1,148,114.05	-	637,772,121.63
(1) Termination of lease	35,218,662.38	20,804,562.13	-	-	-	56,023,224.51
(2) Transfer to fixed assets	580,517,055.56	-	-	-	-	580,517,055.56
(3) Others	1,919.55	81,807.96	-	1,148,114.05	-	1,231,841.56
4. Effect of translation of financial statements denominated in foreign currencies	35,347,365.73	773,188.16	-614,082.04	19,234,176.27	-	54,740,648.12
5. At 30 June 2024	6,981,963,681.04	198,273,068.90	89,801,272.92	3,805,963,196.08	12,324,371.27	11,088,325,590.21
II. Accumulated depreciation						
1. At 1 January 2024	1,133,512,711.03	69,917,866.45	41,288,905.85	378,727,399.69	6,151,837.55	1,629,598,720.57
2. Increase for the period	115,620,437.56	13,151,447.02	3,890,427.49	41,709,251.90	1,877,529.60	176,249,093.57
(1) Provision	115,620,437.56	13,151,447.02	3,890,427.49	36,174,563.38	1,877,529.60	170,714,405.05
(2) Effect of changes in the scope of consolidation	-	-	-	5,534,688.52	-	5,534,688.52
3. Decrease for the period	91,958,852.99	10,430,820.71	-	-	-	102,389,673.70
(1) Termination of lease	1,557,891.78	10,417,186.01	-	-	-	11,975,077.79
(2) Transfer to fixed assets	90,400,961.21	-	-	-	-	90,400,961.21
(3) Others	-	13,634.70	-	-	-	13,634.70
4. Effect of translation of financial statements denominated in foreign currencies	4,395,086.99	193,574.91	-616,744.30	2,110,977.59	-	6,082,895.19
5. At 30 June 2024	1,161,569,382.59	72,832,067.67	44,562,589.04	422,547,629.18	8,029,367.15	1,709,541,035.63
III. Impairment provision						
1. At 1 January 2024	-	-	-	-	-	-
2. Increase for the period	-	-	-	-	-	-
3. Decrease for the period	-	-	-	-	-	-
4. At 30 June 2024	-	-	-	-	-	-
IV. Carrying amount						
1. At 30 June 2024	5,820,394,298.45	125,441,001.23	45,238,683.88	3,383,415,566.90	4,295,004.12	9,378,784,554.58
2. At 1 January 2024	6,428,841,241.77	139,455,635.85	49,126,449.11	2,818,072,450.77	6,172,533.72	9,441,668,311.22

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

19. Intangible assets

(1) Details of intangible assets

Item	Land use rights	Terminal operating rights	Others	Total
I. Cost	—	—	—	—
1. At 1 January 2024	13,931,545,206.82	9,719,144,201.53	1,668,648,110.38	25,319,337,518.73
2. Increase for the period	208,031,713.01	124,381,824.32	14,914,601.71	347,328,139.04
(1) Purchase	204,573,647.65	48,182,452.97	14,808,563.97	267,564,664.59
(2) Effect of changes in the scope of consolidation	3,458,065.36	76,199,371.35	-	79,657,436.71
(3) Transfer from R&D expenditure	-	-	-	-
(4) Other increase	-	-	106,037.74	106,037.74
3. Decrease for the period	-	-	7,058,745.13	7,058,745.13
(1) Disposal	-	-	7,058,745.13	7,058,745.13
(2) Effect of changes in the scope of consolidation	-	-	-	-
(3) Transfer to investment properties	-	-	-	-
(4) Other decrease	-	-	-	-
4. Effect of translation of financial statements denominated in foreign currencies	1,542,709.72	-489,923,523.83	-62,179,512.48	-550,560,326.59
5. At 30 June 2024	14,141,119,629.55	9,353,602,502.02	1,614,324,454.48	25,109,046,586.05
II. Accumulated amortization				
1. At 1 January 2024	4,298,634,686.00	2,294,738,077.51	595,892,300.43	7,189,265,063.94
2. Increase for the period	163,545,442.21	167,369,877.13	40,742,160.58	371,657,479.92
(1) Provision	160,357,341.98	134,985,150.57	40,742,160.58	336,084,653.13
(2) Effect of changes in the scope of consolidation	3,188,100.23	32,384,726.56	-	35,572,826.79
(3) Other increase	-	-	-	-
3. Decrease for the period	-	-	6,791,490.87	6,791,490.87
(1) Disposal	-	-	6,791,490.87	6,791,490.87
(2) Transfer to investment properties	-	-	-	-
(3) Effect of changes in the scope of consolidation	-	-	-	-
(4) Other decrease	-	-	-	-
4. Effect of translation of financial statements denominated in foreign currencies	728,290.84	-122,259,583.07	-22,996,781.23	-144,528,073.46
5. At 30 June 2024	4,462,908,419.05	2,339,848,371.57	606,846,188.91	7,409,602,979.53
III. Impairment provision				
1. At 1 January 2024	44,199,381.24	-	12,810,888.83	57,010,270.07
2. Increase for the period	-	-	-	-
3. Decrease for the period	-	-	-	-
4. At 30 June 2024	44,199,381.24	-	12,810,888.83	57,010,270.07
IV. Carrying amount				
1. At 30 June 2024	9,634,011,829.26	7,013,754,130.45	994,667,376.74	17,642,433,336.45
2. At 1 January 2024	9,588,711,139.58	7,424,406,124.02	1,059,944,921.12	18,073,062,184.72

(2) Land use rights without ownership certificates as at 30 June 2024:

Item	Carrying amount at 30/06/2024	Carrying amount at 31/12/2023
Land use rights (Note)	1,790,457,890.62	2,374,139,495.63

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

19. Intangible assets - continued

(2) Land use rights without ownership certificates as at 30 June 2024: - continued

Note: At 30 June 2024, 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 m², and Dachanwan Port area Phase II land use rights obtained by Ansuje Terminals Warehousing Service (Shenzhen) Co., Ltd. ("ASJ"), the costs of which are RMB 1,179,259,029.47 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. ASJ is negotiating with relevant government departments for handling the ownership certificates of Dachanwan Port area Phase II land use rights obtained by it.

20. Goodwill

(1) Details of goodwill

Investee	Sources	01/01/2024	Increase (Note)	Decrease	Effect of translation of financial statements denominated in foreign currencies	30/06/2024
TCP	Acquisition of equity	2,986,472,072.14	-	-	-293,960,864.05	2,692,511,208.09
Mega Shekou Container Terminals Limited ("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	288,255,850.88	225,758,626.49	-	570,709.00	514,585,186.37
Sub-total	— —	7,463,665,290.77	225,758,626.49	-	-293,390,155.05	7,396,033,762.21
Provision for impairment of goodwill	— —	970,663,044.33	-	-	-	970,663,044.33
Total	— —	6,493,002,246.44	225,758,626.49	-	-293,390,155.05	6,425,370,717.88

Note: Refer to Note (X) 1(2).

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

20. Goodwill - continued

(2) Provision for impairment of goodwill

Investee	31/12/2023	Provision	Decrease	Effect of translation of financial statements denominated in foreign currencies	30/06/2024
Zhanjiang Port	418,345,307.68	-	-	-	418,345,307.68
Shantou Port	552,317,736.65	-	-	-	552,317,736.65
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 (primarily by geographic region), 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

(4) Specific method for determination of recoverable amount

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 5 years to 25 years detailed forecast period and subsequent forecast period. The estimated future cash flows for the detailed forecast period are based on the business plan established by the management; the expected future cash flows for the subsequent forecast period are determined in conjunction with the level of the final year of the detailed forecast 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 parameters of key assumptions determined by the Group's management are in line with the Group's historical experience or external source of information.

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

21. Long-term prepaid expenses

Presentation of long-term prepaid expenses:

Item	01/01/2024	Effect of changes in the scope of consolidation	Increase for the period	Amortization in the period	Other decreases	30/06/2024	Reason for other decreases
Tonggu channel widening project (Note 1)	440,997,664.99	-	-	8,951,741.92	-	432,045,923.07	
West public channel widening project at West port area (Note 2)	237,979,944.19	-	-	3,301,813.08	-	234,678,131.11	
Dredging project	79,289,435.04	-	-	11,238,115.99	43,173.92	68,008,145.13	Settlement variance
Relocation project of Nanhai Rescue Bureau	36,446,743.10	-	-	553,684.20	-	35,893,058.90	
Expenditures for the improvement of leased fixed assets	22,094,914.45	-	-	1,357,044.22	-	20,737,870.23	
Others	176,984,803.52	-	4,824,041.88	25,434,275.13	88,597.40	156,285,972.87	Exchange rate movements, settlement differences
Total	993,793,505.29	-	4,824,041.88	50,836,674.54	131,771.32	947,649,101.31	

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 prepaid expenses", and amortized 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 prepaid expenses", and amortized 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.

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

22. Deferred income tax

(1) Deferred tax assets before offsetting

Item	30/06/2024		31/12/2023	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Terminal operating right	718,563,277.30	215,568,983.22	714,547,999.18	214,364,399.78
Lease liabilities	742,000,288.39	183,187,444.17	812,240,581.51	218,145,932.73
Unrealized profit	746,294,173.57	182,348,777.51	749,254,178.80	183,009,204.87
Depreciation of fixed assets	161,918,682.06	35,190,642.04	162,352,087.79	40,588,021.95
Provision for credit loss	138,822,353.16	29,671,055.75	151,277,238.51	32,071,347.97
Accrued and unpaid wages	133,078,375.76	28,848,066.23	126,623,677.19	27,883,418.55
Provisions	75,889,086.50	25,802,289.41	85,590,059.41	29,100,620.20
Deferred income	37,345,769.51	8,822,388.39	39,203,663.56	9,101,072.49
Deductible losses	44,370,322.67	7,940,629.92	43,785,085.09	10,946,271.43
Amortization of computer software	7,350,739.92	1,837,684.98	7,345,031.20	1,836,257.80
Provision for impairment of assets	6,210,238.19	1,606,620.85	6,698,523.93	1,555,485.91
Organization costs	1,028,867.64	257,216.91	1,028,867.64	257,216.91
Others	61,850,941.79	21,894,438.31	70,987,022.41	18,570,226.51
Total	2,874,723,116.46	742,976,237.69	2,970,934,016.22	787,429,477.10

(2) Deferred tax liabilities before offsetting

Item	30/06/2024		31/12/2023	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Withholding dividend income tax	43,262,736,478.95	2,972,913,038.03	41,551,214,196.81	2,840,377,397.22
Fair value adjustment of assets acquired from business combination	4,653,178,517.67	1,226,730,508.12	4,880,293,882.18	1,292,552,086.64
Depreciation of fixed assets	970,551,019.36	266,505,658.03	975,166,842.96	272,103,476.86
Right-of-use assets	936,513,868.30	246,227,934.86	1,017,854,192.39	282,003,933.26
Changes in fair value of other non-current financial assets	851,854,693.56	200,763,133.29	408,104,042.76	99,604,068.18
Terminal operating right	309,346,462.02	92,803,938.61	307,617,857.01	92,285,357.10
Changes in fair value of investments in other equity instruments	134,179,164.24	33,544,791.03	134,179,164.24	33,544,791.03
Valuation of held-for-trading financial assets and liabilities	3,785,205.48	946,301.37	2,161,643.84	540,410.96
Others	1,128,727,119.28	121,534,846.05	1,045,132,765.59	118,992,583.19
Total	52,250,872,528.86	5,161,970,149.39	50,321,724,587.78	5,032,004,104.44

(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 period	Balance of deferred tax assets or liabilities after offsetting at the end of the current period	Offset amount of deferred tax assets and liabilities at the end of the prior period	Balance of deferred tax assets or liabilities after offsetting at the end of the prior period
Deferred tax assets	-337,873,127.34	405,103,110.35	-372,366,000.07	415,063,477.03
Deferred tax liabilities	-337,873,127.34	4,824,097,022.05	-372,366,000.07	4,659,638,104.37

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

22. Deferred income tax - continued

- (4) Deductible temporary differences and deductible losses for which deferred tax assets are not recognized

Item	30/06/2024	31/12/2023
Deductible temporary differences	981,120,777.13	966,126,806.19
Deductible losses	2,577,024,330.09	2,334,799,700.50
Total	3,558,145,107.22	3,300,926,506.69

The Group recognizes 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 recognized.

- (5) Deductible losses for which deferred tax assets are not recognized will be expired in the following years:

Year	30/06/2024	31/12/2023
2024	456,210,249.71	483,200,212.68
2025	375,189,307.19	375,189,307.19
2026	110,459,051.60	110,765,532.94
2027	612,819,518.30	612,819,518.30
2028	753,743,333.32	752,825,129.39
2029	268,602,869.97	-
Total	2,577,024,330.09	2,334,799,700.50

23. Other non-current assets

Item	30/06/2024	31/12/2023
Advances for the channel project (Note)	1,025,353,749.81	1,013,508,448.79
Prepayments for fixed assets	77,577,086.90	144,896,516.09
Prepayments for terminal franchise	29,091,292.55	29,807,737.16
Others	9,221,390.46	5,943,287.58
total	1,141,243,519.72	1,194,155,989.62

Note: 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 ("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.

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

24. Short-term borrowings

(1) Classification of short-term borrowings

Item	30/06/2024	31/12/2023
Credit borrowings	11,914,293,884.20	15,593,937,427.86
Guaranteed borrowings	-	110,096,708.33
Mortgage borrowings (Note)	-	10,011,152.78
Total	11,914,293,884.20	15,714,045,288.97

Note: It represents the short-term borrowings obtained by Zhoushan RoRo, a subsidiary of the Company, with the land use rights and buildings on the land held by it as the collateral.

(2) As at 30 June 2024, the Group has no short-term borrowings that are overdue.

25. Notes payable

Category	30/06/2024	31/12/2023
Bank acceptance	33,648,733.23	64,280,925.21
Commercial acceptance	-	9,180,240.61
Total	33,648,733.23	73,461,165.82

26. Accounts payable

Item	30/06/2024	31/12/2023
Service fee	246,865,177.49	246,400,717.07
Material purchase fee	83,096,418.89	117,170,447.10
Construction fee	59,529,994.37	100,672,753.10
Equipment payments	20,558,267.93	52,762,565.74
Rental fee	11,677,717.76	13,591,518.23
Others	173,409,102.64	161,167,136.01
Total	595,136,679.08	691,765,137.25

(1) Aging of accounts payable

Aging	30/06/2024		31/12/2023	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	521,862,020.99	87.69	617,528,837.76	89.27
1-2 years	22,294,799.49	3.75	26,506,267.62	3.83
2-3 years	11,460,717.95	1.92	30,254,034.46	4.37
More than 3 years	39,519,140.65	6.64	17,475,997.41	2.53
Total	595,136,679.08	100.00	691,765,137.25	100.00

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

26. Accounts payable - continued

(2) Significant accounts payable aged more than 1 year

Name of entity	30/06/2024	Aging	Reason for outstanding or not being carried forward
Quanzhou Antong Logistics Co., Ltd.	17,869,057.61	Within 1 year, more than 3 years	To be paid upon confirmation by both parties.

27. Receipts in advance

Item	30/06/2024	31/12/2023
Rental fee received in advance	6,631,261.71	8,993,727.31
Management fee received in advance	4,391,754.08	2,659,217.99
Others	15,231,816.91	5,734,592.06
Total	26,254,832.70	17,387,537.36

(1) Aging of receipts in advance

Aging	30/06/2024		31/12/2023	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	26,117,776.65	99.48	17,387,537.36	100.00
1-2 years	137,056.05	0.52	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Total	26,254,832.70	100.00	17,387,537.36	100.00

(2) As at 30 June 2024, the Group has no significant receipts in advance aged more than one year.

(3) For the period from 1 January to 30 June 2024, the Group has no receipts in advance with significant changes in carrying amount.

28 Contract liabilities

(1) Details of contract liabilities

Item	30/06/2024	31/12/2023
Port charges received in advance	95,490,961.00	84,869,413.45
Service fee received in advance	25,176,755.62	26,198,333.07
Warehousing fee received in advance	2,311,276.75	3,204,091.87
Others	13,335,451.91	27,808,262.61
Total	136,314,445.28	142,080,101.00

(2) There are no significant changes in carrying amount of contract liabilities during the period from 1 January to 30 June 2024.

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

28 Contract liabilities - continued

- (3) As at 30 June 2024, the Group has no significant contract liabilities aged more than one year.
- (4) Qualitative analysis of contract liabilities

Contract liabilities mainly represent the amount received by the Group for the port services provided to customers. The payment is collected according to the time agreed in the contract. The Group recognizes contract revenue based on the progress of the contract. The contract liabilities will be recognized as revenue after the Group fulfils its performance obligations.

- (5) Revenue recognized in the period and included in the carrying amount of contract liabilities at the beginning of the period

An amount of RMB 93,363,695.76 included in the carrying amount of contract liabilities at the beginning of 2024 has been recognized as revenue in the current period, including contract liabilities arising from settled but unfinished construction resulting from the contract of service fees received in advance amounting to RMB 77,774,256.88, contract liabilities arising from settled but unfinished construction resulting from the contract of port charges received in advance amounting to RMB 4,519,088.50, contract liabilities arising from settled but unfinished construction resulting from contract of warehousing fee received in advance amounting to RMB 3,204,091.87, and contract liabilities arising from settled but unfinished construction resulting from other contracts amounting to RMB 7,866,258.51.

29. Employee benefits payable

- (1) Presentation of employee benefits payable

Item	01/01/2024	Effect of changes in the scope of consolidation	Increase for the period	Decrease for the period	30/06/2024
1. Short-term benefits	910,273,177.19	1,542,765.71	1,555,084,315.06	1,644,886,957.94	822,013,300.02
2. Post-employment benefits - defined contribution plan	8,354,000.03	-	173,997,812.16	172,298,042.31	10,053,769.88
3. Termination benefits	-	-	3,248,281.29	3,248,281.29	-
4. Other benefits due within 1 year	-	-	1,749,069.41	1,749,069.41	-
5. Others	-662,570.57	-	1,169,494.93	1,173,969.56	-667,045.20
Total	917,964,606.65	1,542,765.71	1,735,248,972.85	1,823,356,320.51	831,400,024.70

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

29. Employee benefits payable - continued

(2) Presentation of short-term benefits

Item	01/01/2024	Effect of changes in the scope of consolidation	Increase for the period	Decrease for the period	30/06/2024
1. Wages and salaries, bonuses, allowances and subsidies	883,913,277.13	1,542,765.71	1,274,530,840.24	1,369,135,197.67	790,851,685.41
2. Staff welfare	-	-	66,379,093.44	62,622,731.05	3,756,362.39
3. Social insurance contributions	13,812,824.03	-	93,114,930.64	91,327,864.71	15,599,889.96
Including: Medical insurance	11,207,480.67	-	75,337,350.23	73,622,081.50	12,922,749.40
Work injury insurance	-	-	10,273,444.81	10,273,444.81	-
Others	2,605,343.36	-	7,504,135.60	7,432,338.40	2,677,140.56
4. Housing funds	-96,673.85	-	92,076,670.74	91,897,485.17	82,511.72
5. Labour union and employee education funds	12,735,219.61	-	23,136,309.25	24,672,097.39	11,199,431.47
6. Other short-term benefits	-91,469.73	-	5,846,470.75	5,231,581.95	523,419.07
Total	910,273,177.19	1,542,765.71	1,555,084,315.06	1,644,886,957.94	822,013,300.02

(3) Presentation of defined benefit plans

Item	01/01/2024	Effect of changes in the scope of consolidation	Increase for the period	Decrease for the period	30/06/2024
I. Basic pension	8,238,945.13	-	126,653,018.93	125,335,214.97	9,556,749.09
II. Unemployment insurance	-	-	5,542,073.09	5,542,073.09	-
III. Enterprise annuity	115,054.90	-	41,802,720.14	41,420,754.25	497,020.79
Total	8,354,000.03	-	173,997,812.16	172,298,042.31	10,053,769.88

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, and 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	01/01/2024	Effect of changes in the scope of consolidation	Provision for the period	Payment for the period	Effect of translation of financial statements denominated in foreign currencies	30/06/2024
Enterprise income tax	819,694,805.83	3,057,750.61	599,683,650.10	851,216,905.50	-8,984,976.12	562,234,324.92
VAT	20,221,806.46	3,998.72	102,846,779.58	95,939,887.87	7,357.08	27,140,053.97
Other taxes	83,136,960.21	-	277,104,372.44	261,924,782.65	-2,544,243.05	95,772,306.95
Total	923,053,572.50	3,061,749.33	979,634,802.12	1,209,081,576.02	-11,521,862.09	685,146,685.84

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

31. Other payables

(1) Presentation of other payables

Item	30/06/2024	31/12/2023
Dividends payable	3,049,267,902.67	111,897,214.27
Other payables	1,588,043,118.08	1,542,724,955.75
Total	4,637,311,020.75	1,654,622,170.02

(2) Dividends payable

Item	30/06/2024	31/12/2023
Ordinary share dividends	3,049,267,902.67	111,897,214.27
Including: Other External parties	676,583,749.93	-
China Merchants Port Investment Development Company Limited	666,216,215.84	-
GLOBAL TERMINAL LIMITED S.A.R.L.	402,690,750.00	-
CHINA MERCHANTS UNION (BVI) LIMITED	401,621,550.20	-
Zhejiang Provincial Seaport Investment&Operation Group Co.,Ltd.	334,491,531.46	-
China Merchants Gangtong Development (Shenzhen) Co., Ltd.	215,109,240.00	-
Zhanjiang Infrastructure Construction Investment Group Co., Ltd.	95,442,231.24	-
China Merchants Zhangzhou Development Zone Co., Ltd.	72,734,806.46	77,734,806.46
SRI LANKA PORTS AUTHORITY	53,418,750.00	-
Shenzhen Infrastructure Investment Fund Partnership (Limited Partnership)	37,613,105.56	-
Broadford Global Limited	32,082,240.64	-
Dalian Port Container Development Co., Ltd. ("Dalian Port Container")	16,160,696.61	16,160,696.61
China Merchants Investment Development (Hong Kong) Limited	10,336,739.21	-
Dalian Port Jifa Logistics Co., Ltd. ("Jifa Logistics")	9,575,104.42	9,575,104.42
China Baowu Steel Group Corporation Limited	8,693,074.43	-
Yingkou Port Group Co., Ltd. ("Yingkou Port Group")	5,372,456.78	5,372,456.78
Qingdao Qingbao Investment Holding Co.,Ltd.	4,726,364.88	-
Sanya Port Group Co., Ltd.	3,229,100.00	-
Shenzhen Yan Tian Port Holdings Co.,Ltd.	1,434,510.53	-
Orienture Holdings Company Limited	1,313,769.60	-
GUANGDONG EVERGREEN GROUP COMPANY LIMITED	168,765.95	-
China Guangzhou Ocean Shipping Agency Co., Ltd.	168,765.95	-
Shenzhen Yantiangang Tongyun Industrial Co.,Ltd.	84,382.98	-
Yiu Lian Dockyards Limited	-	2,334,150.00
Qingdao Port (Group) Co., Ltd.	-	720,000.00

Note: As at 30 June 2024, the Group has no significant dividends payable aged more than one year.

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

31. Other payables - continued

(3) Other payables - continued

(a) Disclosure of other payables by nature

Item	30/06/2024	31/12/2023
Amount payable for construction and quality warranty	568,009,857.08	575,941,472.21
Guarantees and deposits	224,754,323.78	246,316,308.32
Customer discount	137,460,454.35	129,780,042.30
Accrued expenses	98,314,993.21	139,920,340.25
Port construction and security fee	25,049,005.33	27,939,655.23
Others	534,454,484.33	422,827,137.44
Total	1,588,043,118.08	1,542,724,955.75

(b) Significant other payables aged more than one year or past due

Company name	Amount payable	Aging	Reason for being outstanding
Transport Bureau of Shenzhen Municipality (Ports Administration of Shenzhen Municipality)	79,679,948.79	1-2 years, 2-3 years and more than 3 years	To be paid upon confirmation by both parties
Lac Assal Investment Holding Company Limited	64,672,313.88	1-2 years	To be paid upon confirmation by both parties
CCCC Water Transport Planning and Design Institute Co., Ltd.	58,666,012.94	1-2 years, 2-3 years and more than 3 years	To be paid upon confirmation by both parties
Shanghai Zhenhua Heavy Industries Co., Ltd.	37,457,972.87	1-2 years and more than 3 years	The contracted settlement condition has not been reached
Shantou Transportation Bureau	31,358,355.47	More than 3 years	To be paid upon confirmation by both parties
China Communications Guangzhou Navigation Bureau Co., Ltd.	11,094,812.73	1-2 years, more than 3 years	The contracted settlement condition has not been reached
China Merchants Real Estate(Shenzhen)Co.,Ltd.	10,079,369.00	More than 3 years	To be paid upon confirmation by both parties
Guangdong Groton Group Co., Ltd. (formerly known as Guangdong Hengtai Guotong Industrial Co., Ltd.)	10,000,000.00	More than 3 years	The contracted settlement condition has not been reached
Shantou Finance Bureau	10,000,000.00	More than 3 years	To be paid upon confirmation by both parties
Total	313,008,785.68	—	—

32. Non-current liabilities due within one year

Item	30/06/2024	31/12/2023
Long-term borrowings due within one year (Note VIII, 34)	1,930,455,304.74	1,033,008,184.01
Including: Credit borrowings	1,785,185,074.71	532,282,391.00
Guaranteed borrowings	-	410,725,775.58
Mortgage borrowings	68,015,887.77	30,352,589.61
Guaranteed and mortgage borrowings	77,254,342.26	59,647,427.82
Bonds payable due within one year (Note VIII, 35)	3,307,693,198.24	5,267,490,749.32
Lease liabilities due within one year (Note VIII, 36)	149,675,800.71	248,634,286.86
Long-term payables due within one year (Note VIII, 37)	205,671,967.93	184,534,373.50
Long-term employee benefits payable due within one year (Note VIII, 38)	49,222,476.65	49,730,825.21
Other non-current liabilities due within one year (Note VIII, 41)	30,236,062.34	34,005,870.35
Total	5,672,954,810.61	6,817,404,289.25

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

33. Other current liabilities

(1) Details of other current liabilities

Item	30/06/2024	31/12/2023
Short-term bonds payable	2,005,876,712.33	2,007,190,136.98
Accrued professional agency fee	88,910,539.97	114,638,017.33
Others	38,174,546.70	22,014,380.22
Total	2,132,961,799.00	2,143,842,534.53

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(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	01/01/2024	Amount issued in the current period	Interest accrued based on par value	Amortization of premiums or discounts	Repayment in the current period	30/06/2024	Is it in breach of contract?
1.95% RMB 2 billion Super & Short-term Commercial Paper	2,000,000,000.00	1.95%	06/05/2024	90 days	2,000,000,000.00	-	2,000,000,000.00	5,876,712.33	-	-	2,005,876,712.33	No
2.43% RMB 2 billion Super & Short-term Commercial Paper	2,000,000,000.00	2.43%	07/11/2023	90 days	2,000,000,000.00	2,007,190,136.98	-	4,760,682.69	-	2,011,950,819.67	-	No
Total	4,000,000,000.00				4,000,000,000.00	2,007,190,136.98	2,000,000,000.00	10,637,395.02	-	2,011,950,819.67	2,005,876,712.33	

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

34. Long-term borrowings

Category	30/06/2024	31/12/2023	Range of period-end interest rate
Credit borrowings	19,236,552,383.83	16,857,281,855.60	1.20%-3.70%
Guaranteed borrowings	-	845,725,775.58	/
Mortgage borrowings (Note 1)	456,989,441.80	314,794,387.22	3.15%-8.00%
Guaranteed and mortgage borrowings (Note 2)	1,222,192,431.80	1,242,750,120.32	2.70%
Total	20,915,734,257.43	19,260,552,138.72	
Less: Long-term borrowings due within one year	1,930,455,304.74	1,033,008,184.01	
Including: Credit borrowings	1,785,185,074.71	532,282,391.00	
Guaranteed borrowings	-	410,725,775.58	
Mortgage borrowings	68,015,887.77	30,352,589.61	
Guaranteed and mortgage borrowings	77,254,342.26	59,647,427.82	
Long-term borrowings due after one year	18,985,278,952.69	18,227,543,954.71	

Note 1: On 30 June 2024, the Group obtained the long-term borrowings of RMB 383,828,912.41 (31 December 2023: RMB 314,794,387.22) with the land with property right, fixed assets and construction in progress of Yide Port Co., Ltd. ("Yide Port"), as well as the land with property right of Guangdong Shunkong Port Development and Construction Co., Ltd. ("Shunkong Port"), as collaterals; PT Nusantara Pelabuhan Handal Tbk ("NPH") obtained the long-term borrowings of RMB 73,160,529.39 (31 December 2023: RMB Nil) with the fixed assets as collaterals.

Note 2: On 30 June 2024, Shenzhen Haixing Harbor Development Co., Ltd. ("Shenzhen Haixing") obtained the long-term borrowings of RMB 1,222,192,431.80 (31 December 2023: RMB 1,242,750,120.32) with the land with property right as collaterals, and the borrowings are guaranteed by CM Port and Sinotrans South China Co., Ltd.

Details of mortgage borrowings are as follows:

Company name	30/06/2024	31/12/2023	Collaterals
Bank of China Qianhai Shekou Branch	1,222,192,431.80	1,242,750,120.32	Land use rights of Shenzhen Haixing
China Construction Bank Shunde Branch	191,169,777.82	206,239,867.27	Land use rights and fixed assets of Yide Port
Bank of Communications Co., Ltd. Guangdong Branch	192,659,134.59	108,554,519.95	Land use rights (Phase II) of Shunde
PT Bank Mandiri (Persero) Tbk	73,160,529.39	-	NPH fixed assets
Total	1,679,181,873.60	1,557,544,507.54	

Note: See Note (VIII) 64 for the above collaterals.

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

35. Bonds payable

(1) Bonds payable

Item	30/06/2024	31/12/2023
5.000% USD 600 million corporate bond	4,331,518,345.76	4,304,565,371.23
4.750% USD 500 million corporate bond	3,626,774,210.55	3,605,285,143.36
4.000% USD 500 million corporate bond	3,564,714,387.64	3,544,024,689.32
2.690% RMB 3 billion corporate bond	3,067,655,342.44	3,027,415,890.40
2.450% RMB 3 billion corporate bond	3,060,209,589.03	3,023,560,273.97
3.520% RMB 2 billion corporate bond	-	2,050,147,945.19
2.800% RMB 1.5 billion corporate bond	1,510,241,095.89	-
2.680% RMB 0.5 billion corporate bond	503,267,397.26	-
Total	19,664,380,368.57	19,554,999,313.47
Less: Bonds payable due within one year	3,307,693,198.24	5,267,490,749.32
Bonds payable due after one year	16,356,687,170.33	14,287,508,564.15

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

35. Bonds payable - continued

(2) Details of bonds payable

Name of bonds	Face value	Coupon rate	Date of issue	Term of the bond	Amount of issue	31/12/2023	Amount issued in the current period	Interest accrued based on par value	Amortization of premiums or discounts	Repayment in current period	Effect of translation of financial statements denominated in foreign currencies	30/06/2024	Is it in breach of contract?
5.000% USD 600 million corporate bond	USD 600,000,000.00	5.000%	06/08/2018	10 years	USD 600,000,000.00	4,304,565,371.23	-	106,344,687.98	2,984,601.12	106,562,536.30	24,186,221.73	4,331,518,345.76	No
4.000% USD 500 million corporate bond	USD 500,000,000.00	4.000%	01/06/2022	5 years	USD 500,000,000.00	3,544,024,689.32	-	70,465,140.06	1,355,130.29	71,065,587.83	19,935,015.80	3,564,714,387.64	No
4.750% USD 500 million corporate bond	USD 500,000,000.00	4.750%	03/08/2015	10 years	USD 500,000,000.00	3,605,285,143.36	-	84,200,157.81	1,391,424.58	84,366,431.79	20,263,916.59	3,626,774,210.55	No
3.520% RMB 2 billion corporate bond	2,000,000,000.00	3.520%	14/04/2021	3 years	2,000,000,000.00	2,050,147,945.19	-	20,252,054.81	-	2,070,400,000.00	-	-	No
2.690% RMB 3 billion corporate bond	3,000,000,000.00	2.690%	29/08/2022	3 years	3,000,000,000.00	3,027,415,890.40	-	40,239,452.04	-	-	-	3,067,655,342.44	No
2.450% RMB 3 billion corporate bond	3,000,000,000.00	2.450%	05/09/2022	2 years	3,000,000,000.00	3,023,560,273.97	-	36,649,315.06	-	-	-	3,060,209,589.03	No
2.800% RMB 1.5 billion corporate bond	1,500,000,000.00	2.800%	01/04/2024	2 years	1,500,000,000.00	-	1,500,000,000.00	10,241,095.89	-	-	-	1,510,241,095.89	No
2.680% RMB 0.5 billion corporate bond	500,000,000.00	2.680%	01/04/2024	3 years	500,000,000.00	-	500,000,000.00	3,267,397.26	-	-	-	503,267,397.26	No
Total	---	---	---	---	---	19,554,999,313.47	2,000,000,000.00	371,659,300.91	5,731,155.99	2,332,394,555.92	64,385,154.12	19,664,380,368.57	
Less: Bonds payable due within one year	---	---	---	---	---	5,267,490,749.32	40,202,448.92	-	-	2,000,000,000.00	-	3,307,693,198.24	
Bonds payable due after one year	---	---	---	---	---	14,287,508,564.15	1,959,797,551.08	371,659,300.91	5,731,155.99	332,394,555.92	64,385,154.12	16,356,687,170.33	

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

36. Lease liabilities

(1) Lease liabilities

Category	30/06/2024	31/12/2023
Lease payment	3,863,055,235.56	2,782,133,802.80
Unrecognized financing cost	-2,169,389,815.07	-1,532,327,309.02
Total	1,693,665,420.49	1,249,806,493.78
Less: Lease liabilities due within one year	149,675,800.71	248,634,286.86
Lease liabilities due after one year	1,543,989,619.78	1,001,172,206.92

(2) Maturity of lease liabilities

Item	30/06/2024
Minimum lease payments under non-cancellable leases:	
1 st year subsequent to the balance sheet date	241,855,275.67
2 nd year subsequent to the balance sheet date	156,352,310.72
3 rd year subsequent to the balance sheet date	137,826,180.85
Subsequent years	3,327,021,468.32
Total	3,863,055,235.56

The Group is not exposed to any significant liquidity risk associated with lease liabilities.

37. Long-term payables

(1) Presentation of long-term payables

Item	30/06/2024	31/12/2023
Long-term payables	3,749,789,258.48	4,001,789,922.65
Special payables	5,854,885.33	5,606,653.02
Total	3,755,644,143.81	4,007,396,575.67
Less: Long-term payables due within one year	205,671,967.93	184,534,373.50
Long-term payables due after one year	3,549,972,175.88	3,822,862,202.17

(2) Long-term payables

Item	30/06/2024	31/12/2023
Terminal operating rights (Note)	3,669,905,925.54	3,958,393,516.47
Others	79,883,332.94	43,396,406.18
Total	3,749,789,258.48	4,001,789,922.65
Less: Long-term payables due within one year	205,671,967.93	184,534,373.50
Long-term payables due after one year	3,544,117,290.55	3,817,255,549.15

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

37. Long-term payables - continued

(2) Long-term payables - continued

Note: Mainly from CICT and TCP terminal operating 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 operating 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 30 June 2024, the amount payable for the acquisition of terminal operating rights is RMB 877,419,694.52.

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"). 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 30 June 2024, the amount of franchising rights payable was RMB 2,792,486,231.02.

(3) Special payables

Item	01/01/2024	Increase for the period	Decrease for the period	30/06/2024	Reason
Employee housing fund	5,606,653.02	248,232.31	-	5,854,885.33	Note
Total	5,606,653.02	248,232.31	-	5,854,885.33	

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.

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

38. Long-term employee benefits payable

(1) Long-term employee benefits payable

Item	30/06/2024	31/12/2023
Post-employment benefits - net liabilities of defined benefit plans	520,390,479.91	509,605,071.25
Termination benefits	56,125,397.07	58,098,932.22
Others (Note)	73,072,332.25	85,036,743.65
Total	649,588,209.23	652,740,747.12
Less: Long-term employee benefits payable due within one year	49,222,476.65	49,730,825.21
Long-term employee benefits payable due after one year	600,365,732.58	603,009,921.91

Note: This represents the employee relocation costs of the Company's subsidiary Shantou Port in connection with land acquisition and reservation.

(2) Changes in defined benefit plans

Present value of defined benefit plan obligations:

Item	Current period	Prior period
I. Opening balance	509,605,071.25	516,950,669.03
II. Defined benefit cost included in profit or loss for the period	6,202,972.98	10,350,000.04
1. Current service cost	132,972.96	2,730,200.04
2. Past service cost	-	-
3. Interest adjustment	6,070,000.02	7,619,800.00
III. Defined benefit cost included in other comprehensive income	-295,564.04	789,488.92
1. Actuarial gains	-	-
2. Effect of exchange rate changes	-295,564.04	789,488.92
IV. Other changes	4,877,999.72	-6,925,211.56
1. Benefits paid	-12,308,871.63	-6,925,211.56
2. Changes in the scope of consolidation	17,186,871.35	-
V. Closing balance	520,390,479.91	521,164,946.43

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 recognizes 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 recognized 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.

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

39. Provisions

Item	01/01/2024	Increase for the period	Decrease for the period	Effect of translation of financial statements denominated in foreign currencies	30/06/2024	Reason
Pending litigation	85,590,059.41	1,100,635.55	2,456,037.42	-8,345,571.04	75,889,086.50	Note
Sales discount	-	91,599,303.09	91,599,303.09	-	-	
Total	85,590,059.41	92,699,938.64	94,055,340.51	-8,345,571.04	75,889,086.50	

Note: This represents the estimated compensation amount that the Company's subsidiary TCP may need to pay due to the pending litigation.

40. Deferred income

Item	01/01/2024	Increase for the period	Decrease for the period	30/06/2024
Government grants	1,024,776,557.73	450,000.00	25,422,775.68	999,803,782.05
Total	1,024,776,557.73	450,000.00	25,422,775.68	999,803,782.05

41. Other non-current liabilities

Item	30/06/2024	31/12/2023
Actuarial cost for the calculation of pension benefit difference for the public security bureau staff (Note 1)	188,780,623.67	198,642,177.67
Related party borrowings (Note 2)	8,176,062.34	11,945,870.35
Others	3,146,435.18	3,052,086.06
Total	200,103,121.19	213,640,134.08
Less: Other non-current liabilities due within one year	30,236,062.34	34,005,870.35
Including: Actuarial cost for the calculation of pension benefits difference for the public security bureau staff	22,060,000.00	22,060,000.00
Related party borrowings	8,176,062.34	11,945,870.35
Other non-current liabilities due after one year	169,867,058.85	179,634,263.73

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

41. Other non-current liabilities - continued

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 (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.

Note 2: It represents the principal and interest on borrowings of the subsidiary of the Company Shunkong Port from its minority shareholder Guangdong Shunkong City Investment Real Estate Co., Ltd. and its related party Guangdong Shunkong Transportation Investment Co., Ltd.

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

42. Share capital

Item	31/12/2023	Changes for the period					30/06/2024
		New issue of share	Bonus issue	Capitalization of surplus reserve	Others	Sub-total	
For the period from 1 January to 30 June 2024							
I. Restricted tradable shares							
1. State-owned shares	-	-	-	-	-	-	-
2. State-owned corporate shares	576,709,537.00	-	-	-	-	-	576,709,537.00
3. Other domestic shares	-	-	-	-	-	-	-
4. Foreign shares	-	-	-	-	-	-	-
Total restricted tradable shares	576,709,537.00	-	-	-	-	-	576,709,537.00
II. Non-restricted tradable shares							
1. Ordinary shares denominated in RMB	1,742,469,694.00	-	-	-	1,207,820.00	1,207,820.00	1,743,677,514.00
2. Foreign capital shares listed domestically	179,895,430.00	-	-	-	-	-	179,895,430.00
3. Foreign capital shares listed overseas	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-
Total non-restricted tradable shares	1,922,365,124.00	-	-	-	1,207,820.00	1,207,820.00	1,923,572,944.00
III. Total shares	2,499,074,661.00	-	-	-	1,207,820.00	1,207,820.00	2,500,282,481.00

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

42. Share capital - continued

Item	31/12/2022	Changes for the period					31/12/2023
		New issue of share	Bonus issue	Capitalization of surplus reserve	Others	Sub-total	
For the year ended 31 December 2023							
I. Restricted tradable shares							
1. State-owned shares	-	-	-	-	-	-	-
2. State-owned corporate shares	576,709,537.00	-	-	-	-	-	576,709,537.00
3. Other domestic shares	7,366.00	-	-	-	-7,366.00	-7,366.00	-
4. Foreign shares	-	-	-	-	-	-	-
Total restricted tradable shares	576,716,903.00	-	-	-	-7,366.00	-7,366.00	576,709,537.00
II. Non-restricted tradable shares							
1. Ordinary shares denominated in RMB	1,742,468,718.00	-	-	-	976.00	976.00	1,742,469,694.00
2. Foreign capital shares listed domestically	179,889,040.00	-	-	-	6,390.00	6,390.00	179,895,430.00
3. Foreign capital shares listed overseas	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-
Total non-restricted tradable shares	1,922,357,758.00	-	-	-	7,366.00	7,366.00	1,922,365,124.00
III. Total shares	2,499,074,661.00	-	-	-	-	-	2,499,074,661.00

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

43. Capital Reserve

Item	01/01/2024	Increase	Decrease	30/06/2024
For the period from 1 January to 30 June 2024				
I. Capital premium	36,453,130,588.72	238,421,458.64	-	36,691,552,047.36
Including: Capital contributed by investors	17,068,816,277.34	21,539,187.16	-	17,090,355,464.50
Differences arising from business combination involving enterprises under common control	13,302,937,205.73	-	-	13,302,937,205.73
Differences arising from acquisition of minority interests (Note 1)	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	17,193,342.68	3,483,901.00	637,425,656.02
Including: Transfer from capital reserve under the previous accounting system	-2,781,133.00	-	-	-2,781,133.00
Unexercised share-based payment (Note 2)	6,644,590.36	264,766.44	3,483,901.00	3,425,455.80
Other changes in owners' equity of the investee under equity method other than changes in net profit or loss, profit distribution and other comprehensive income	619,852,756.98	16,928,576.24	-	636,781,333.22
Total	37,076,846,803.06	255,614,801.32	3,483,901.00	37,328,977,703.38
2023				
I. Capital premium	34,208,812,963.50	2,244,317,625.22	-	36,453,130,588.72
Including: Capital contributed by investors	17,068,816,277.34	-	-	17,068,816,277.34
Differences arising from business combination involving enterprises under common control	13,302,937,205.73	-	-	13,302,937,205.73
Differences arising from acquisition of minority interests	2,165,423,814.02	2,242,433,715.25	-	4,407,857,529.27
Others	1,671,635,666.41	1,883,909.97	-	1,673,519,576.38
II. Other capital reserve	542,827,871.75	104,628,733.77	23,740,391.18	623,716,214.34
Including: Transfer from capital reserve under the previous accounting system	-2,781,133.00	-	-	-2,781,133.00
Unexercised share-based payment	5,591,402.00	1,528,712.73	475,524.37	6,644,590.36
Other changes in owners' equity of the investee under equity method other than changes in net profit or loss, profit distribution and other comprehensive income	540,017,602.75	103,100,021.04	23,264,866.81	619,852,756.98
Total	34,751,640,835.25	2,348,946,358.99	23,740,391.18	37,076,846,803.06

Note 1: The Company and its subsidiary, Port Development (Hong Kong) Co., Ltd., increased the holding of ordinary shares in CM Port, resulting in an increase of RMB 216,882,271.48 in capital reserve in the current period refer to Note (XI) 2 for details.

Note 2: Refer to Note (XVI) 2 for details.

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

44. Other comprehensive income

Item	01/01/2024	Changes for the period						Other changes	30/06/2024
		Pre-tax amount for the period	Less: Amount included in other comprehensive income in the prior period but transferred to profit or loss in the current period	Less: Amount included in other comprehensive income in the prior period but transferred to retained earnings in the current period	Less: Income tax expenses	Attributable to the Company, net of tax	Attributable to minority shareholders, net of tax		
For the period from 1 January to 30 June 2024									
I. Other comprehensive income that will not be reclassified subsequently to profit or loss	-22,859,768.83	4,880,010.69	-	-	-	2,419,297.96	2,460,712.73	-	-20,440,470.87
Including: Changes arising from remeasurement of defined benefit plans	-2,709,609.54	-	-	-	-	-	-	-	-2,709,609.54
Other comprehensive income that can't be reclassified to profit or loss under equity method	-92,749,398.41	4,880,010.69	-	-	-	2,419,297.96	2,460,712.73	-	-90,330,100.45
Changes in fair value of other equity instruments	72,599,239.12	-	-	-	-	-	-	-	72,599,239.12
II. Other comprehensive income that will be reclassified subsequently to profit or loss	-880,766,825.52	-743,811,304.09	-	-	-	-302,049,006.52	-441,762,297.57	-	-1,182,815,832.04
Including: Other comprehensive income that may be reclassified to profit or loss under equity method	-426,790,507.27	-98,079,110.21	-	-	-	-42,117,286.47	-55,961,823.74	-	-468,907,793.74
Translation differences of financial statements denominated in foreign currencies	-453,976,318.25	-645,732,193.88	-	-	-	-259,931,720.05	-385,800,473.83	-	-713,908,038.30
Total other comprehensive income	-903,626,594.35	-738,931,293.40	-	-	-	-299,629,708.56	-439,301,584.84	-	-1,203,256,302.91
2023									
I. Other comprehensive income that will not be reclassified subsequently to profit or loss	51,014,303.06	60,755,557.83	-	-	846,996.46	-73,874,071.89	133,782,633.26	-	-22,859,768.83
Including: Changes arising from remeasurement of defined benefit plans	-10,189,712.88	25,003,573.00	-	-	-	7,480,103.34	17,523,469.66	-	-2,709,609.54
Other comprehensive income that can't be reclassified to profit or loss under equity method	-8,907,673.34	32,473,509.74	-	-	-	-83,841,725.07	116,315,234.81	-	-92,749,398.41
Changes in fair value of other equity instruments	70,111,689.28	3,278,475.09	-	-	846,996.46	2,487,549.84	-56,071.21	-	72,599,239.12
II. Other comprehensive income that will be reclassified subsequently to profit or loss	-740,567,922.92	149,948,207.40	-	-	-	-140,198,902.60	290,147,110.00	-	-880,766,825.52
Including: Other comprehensive income that may be reclassified to profit or loss under equity method	-60,762,188.43	-767,504,700.07	-	-	-	-366,028,318.84	-401,476,381.23	-	-426,790,507.27
Translation differences of financial statements denominated in foreign currencies	-679,805,734.49	917,452,907.47	-	-	-	225,829,416.24	691,623,491.23	-	-453,976,318.25
Total other comprehensive income	-689,553,619.86	210,703,765.23	-	-	846,996.46	-214,072,974.49	423,929,743.26	-	-903,626,594.35

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

45. Special reserve

Item	01/01/2024	Increase	Decrease	30/06/2024
Safety production cost	34,003,994.41	26,486,147.83	10,838,866.10	49,651,276.14

46. Surplus reserve

Item	01/01/2024	Increase	Decrease	30/06/2024
Statutory surplus reserve	1,095,980,563.68	-	-	1,095,980,563.68

47. Unappropriated profit

Item	Amount	Proportion of appropriation or allocation
For the period from 1 January to 30 June 2024		
Unappropriated profit at the beginning of the period before adjustment	19,045,313,519.75	
Add: Adjustment to unappropriated profit at beginning of the period	-	
Including: Changes in accounting policies	-	
Unappropriated profit at the beginning of the period after adjustment	19,045,313,519.75	
Add: Net profit of the period attributable to shareholders of the Company	2,546,828,456.08	
Unappropriated profit carried forward from other comprehensive income	-	
Less: Transfer to statutory surplus reserve in the current period	-	
Transfer to discretionary surplus reserve in the current period	-	
Ordinary shares' dividends payable	1,450,163,838.98	Note
Ordinary shares' dividends converted into share capital	-	
Pension benefit difference	-	
Transfer to the National Council for Social Security Fund of the PRC	-	
Distribution to holders of other equity instruments	-	
Others	-	
Unappropriated profit at the end of the period	20,141,978,136.85	

Item	Amount	Proportion of appropriation or allocation
For the year ended 31 December 2023		
Unappropriated profit at the beginning of the year before adjustment	16,679,688,347.09	
Add: Adjustment to unappropriated profit at beginning of the year	22,299,954.05	
Including: Changes in accounting policies	22,299,954.05	
Unappropriated profit at the beginning of the year after adjustment	16,701,988,301.14	
Add: Net profit of the year attributable to shareholders of the Company	3,571,800,762.16	
Unappropriated profit carried forward from other comprehensive income	-	
Less: Transfer to statutory surplus reserve in the current year	94,063,114.53	
Transfer to discretionary surplus reserve in the current year	-	
Ordinary shares' dividends payable	1,124,583,597.45	
Ordinary shares' dividends converted into share capital	-	
Pension benefit difference	7,944,921.60	
Transfer to the National Council for Social Security Fund of the PRC	-	
Distribution to holders of other equity instruments	-	
Others	1,883,909.97	
Unappropriated profit at the end of the year	19,045,313,519.75	

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

47. Unappropriated profit - continued

Note : According to the resolution of shareholders' meeting on 31 May 2024, the Company plans to distribute cash dividends of RMB 5.80 (inclusive of tax) for every 10 shares, totalling up to RMB 1,449,688,194.32 based on the latest total shares of 2,499,462,404 shares. As of June 30, 2024, the total shares of the Company has been changed to 2,500,282,481 shares and the cash dividends distributed by the Company have been changed to RMB 1,450,163,838.98 due to the grant and exercise of equity incentive.

48. Operating income and operating costs

(1) Details of operating income and operating costs

Item	Current period		Prior period	
	Income	Cost	Income	Cost
Principal operation	7,883,718,886.49	4,278,633,923.81	7,708,854,212.85	4,408,430,226.61
Other operations	91,474,197.15	112,235,371.15	86,407,358.14	111,513,527.18
Total	7,975,193,083.64	4,390,869,294.96	7,795,261,570.99	4,519,943,753.79

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

48. 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	4,974,576,305.58	2,977,738,592.37	244,280,778.05	123,835,700.00	91,474,197.15	112,235,371.15	5,310,331,280.78	3,213,809,663.52
- Pearl River Delta	3,219,936,922.80	1,685,168,257.93	168,586,159.63	88,121,985.90	91,474,197.15	112,235,371.15	3,479,997,279.58	1,885,525,614.98
- Yangtze River Delta	1,029,435.60	5,842,912.70	-	-	-	-	1,029,435.60	5,842,912.70
- Bohai Rim	39,308,697.49	33,142,932.27	75,694,618.42	35,713,714.10	-	-	115,003,315.91	68,856,646.37
- Other	1,714,301,249.69	1,253,584,489.47	-	-	-	-	1,714,301,249.69	1,253,584,489.47
Other areas	2,644,011,210.95	1,157,898,462.56	20,850,591.91	19,161,168.88	-	-	2,664,861,802.86	1,177,059,631.44
Total	7,618,587,516.53	4,135,637,054.93	265,131,369.96	142,996,868.88	91,474,197.15	112,235,371.15	7,975,193,083.64	4,390,869,294.96

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

48. 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 port services, as the handling time for containers and bulk cargos is short, the management believes that it is not necessary to recognize revenue according to the progress towards the completion of contract and it is an appropriate method to recognize the fulfilment of performance obligation and revenue upon the completion of the service. 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/month/yearly basis. During the process of rendering services, the Group recognizes 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 period, 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 other payables and provisions. At the end of the period, the variable considerations arising from sales discount are set out in Note (VIII) 31 (3) and Note (VIII) 39.

(4) Descriptions on allocation to remaining performance obligations

At the end of the period, 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 136,314,445.28, of which RMB 46,777,586.79 is expected to be recognized as revenue in 2024; and RMB 89,536,858.49 is expected to be recognized as revenue in 2025 and subsequent years.

49. Taxes and surcharges

Item	Current period	Prior period
Property tax	37,432,602.44	37,043,349.16
Land use tax	17,922,726.00	21,497,609.30
City construction and maintenance tax	5,333,385.15	3,574,919.14
Education surcharges and local education surcharges	3,987,112.95	2,755,664.80
Stamp duty	1,772,162.02	1,784,831.65
Others (Note)	97,135,500.20	75,120,958.39
Total	163,583,488.76	141,777,332.44

Note: Others mainly represent the social contribution tax and tax on services borne by TCP, a subsidiary of the Company, totalled BRL 65,325,112.99 (equivalent to RMB 91,539,427.58) for the year.

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

50. Administrative expenses

Item	Current period	Prior period
Employee benefits	620,704,850.52	588,853,219.14
Depreciation expenses	35,571,367.42	37,022,009.61
Amortization of intangible assets	27,872,655.34	28,171,677.17
Fees paid to agencies	18,415,907.98	17,093,174.16
Others	105,613,974.92	119,776,074.57
Total	808,178,756.18	790,916,154.65

51. Research and development expenses

Item	Current period	Prior period
Employee benefits	59,561,003.92	92,265,865.27
Direct materials and outsourced R&D	22,767,018.47	20,057,996.34
Depreciation and amortization	1,956,675.62	8,209,955.28
Others	448,263.29	507,493.83
Total	84,732,961.30	121,041,310.72

52. Financial expenses

Item	Current period	Prior period
Interest expenses	1,024,492,994.41	967,915,432.19
Less: Interest income	240,157,542.78	248,901,354.18
Less: Capitalized interest expenses	20,937,364.57	22,358,449.22
Exchange differences	84,715,364.32	93,018,282.35
Interest expenses -Terminal operating rights (Note)	118,016,249.69	135,914,691.46
Interest expenses on lease liabilities	26,893,252.91	31,418,935.49
Handling fee	2,010,403.68	2,299,754.36
Others	1,179,416.15	1,142,449.45
Total	996,212,773.81	960,449,741.90

Note: Details are set out in Note (VIII) 37.

53. Other income

Classification by nature	Current period	Prior period
Business development subsidy	71,860,214.43	10,065,510.04
Transfer from allocation of deferred income (Note VIII 40)	25,422,775.68	24,115,933.58
Special fund for operation	6,677,269.13	6,146,204.98
Others	4,435,948.63	22,229,294.67
Total	108,396,207.87	62,556,943.27

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

54. Investment income

(1) Details of investment income

Item	Current period	Prior period
Income from long-term equity investments under equity method	3,357,745,272.28	3,095,294,518.20
Including: Income from long-term equity investments of associates under equity method	3,173,207,222.52	2,925,319,084.66
Income from long-term equity investments of joint ventures under equity method	184,538,049.76	169,975,433.54
Investment income from held-for-trading financial assets	35,265,732.57	42,382,509.61
Investment income from other non-current financial assets	44,838,893.61	40,991,190.59
Dividend income from investments in other equity instruments	-	8,824,500.00
Total	3,437,849,898.46	3,187,492,718.40

(2) Details of income from long-term equity investments under equity method

Investee	Current period	Prior period	Reason for changes
SIPG	2,356,313,485.80	2,053,880,439.55	Changes in net profit of investee
Ningbo Zhoushan	518,924,362.26	486,448,025.41	Changes in net profit of investee
Terminal Link SAS	183,301,622.28	123,523,209.71	Changes in net profit of investee
Qingdao Qianwan United Container Terminal Co., Ltd.	77,521,103.55	65,204,791.15	Changes in net profit of investee
PORT DE DJIBOUTI S.A	70,639,375.54	46,389,947.52	Changes in net profit of investee
Euro-Asia Oceangate S. à r.l.	55,117,511.36	52,892,617.53	Changes in net profit of investee
Liaoning Port	51,318,446.09	71,442,863.94	Changes in net profit of investee
MODERN TERMINALS LIMITED	23,942,161.87	24,704,316.27	Changes in net profit of investee
Shenzhen China Merchants Qianhai Industrial Development Co., Ltd.	8,845,554.89	21,312,200.00	Changes in net profit of investee
Nanshan Group	-27,433,343.85	113,853,548.75	Changes in net profit of investee
Others	39,254,992.49	35,642,558.37	Changes in net profit of investee
Total	3,357,745,272.28	3,095,294,518.20	

55. Gains from changes in fair value

Source resulting in gains from changes in fair values	Current period	Prior period
Held-for-trading financial assets	22,475,938.61	29,660,173.93
Other non-current financial assets	443,376,957.50	113,377,129.75
Including: Financial assets at fair value through profit or loss	443,376,957.50	113,377,129.75
Total	465,852,896.11	143,037,303.68

56. Gains from impairment of credit

Item	Current period	Prior period
I. Losses from impairment of credit of accounts receivable (Losses are marked with "-")	-461,759.95	-6,091,772.24
II. Gains (Losses) from impairment of credit of other receivables (Losses are marked with "-")	316,195,849.66	-848,166.66
III. Gains (Losses) from impairment of credit of long-term receivables (Losses are marked with "-")	-7,587.78	-355,682.40
Total	315,726,501.93	-7,295,621.30

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

57. Gains from impairment of assets

Item	Current period	Prior period
Gains from decline in value of inventories	-	65,324.84
Total	-	65,324.84

58. Gains from disposal of assets

Item	Current period	Prior period	Amount included in non-recurring profit or loss for the current period
Gains from disposal of non-current assets	884,468.18	352,045.75	
Including: Gains from disposal of fixed assets	679,465.46	332,086.56	
Other income	205,002.72	19,959.19	

59. Non-operating income

Item	Current period	Prior period	Amount included in non-recurring profit or loss for the current period
Compensation received for violation of contracts	1,173,484.75	11,941,072.67	
Land rent deduction	52,700.54	2,687,908.22	
Income from relocation compensation	-	4,301,000.00	
Gains from retirement or damage of non-current assets	1,566,507.26	1,501,585.40	
Including: Gains from retirement or damage of fixed assets	1,566,507.26	1,495,213.72	
Exempted current accounts	824,983.50	15,000.00	
Insurance claims	800,133.81	12,234.79	
Government grants	-	51,161.13	
Others	13,120,624.87	16,073,522.25	
Total	17,538,434.73	36,583,484.46	

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

60. Non-operating expenses

Item	Current period	Prior period	Amount included in non-recurring profit or loss for the current period
Losses on retirement of non-current assets	4,703,003.88	8,552,288.98	
Including: Losses on retirement or damage of fixed assets	4,703,003.88	8,552,288.98	
Compensation and liquidated damages	1,801,256.48	1,008,437.74	
Expenditure on public welfare donations	340,995.85	196,195.88	
Others	26,854,371.88	322,080.73	
Total	33,699,628.09	10,079,003.33	

61. Borrowing costs

Item	Capitalization rate	Amount capitalized
Construction in progress		
Phase I project for the stuffing and destuffing service area of Baoman Port Area, Zhanjiang Port	3.50%	3,225,990.15
Phase II project for the operation area terminal at Liaogeshan Port Area, Foshan Port	3.44%	4,364,573.40
Phase I expansion project for the container terminal at Baoman Port Area, Zhanjiang Port	3.30%	1,501,500.00
Other non-current assets		
Advances for channels	4.35%	11,845,301.02
Sub-total		20,937,364.57
Interest expenses included in profit or loss for the period (Excludes interest expense on terminal operating rights and lease liabilities)		1,003,555,629.84
Total		1,024,492,994.41

62. Translation of foreign currencies

Item	Current period
Exchange differences included in profit or loss for the period	84,715,364.32
Total	84,715,364.32

63. Income tax expenses

Item	Current period	Prior period
Current income tax expenses	576,566,050.41	526,429,958.55
Deferred income tax expenses	227,952,828.10	86,789,894.01
Total	804,518,878.51	613,219,852.56

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

63. Income tax expenses - continued

Reconciliation of income tax expenses to the accounting profit is as follows:

Item	Current period
Total profit	5,844,164,587.82
Income tax expenses calculated at 25%	1,461,041,146.96
Effect of non-deductible costs, expenses and losses	84,751,737.74
Accrued income tax	255,653,867.58
Effect of deductible temporary differences and deductible losses for which deferred tax assets are not recognized in the period	72,707,088.43
Effect of tax-free income (Note)	-694,827,444.70
Effect of tax incentives and changes in tax rate	-320,668,997.36
Effect of different tax rates of subsidiaries operating in other jurisdictions	-55,649,513.19
Effect of utilizing deductible losses for which deferred tax assets were not recognized in prior period	-8,402,438.30
Effect of adjustments to income tax of prior year	8,172,048.85
Others	1,741,382.50
Income tax expenses	804,518,878.51

Note: This mainly represents the tax effect of income from investments in joint ventures and associates.

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

64. Assets with restricted ownership and use right

Item	30/06/2024				31/12/2023			
	Gross carrying amount	Carrying amount	Type of restriction	Status of restriction	Gross carrying amount	Carrying amount	Type of restriction	Status of restriction
Cash and bank balances (Note 1)	48,273,024.56	48,273,024.56	Restricted guarantee	Performance bonds, frozen funds, etc.	46,535,456.14	46,535,456.14	Restricted guarantees	Performance bonds, frozen funds for card business of Bank of Communications
Fixed assets (Note 2)	506,723,837.68	467,502,744.69	Mortgage	Mortgage borrowings	330,222,332.58	291,001,239.59	Mortgage	Mortgage borrowings
Intangible assets (Note 2)	547,351,620.98	547,351,620.98	Mortgage	Mortgage borrowings	457,654,685.65	457,654,685.65	Mortgage	Mortgage borrowings
Total	1,102,348,483.22	1,063,127,390.23			834,412,474.37	795,191,381.38		

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.

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

65. Provision for impairment of assets and provision for credit loss

Item	01/01/2024	Effect of changes in the scope of consolidation	Provision for the period	Reversal for the period	Write-off and charge-off for the period	Transfer-out due to sale in the current period	Other increases for the period	Other decreases for the period	Effect of translation of financial statements denominated in foreign currencies	30/06/2024
Provision for credit loss of accounts receivable	91,022,363.09	785,325.91	1,843,140.23	-1,381,380.28	-	-	-	-	-2,467,553.63	89,801,895.32
Provision for credit loss of other receivables	957,081,730.86	-	162,050.34	-316,357,900.00	-	-	-	-	-18,759,262.79	622,126,618.41
Provision for decline in value of inventories	1,234,628.38	-	-	-	-	-	-	-	3,407.55	1,238,035.93
Provision for credit loss of long-term receivables	1,178,166.70	-	22,497.85	-14,910.07	-	-	-	-	-	1,185,754.48
Provision for impairment of long-term equity investments	362,334,075.76	-	-	-	-	-	-	-	2,446,960.50	364,781,036.26
Provision for impairment of fixed assets	213,504,483.08	-	-	-	-	-	-	-	-82,379.91	213,422,103.17
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
Total	2,654,028,762.27	785,325.91	2,027,688.42	-317,754,190.35	-	-	-	-	-18,858,828.28	2,320,228,757.97

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

66. Other comprehensive income, net of tax

Details are set out in Note (VIII) 44.

67. Items in cash flow statement

(1) Cash relating to operating activities

Other cash receipts relating to operating activities

Item	Current period	Prior period
Receipt of operating compensation	316,356,000.00	-
Interest income	179,018,389.54	158,498,388.26
Guarantees and deposits	21,859,387.49	30,744,990.97
Government grants	21,136,532.52	37,471,669.54
Rentals	2,021,910.78	6,510,750.65
Insurance indemnities	932,383.16	1,998,402.38
Others	217,476,013.97	138,575,220.13
Total	758,800,617.46	373,799,421.93

Other cash payments relating to operating activities

Item	Current period	Prior period
Operating expenses such as operating costs and administrative expenses etc.	101,884,227.23	125,945,130.98
Advance payment	72,413,451.97	93,657,548.56
Guarantees and deposits	17,564,575.29	13,258,231.38
Rentals	13,477,881.80	23,988,105.53
Port charges	950,402.70	2,639,938.00
Harbor dues on cargo	-	6,085,935.98
Others	177,708,320.65	123,054,086.20
Total	383,998,859.64	388,628,976.63

(2) Cash relating to investing activities

Cash receipts relating to significant investing activities

Item	Current period	Prior period
Recovered structured deposits	11,200,000,000.00	13,267,000,000.00
Dividends received	1,992,633,200.33	773,104,596.91
Recovered lending	-	15,768,702.30
Total	13,192,633,200.33	14,055,873,299.21

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

67. Items in cash flow statement - continued

(2) Cash relating to investing activities - continued

Other cash receipts relating to investing activities

Item	Current period	Prior period
Interest on advances for the project	-	87,390,340.59
Others	-	15,768,702.30
Total	-	103,159,042.89

Other cash payments relating to investing activities

Item	Current period	Prior period
Payment of taxes on land acquisition and reserve by ASJ	259,533,828.27	-
Disposal cost of scrapped assets, etc	-	7,340,158.92
Others	545,760.17	614,671
Total	260,079,588.44	7,346,305.63

(3) Cash relating to financing activities

Other cash receipts relating to financing activities

Item	Current period	Prior period
Sale and leaseback proceeds	40,000,000.00	322,200,480.00
Others	308,276.99	160,820.44
Total	40,308,276.99	322,361,300.44

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

67. Items in cash flow statement - continued

(3) Cash relating to financing activities - continued

Other cash payments relating to financing activities

Item	Current period	Prior period
Payment for the Company's acquisition of minority interests of CM Port	147,607,116.30	302,638,065.73
Lease expenses paid	142,264,009.77	168,480,367.22
Others	1,383,669.41	3,737,603.90
Total	291,254,795.48	474,856,036.85

Changes in liabilities arising from financing activities

Item	01/01/2024	Increase for the period		Decrease for the period		30/06/2024
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term borrowings	15,714,045,288.97	3,462,956,586.42	139,241,663.05	7,390,847,002.81	11,102,651.43	11,914,293,884.20
Long-term borrowings	18,227,543,954.71	4,564,754,569.78	305,651,616.71	2,469,823,509.91	1,642,847,678.60	18,985,278,952.69
Non-current liabilities due within one year	6,817,404,289.25	-	2,418,800,214.26	3,497,378,061.05	65,871,631.85	5,672,954,810.61
Bonds payable	14,287,508,564.15	2,000,000,000.00	69,178,606.18	-	-	16,356,687,170.33
Lease liabilities	1,001,172,206.92	-	600,513,500.64	-	57,696,087.78	1,543,989,619.78
Dividends payable	111,897,214.27	-	3,042,048,832.80	104,678,144.40	-	3,049,267,902.67
Other current liabilities	2,007,190,136.98	2,000,000,000.00	10,637,395.02	2,011,950,819.67	-	2,005,876,712.33
Total	58,166,761,655.25	12,027,711,156.20	6,586,071,828.66	15,474,677,537.84	1,777,518,049.66	59,528,349,052.61

(4) The Group has no 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 period 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.

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(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 period	Prior period
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	5,039,645,709.31	4,060,626,620.70
Add: Provision for impairment of assets	-	-65,324.84
Provision for impairment of credit	-315,726,501.93	7,295,621.30
Depreciation of fixed assets	954,005,882.47	1,019,376,080.32
Depreciation of investment properties	91,661,825.39	91,173,671.26
Depreciation of right-of-use assets	170,714,405.05	173,399,908.80
Amortization of intangible assets	336,084,653.13	357,373,882.88
Amortization of long-term prepaid expenses	50,836,674.54	43,553,304.87
Losses from disposal of fixed assets, intangible assets and other long-term assets (losses are marked with "-")	-884,468.18	-352,045.75
Losses on retirement of fixed assets, intangible assets and other long-term assets	3,136,496.62	7,050,703.58
Losses from changes in fair value (losses are marked with "-")	-465,852,896.11	-143,037,303.68
Financial expenses	1,219,468,426.80	1,091,936,549.51
Investment loss (losses are marked with "-")	-3,437,849,898.46	-3,187,492,718.40
Decrease in deferred tax assets	9,960,366.69	22,271,600.81
Increase in deferred tax liabilities	217,992,461.41	64,518,293.20
Decrease in inventories (increase are marked with "-")	-78,955,004.79	-27,601,948.90
Decrease in operating receivables (increase are marked with "-")	-697,580,401.64	-1,087,893,594.91
Increase in operating payables (decrease are marked with "-")	25,725,974.73	-181,287,994.79
Net cash flows from operating activities	3,122,383,705.03	2,310,845,305.96
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:		
Closing balance of cash	17,306,212,560.80	14,556,330,454.28
Less: Opening balance of cash	16,018,613,631.10	13,567,309,471.62
Add: Closing balance of cash equivalents	-	-
Less: Opening balance of cash equivalents	-	-
Net increase in cash and cash equivalents	1,287,598,929.70	989,020,982.66

(2) Cash and cash equivalents

Item	30/06/2024	31/12/2023
I. Cash	17,306,212,560.80	16,018,613,631.10
Including: Cash on hand	2,344,695.38	974,692.93
Bank deposits available for payment at any time	17,303,652,913.86	16,009,954,475.85
Other monetary funds available for payment at any time	214,951.56	7,684,462.32
II. Cash equivalents	-	-
III. Balance of cash and cash equivalents at the end of the period/year	17,306,212,560.80	16,018,613,631.10

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

68. Supplementary information to the cash flow statement - continued

- (3) The Group has no items with restricted use but are still presented as cash and cash equivalents.
- (4) Cash and bank balances not classified as cash and cash equivalents

Item	Current period	Prior period	Reason
Restricted guarantees	4640888	4497306	Restricted scope of use
Interest receivable from bank deposits	24066734	1497910	Not actually received
Guarantees frozen for ETC	1000	1000	Not available for withdrawal at any time
Funds frozen for litigation	1820818	1820818	Not available for withdrawal at any time
Total	72339190	60825474	

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

69. Foreign currency monetary items

Item	Closing balance in foreign currency	Exchange rate	Closing balance in RMB
Cash and bank balances			2,031,334,053.13
Including: HKD	19,397,181.11	0.91234	17,696,824.21
USD	84,422,167.41	7.12250	601,296,887.38
RMB	1,178,632,822.36	1.00000	1,178,632,822.36
EUR	30,469,149.73	7.67030	233,707,519.17
Accounts receivable			385,115,945.03
Including: HKD	854,441.51	0.91234	779,541.17
USD	2,191,845.87	7.12250	15,611,422.21
EUR	48,071,780.98	7.67030	368,724,981.65
Other receivables			614,950,161.53
Including: HKD	8,545,938.54	0.91234	7,796,801.57
USD	36,614,389.47	7.12250	260,785,989.00
EUR	7,541,589.66	7.67030	57,846,255.17
RMB	288,521,115.79	1.00000	288,521,115.79
Long-term receivables			206,677,268.65
Including: USD	1,023,180.69	7.12250	7,287,604.46
EUR	25,995,028.12	7.67030	199,389,664.19
Short-term borrowings			1,990,000,000.00
Including: RMB	1,990,000,000.00	1.00000	1,990,000,000.00
Accounts payable			51,277,729.08
Including: HKD	3,110,520.44	0.91234	2,837,852.22
USD	2,192,317.81	7.12250	15,614,783.60
EUR	4,279,505.79	7.67030	32,825,093.26
Other payables			910,663,228.13
Including: HKD	32,266,372.16	0.91234	29,437,901.98
USD	71,888,337.64	7.12250	512,024,684.84
EUR	17,483,820.75	7.67030	134,106,150.30
RMB	235,094,491.01	1.00000	235,094,491.01
Non-current liabilities due within one year			117,534,616.28
Including: USD	15,477,790.20	7.12250	110,240,560.70
RMB	7,294,055.56	1.00000	7,294,055.56
Long-term borrowings			4,354,000,000.00
Including: RMB	4,354,000,000.00	1.00000	4,354,000,000.00
Bonds payable			9,290,817,232.39
Including: USD	1,304,432,043.86	7.12250	9,290,817,232.39

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

70. Leases

(1) Lessor under operating lease

Item	Amount
I. Revenue	
Lease income	159,621,039.50
Including: Income related to variable lease payments that are not included in lease receipts	-
II. Undiscounted lease receipts received after the balance sheet date	
1 st year	205,827,952.84
2 nd year	154,612,751.85
3 rd year	111,946,208.25
4 th year	67,115,685.79
5 th year	30,782,259.28
Over 5 years	109,666,984.83

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 month to 19 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	26,893,252.91
Short-term lease expenses that are accounted for using simplified approach and included in cost of related assets or profit or loss for the period	24,384,099.45
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 period	-
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	4,006,036.83
Total cash outflows relating to leases	153,876,109.84
Losses from sale and leaseback transactions	-15,122,375.29
Cash inflows from sale and leaseback transactions	40,000,000.00
Cash outflows from sale and leaseback transactions	65,029,365.02
Others	-

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

70. 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 Group 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 three years. As the Group 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 recognized 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 recognized as interest expenses.

(IX) R&D EXPENDITURE

1. Disclosure by nature of expenses

Item	Current period	Prior period
Employee benefits	60,963,940.03	93,347,449.40
Direct materials and outsourced R&D	30,948,150.57	44,551,991.78
Depreciation and amortisation	1,989,207.01	8,247,670.29
Others	1,209,359.37	507,493.83
Total	95,110,656.98	146,654,605.30
Including: R&D expenditure recorded as expenses	84,732,961.30	121,041,310.72
R&D expenditure capitalised	10,377,695.68	25,613,294.58

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(IX) R&D EXPENDITURE - continued

2. Development expenditure for R&D projects that qualify for capitalisation

Item	01/01/2024	Increase	Decrease				30/06/2024
		Internal development expenditure	Recognised as fixed assets	Recognised as intangible assets	Recognised as construction in progress	Transferred to profit or loss for the period	
Eport	30,150,532.71	8,977,517.10	-	-	-	-	39,128,049.81
Other R&D projects	20,839,620.47	1,400,178.58	11,645,284.18	-	755,739.26	-	9,838,775.61
Total	50,990,153.18	10,377,695.68	11,645,284.18	-	755,739.26	-	48,966,825.42

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(X) CHANGES IN SCOPE OF CONSOLIDATION

1. Business combination not involving enterprises under common control

(1) Business combination involving entities not under common control in the current period

Name of the purchased party	Date of equity acquisition	Consideration of equity acquisition	Equity acquisition ratio(%)	Method of equity acquisition	Acquisition date	Basis for determination of acquisition date	The acquiree from the date of purchase to the period ended 30 June 2024		
							Income	Net profit	Net cash inflow/outflow
NPH	28 June 2024	414,555,768.20	51.00	Cash acquisition	28 June 2024	Transfer of actual control	-	-	-

NPH is a company incorporated on 29 December 2003 and headquartered in Jakarta, Indonesia, and its principal activities are engaged in the provision of container, multi-purpose and general terminal services and the provision of port equipment engineering services in Indonesia. Prior to the Merger, the parent company of NPH was PT Episenta Utama Investasi. On 20 November 2023, China Merchants Port Holdings, a subsidiary of the Group, entered into a share purchase agreement with the former controlling shareholder of NPH. Pursuant to the agreement, the Group plans to acquire 51% of the shares of NPH. The aforesaid transaction was completed on 28 June 2024 and since then, the Group has the right to appoint most of the members of the NPH Board Board, and the Board is the authority leading the NPH related business, the mechanism of the Board of Directors is approved by more than half of the votes. As a result, the Group is able to control NPH and include it in the scope of the Group's consolidated financial statements.

(2) Cost of business combination and goodwill

The temporarily estimated combination cost of the above equity acquisition is USD 58,413,038.54 (equivalent to RMB 414,555,768.20), the book value of the identifiable net assets obtained is temporarily estimated to be RMB 188,797,141.71.

(3) Relevant explanations on the acquisition date or at the end of the current period when the acquisition consideration or the fair value of the identifiable assets and liabilities of the acquiree cannot be reasonably determined

At the date of reporting of these financial statements, the necessary valuation and other calculations of the net assets purchased and liabilities assumed are yet to be finalised, so the management is temporarily unable to determine the fair value and combined consideration of the identifiable assets and liabilities arising from the acquisition of 51% of NPH's equity on 28 June 2024. Any adjustments to these provisional values when finalised will be recognised within 12 months from the date of acquisition. The calculation of such adjustments will assume that the fair value has been recognised at the acquisition date. Goodwill will also be adjusted to the amount that would have been recognised had the fair value been adopted at the acquisition date.

(X) CHANGES IN SCOPE OF CONSOLIDATION – continued

1. Business combination not involving enterprises under common control – continued

2. Business combination involving enterprises under common control

The Group has no business combination involving enterprises under common control in the current period.

3. Reverse purchase

The Group has no reverse purchase in the current period.

4. Disposal of subsidiary

There is no loss of control over subsidiary due to the Group's disposal of investment in the subsidiary in the current period.

5. Changes in scope of consolidation for other reasons

The Group has no changes in scope of consolidation for other reasons.

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(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 Wharf Holdings (Hong Kong) Ltd. ("Wharf Holdings Hong Kong")	HK China	HK China	Investment holding	HKD 1,000,000	100.00	-	Established through investment
Dongguan Shenchiwan Port Affairs Co., Ltd.	Dongguan China	Dongguan China	Logistics support services	45,000.00	85.00	-	Established through investment
Dongguan Shenchiwan Wharf Co., Ltd.	Dongguan China	Dongguan China	Logistics support services	40,000.00	100.00	-	Established through investment
Shenzhen Chiwan Harbor 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.	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	55.00	20.00	Business combination involving enterprises under common control
Shenzhen Chiwan Tugboat Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	2,400.00	100.00	-	Business combination involving enterprises under common control
Chiwan Shipping (Hong Kong) Limited	HK China	HK China	Logistics support services	HKD 800,000	100.00	-	Business combination involving enterprises under common control
CM Port (Note 1)	HK China	HK China	Investment holding	HKD 48,730,938,800	0.38	49.29	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 International Technology Co., Ltd. ("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	USD67,400,000	-	100.00	Business combination involving enterprises under common control
China Merchants International Container Terminal	Qingdao China	Qingdao China	Logistics support services	USD 206,300,000	-	100.00	Business combination involving enterprises under common control
China Merchants Container Services Limited	HK China	HK China	Logistics support services	HKD 500,000	-	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
ATJ	Shenzhen China	Shenzhen China	Preparation for the warehousing project	HKD 100,000,000	-	100.00	Business combination involving enterprises under common control
ASJ	Shenzhen China	Shenzhen China	Preparation for the warehousing project	HKD 100,000,000	-	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	-	90.10	Business combination involving enterprises under common control
CICT	Sri Lanka	Sri Lanka	Logistics support services	USD 150,000,100	-	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
Shenzhen Mawan Port Services Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	20,000.00	-	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	116,700.00	-	60.00	Business combination involving enterprises under common control
Zhangzhou Investment Promotion Bureau Xiamenwan Port Affairs Co., Ltd. ("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 Ltd.	Shenzhen China	Shenzhen China	Logistics support services	HKD 618,201,200	-	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

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(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	-	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	-	100.00	Business combination involving enterprises under common control
Gainpro Resources Limited	BVI	BVI	Investment holding	USD 1.00	-	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	-	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	Business combination involving enterprises under common control
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
Shenzhen Lianda Tugboat Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	200.00	-	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	-	100.00	Business combination involving enterprises under common control
Xinda Resources Limited	BVI	BVI	Investment holding	USD 107,620,000	-	77.45	Business combination involving enterprises under common control
Kong Rise Development Limited	HK China	HK China	Investment holding	USD 107,620,000	-	100.00	Business combination involving enterprises under common control
TCP	Brazil	Brazil	Logistics support services	BRL 68,851,600	-	100.00	Business combination not involving enterprises under common control
Direcet Achieve Investments Limited	HK China	HK China	Investment holding	USD 814,781,300	-	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
Shenzhen Haixing Logistics Development Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	7,066.79	-	100.00	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 Harbor Towage 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
Malai Warehousing (Shenzhen) Co., Ltd	Shenzhen China	Shenzhen China	Owning China Qianhai property	HKD 1,600,000,000	-	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	Logistics support services	34,489.79	51.00	-	Asset acquisition
South Asia Trade and Logistics Center Co., Ltd. ("SACL")	Sri Lanka	Sri Lanka	Logistics support services	USD 37,140,000	-	70.00	Established through investment
NPH	Indonesia	Indonesia	Logistics support services	USD 17,146,400	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: On 19 June 2018, the Company signed a concerted action agreement with China Merchants Group (Hong Kong) Co., Ltd. ("CMHK"). According to the agreement, CMHK unconditionally keeps consistent with the Company when voting for the matters discussed at the general shareholders' meeting of CM Port in respect of its voting power of CM Port as entrusted, and performs the voting as per the Company's opinion. In March 2022, the Company transferred its 43.00% equity contribution in China Merchants Port Holdings Company Limited to the wholly-owned subsidiary Ports Development (Hong Kong) Co., Ltd..

For the period from 1 January to 30 June 2024, Ports Development (Hong Kong) Co., Ltd. acquired 16,364,000 ordinary shares of CM Port from the secondary market. Upon the completion of above transaction, the proportion of the ordinary shares of CM Port held by the Group to the total issued ordinary shares of CM Port was changed from 49.28% to 49.67%, while the proportion of the ordinary shares of CM Port held by CMHK to the total issued ordinary shares of CM Port remains at 21.85%. Therefore, the Company has 71.52% voting power on CM Port in total and is able to exercise control over CM Port.

Note 2: The Group and China Merchants Zhangzhou Development Zone Co., Ltd. entered into an "Equity Custody Agreement", according to which China Merchants Zhangzhou Development Zone Co., Ltd. entrusted its 29% equity of ZCMG to the Group for operation and management. Therefore, the Group has 60% voting power of ZCMG and includes it in the scope of consolidation of the consolidated financial statements.

Note 3: The Group is entitled to the nomination of most members of the executive commission and has control over Lome Container Terminal S.A. Therefore, the Group includes it in the scope of consolidation 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.

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(XI) EQUITY IN OTHER ENTITIES - continued

1. Interests in subsidiaries - continued

(2) Significant non-wholly-owned subsidiaries

Name of the subsidiary	Proportion of ownership interest held by the minority shareholders (%)	Profit or loss attributable to minority shareholders in the current period	Dividends distributed to minority shareholders in the current period	Balance of minority interests at the end of the period
CM Port	50.33	2,384,427,075.81	101,064,383.48	61,988,357,635.28

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(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	30/06/2024						31/12/2023					
	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	14,199,310,910.95	136,636,477,271.26	150,835,788,182.21	16,403,014,793.83	27,941,614,356.05	44,344,629,149.88	15,917,026,132.04	135,313,877,243.36	151,230,903,375.40	18,457,977,486.53	27,802,818,508.45	46,260,795,994.98

Name of the subsidiary	Current period				Prior period			
	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	5,358,500,426.44	4,328,318,286.06	3,762,456,581.36	2,326,973,972.98	5,194,887,619.90	3,414,374,406.15	4,971,619,164.12	1,737,702,226.98

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(XI) EQUITY IN OTHER ENTITIES - continued

2. Transactions resulting from changes in ownership interests in subsidiaries without losing control over the subsidiaries

(1) Description of changes in ownership interests in subsidiaries

During the period, the Group's ownership interests in CM Port is changed from 49.28% to 49.67%. Details are set out in Note (XI) 1 (1).

(2) Effect of the transactions on minority interests and equity attributable to owners of the Company

Item	CM Port
Acquisition cost	
- Cash	147,607,116.30
- Non-cash assets	-
Total acquisition cost	147,607,116.30
Less: Share of net assets of subsidiaries calculated based on the proportion of equity acquired	364,489,387.78
Difference	-216,882,271.48
Including: Adjustment to capital reserve	216,882,271.48
Adjustment to surplus reserve	-
Adjustment to unappropriated profit	-

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 (%)		Accounting treatment of investments in associates
				Direct	Indirect	
Associate						
SIPG	Shanghai, PRC	Shanghai, PRC	Port and container terminal business	-	28.05	Equity method
Ningbo Zhoushan	Ningbo, PRC	Ningbo, PRC	Port and container terminal business	20.98	2.10	Equity method

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(XI) EQUITY IN OTHER ENTITIES - continued

4. Key financial information of significant associate

	SIPG	
	30/06/2024/ Current period	31/12/2023/ Prior period
Current assets	54,459,502,106.36	53,049,570,240.87
Including: Cash and cash equivalents	35,603,509,406.57	35,721,676,040.14
Non-current assets	152,937,482,676.42	150,525,944,932.10
Total assets	207,396,984,782.78	203,575,515,172.97
Current liabilities	24,289,860,041.69	22,835,359,505.98
Non-current liabilities	41,306,203,520.07	44,553,743,360.00
Total liabilities	65,596,063,561.76	67,389,102,865.98
Net assets	141,800,921,221.02	136,186,412,306.99
Minority interests	14,085,966,668.22	13,010,972,126.11
Net assets attributable to owners of the Company	127,714,954,552.80	123,175,440,180.88
Share of net assets calculated based on the proportion of ownership interests	35,824,044,752.06	34,550,710,970.74
Adjustments		
- Goodwill	2,427,508,397.27	2,427,508,397.27
- Others	230,378,316.30	234,665,770.76
Carrying amount of equity investments in associates	38,481,931,465.63	37,212,885,138.77
Fair value of publicly quoted equity investments in associates	37,750,988,244.10	32,003,432,940.50
Operating income	19,837,572,517.98	16,111,541,335.25
Net profit	9,027,010,146.72	7,738,322,182.71
Other comprehensive income	23,253,380.05	-25,369,452.55
Total comprehensive income	9,050,263,526.77	7,712,952,730.16
Dividends received from associates in the current period	1,123,385,809.34	914,383,798.30

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(XI) EQUITY IN OTHER ENTITIES - continued

4. Key financial information of significant associate- continued

	Ningbo Zhoushan	
	30/06/2024/ Current period	31/12/2023/ Prior period(Restated)
Current assets	17,766,828,000.00	19,223,549,000.00
Including: Cash and cash equivalents	6,549,175,000.00	9,635,337,000.00
Non-current assets	93,830,624,000.00	93,105,852,000.00
Total assets	111,597,452,000.00	112,329,401,000.00
Current liabilities	20,465,160,000.00	22,201,633,000.00
Non-current liabilities	9,702,588,000.00	9,429,720,000.00
Total liabilities	30,167,748,000.00	31,631,353,000.00
Net assets	81,429,704,000.00	80,698,048,000.00
Minority interests	6,016,161,000.00	5,828,457,000.00
Net assets attributable to owners of the Company	75,413,543,000.00	74,869,591,000.00
Share of net assets calculated based on the proportion of ownership interests	17,405,445,724.40	17,279,901,602.80
Adjustments		
- Goodwill	1,231,115,756.87	1,231,115,756.87
- Others	120,194,564.52	120,136,754.64
Carrying amount of equity investments in associates	18,756,756,045.79	18,631,154,114.31
Fair value of publicly quoted equity investments in associates	15,264,212,433.00	15,982,528,312.20
Operating income	14,442,173,000.00	12,415,879,000.00
Net profit	2,502,531,000.00	2,477,571,000.00
Other comprehensive income	55,859,000.00	37,289,000.00
Total comprehensive income	2,558,390,000.00	2,514,860,000.00
Dividends received from associates in the current period	408,578,523.82	390,875,794.33

Note: Ningbo Zhoushan's financial data are accurate to the nearest RMB 1,000.00.

5. Summarized financial information of insignificant associates and joint ventures

Item	30/06/2024/ Current period	31/12/2023/ Prior period
Joint ventures:		
Total carrying amount of investments	9,189,779,856.07	8,957,993,335.22
Aggregate of following items calculated based on the proportion of ownership interest		
- Net profit	184,538,049.76	169,975,433.54
- Other comprehensive income	-	-1,446,746.71
- Total comprehensive income	184,538,049.76	168,528,686.83
Associates:		
Total carrying amount of investments	31,550,197,897.67	31,864,085,187.97
Aggregate of following items calculated based on the proportion of ownership interest		
- Net profit	297,969,374.46	384,990,619.70
- Other comprehensive income	-113,060,474.11	100,418,506.79
- Total comprehensive income	184,908,900.35	485,409,126.49

6. The investees where the Group holds long-term equity investments are not restricted to transfer funds to the Group.

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(XII) GOVERNMENT GRANTS

1. **No government grants recognised as receivables at the end of current period**
2. **Liabilities involving government grants**

Item	31/12/2023	New government grants	Amount transferred into non-operating income	Amount transferred into other income	Other changes	30/06/2024	Related to assets/income
Deferred income	1,024,776,557.73	450,000.00	-	25,422,775.68	-	999,803,782.05	Related to assets
Total	1,024,776,557.73	450,000.00	-	25,422,775.68	-	999,803,782.05	

3. **Government grants included in profit or loss**

Item	Current period	Prior period
Business development subsidy	71,860,214.43	10,065,510.04
Special fund for operation	6,677,269.13	6,146,204.98
Earmarked funds for innovation	2,004,500.00	1,607,911.86
Others	544,528.17	4,703,937.03
Total	81,086,511.73	22,523,563.91

(XIII) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

The Group's major financial instruments include cash and bank balances, held-for-trading financial assets, notes receivable, accounts receivable, receivables financing, other receivables, long-term receivables, other non-current financial assets, borrowings, notes 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 and 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, policies and procedures, and changes for the period**

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.

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(XIII) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued

1. Risk management objectives, policies and procedures, and changes for the period
- 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 and EUR. Except for part of the purchases and sales, the Group's other principal activities are denominated and settled in RMB. As at 30 June 2024, 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	30/06/2024	31/12/2023
Cash and bank balances	1,265,099,646.59	487,182,682.32
Accounts receivable	16,390,963.38	10,544,159.14
Other receivables	571,421,158.33	339,131,902.71
Long-term receivables	199,389,664.19	204,300,125.00
Short-term borrowings	1,990,000,000.00	2,990,000,000.00
Accounts payable	18,452,635.82	1,379,762.77
Other payables	527,609,941.60	300,187,007.82
Non-current liabilities due within one year	7,294,055.56	9,339,586.11
Long-term borrowings	4,354,000,000.00	4,656,000,000.00
Long-term payables	-	9,391,615.50

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.

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(XIII) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued

1. Risk management objectives, policies and procedures, and changes for the period
- 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	The current period		The prior period	
		Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
All foreign currencies	5% increase against RMB	-256,433,226.39	-256,430,949.87	-276,673,157.63	-276,673,157.63
All foreign currencies	5% decrease against RMB	256,433,226.39	256,430,949.87	276,673,157.63	276,673,157.63
All foreign currencies	5% increase against USD	2,864,804.01	2,864,804.01	4,281,779.89	4,281,779.89
All foreign currencies	5% decrease against USD	-2,864,804.01	-2,864,804.01	-4,281,779.89	-4,281,779.89
All foreign currencies	5% increase against HKD	-300,129.36	-300,129.36	2,568,826.80	2,568,826.80
All foreign currencies	5% decrease against HKD	300,129.36	300,129.36	-2,568,826.80	-2,568,826.80
All foreign currencies	5% increase against EUR (including FCFA)	11,613,515.19	11,613,515.19	11,197,132.33	11,197,132.33
All foreign currencies	5% decrease against EUR (including FCFA)	-11,613,515.19	-11,613,515.19	-11,197,132.33	-11,197,132.33

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.

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(XIII) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued

1. Risk management objectives, policies and procedures, and changes for the period
- 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 period and shareholders' equity are as follows:

Item	Changes in interest rate	The current period		The prior period	
		Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
Short-term borrowings and long-term borrowings	1% increase	-311,872,062.49	-311,872,062.49	-218,624,405.40	-218,624,405.40
Short-term borrowings and long-term borrowings	1% decrease	311,872,062.49	311,872,062.49	218,624,405.40	218,624,405.40

1.2 Credit risk

As at 30 June 2024, the Group's maximum exposure to credit risk which will 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), notes 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".

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(XIII) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued

1. Risk management objectives, policies and procedures, and changes for the period
- 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 credit loss 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 30 June 2024, the Group had total current liabilities in excess of total current assets of RMB 2,208,237,561.88. As at 30 June 2024, the Group had available and unused line of credit and bonds amounting to RMB68,897,329,600.71, 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 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	Gross amount	Within 1 year	1 to 5 years	Over 5 years
Short-term borrowings	11,914,293,884.20	11,991,406,611.07	11,991,406,611.07	-	-
Notes payable	33,648,733.23	33,648,733.23	33,648,733.23	-	-
Accounts payable	595,136,679.08	595,136,679.08	595,136,679.08	-	-
Other payables	4,637,311,020.75	4,637,311,020.75	4,637,311,020.75	-	-
Non-current liabilities due within one year	5,623,732,333.96	7,025,181,079.54	7,025,181,079.54	-	-
Other current liabilities	2,132,961,799.00	2,136,808,374.34	2,136,808,374.34	-	-
Long-term borrowings	18,985,278,952.69	19,974,585,031.13	-	17,811,909,475.70	2,162,675,555.43
Bonds payable	16,356,687,170.33	17,773,512,305.16	-	16,073,523,264.06	1,699,989,041.10
Lease liabilities	1,543,989,619.78	3,621,199,957.64	-	529,024,750.03	3,092,175,207.61
Long-term payables	3,549,972,175.88	3,582,598,841.91	-	671,822,547.34	2,910,776,294.57

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(XIV) DISCLOSURE OF FAIR VALUE

1. Closing balance of assets and liabilities measured at fair value

Item	Fair value at 30/06/2024			Total
	Level 1	Level 2	Level 3	
	Fair value measurement	Fair value measurement	Fair value measurement	
Continuously measured at fair value				
Held-for-trading financial assets	-	3,180,085,926.18	-	3,180,085,926.18
Receivables financing	-	-	-	-
Investments in other equity instruments	-	-	157,461,648.16	157,461,648.16
Other non-current financial assets	1,294,931,788.20	-	27,353,713.60	1,322,285,501.80
Total assets continuously measured at fair value	1,294,931,788.20	3,180,085,926.18	184,815,361.76	4,659,833,076.14

2. Basis for determining the market price of items continuously measured at level 1 fair value

The market prices of held-for-trading financial assets and other non-current financial assets are determined based on the closing price of the equity instruments at Stock Exchange at 30 June 2024.

3. Qualitative and quantitative information of valuation techniques and key parameters adopted for items continuously measured at level 2 fair value

Item	Fair value at 30/06/2024	Valuation techniques	Inputs
Held-for-trading financial assets	3,180,085,926.18	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.

4. Qualitative and quantitative information of valuation techniques and key parameters adopted for items continuously measured at level 3 fair value

Item	Fair value at 30/06/2024	Valuation techniques	Inputs
Investments in other equity instruments	157,461,648.16	Net worth method	Carrying amount
Other non-current financial assets	737,436.89	Net worth method	Carrying amount
Other non-current financial assets	26,616,276.71	Listed company comparison approach	Share price

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 valuation techniques such as net worth method, listed company comparison approach etc.

(XIV) DISCLOSURE OF FAIR VALUE - continued

5. 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 notes receivable, accounts receivable, other receivables, long-term receivables, short-term borrowings, notes payable, accounts payable, other payables, 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 amortized cost in the financial statements approximate their fair values.

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(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 Global Limited	Parent	Private limited company (share limited)	Hong Kong	Investment holding	HKD 21,120,986,262	2.21	62.99 (Note)

Note: Broadford Global Limited directly holds 2.21% equity of the Company, and indirectly holds 14.83% and 45.94% equity of the Company through the subsidiaries China Merchants Gangtong Development (Shenzhen) Co., Ltd. and China Merchants Port Investment Development Company Limited respectively. The ultimate controlling shareholder of the Company is China Merchants Group.

2. Subsidiaries of the Company

Details of the subsidiaries of the Company are set out in Note (X) 1, Note (XI) 1.

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS

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(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 period, 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
Guizhou East Land Port Operation Co., Ltd.	Joint venture
Qingdao Qianwan United Container Terminal Co., Ltd.	Joint venture
Qingdao Qianwan West Port United Wharf Co., Ltd.	Joint venture
Qingdao Qianwan New United Container Terminal Co., Ltd.	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
China Merchants Port (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership) ("Investment Fund")	Joint venture
Shenzhen Gangteng Internet Technology Co., Ltd	Joint venture
Doraleh Multi-purpose Port	Associate
Great Horn Development Company FZCo	Associate
International Djibouti Industrial Parks Operation FZCo	Associate
PORT DE DJIBOUTI S.A.	Associate
Terminal Link SAS	Associate
Tin-Can Island Container Terminal Ltd	Associate
Guizhou Qiangongnan Continental Land Port Operation Co., Ltd.	Associate
Nanshan Group and its subsidiaries	Associate
SIPG	Associate
Ningbo Zhoushan and its subsidiaries	Associate
Shenzhen Baohong Technology Co., Ltd.	Associate
Tianjin Haitian Bonded Logistics Co., Ltd.	Associate
Merchants Port City	Associate
Zhanjiang Xiagang United Development Co., Ltd.	Associate
Chu Kong River Trade Terminal Co., Ltd.	Associate
Shantou Zhonglian Tally Co., Ltd	Associate
Shantou International Container Terminals Limited	Associate
Shenzhen Bay Electricity Industry Co., Ltd.	Associate
Tianjin Port Container Terminal Co., Ltd.	Associate
Lac Assal Investment Holding Company Limited	Associate
CM Port Chuangrong (Shenzhen) Technology Co., Ltd.	Associate
Ningbo Port Container Transportation Co., Ltd.	Associate
Shenzhen Chiwan Haike Industrial Operation Co., Ltd.	Associate
Liaoning Port and its subsidiaries	Associate, controlled by the same ultimate controlling shareholder
New Land-Sea Corridor Operation (Zhanjiang) Co., Ltd.	Associate
Antong Holdings and its subsidiaries ("Antong Holdings")	Associate

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(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

4. Other related parties of the Company

Name of other related parties	Relationship with the Company
Zhoushan Blue Ocean Investment Co., Ltd.	Minority shareholder of subsidiary
Sri Lanka Ports Authority	Minority shareholder of subsidiary
Guangdong Shunkong City Investment Real Estate Co., Ltd.	Minority shareholder of subsidiary
Zhanjiang Infrastructure Construction Investment Group Co., Ltd.	Minority shareholder of subsidiary
Dalian Port Logistics Technology Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dalian Port Communications Engineering Co., Ltd.	Controlled by the same ultimate controlling shareholder
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
Penavico Shenzhen Warehousing Co., Ltd.	Controlled by the same ultimate controlling shareholder
Shenzhen Nanyou (Holdings) Ltd.	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 (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 Port 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 Tongshang Finance Lease 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
Shenzhen Dehan Investment Development Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Marine Shipping Agency Guangdong Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Healthcare (Qichun) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Ocean Shipping Tally Shenzhen 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
Sinoway Shipping Ltd.	Controlled by the same ultimate controlling shareholder

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(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

4. Other related parties of the Company - continued

Name of other related parties	Relationship with the Company
China Merchants Heavy Industry (Jiangsu) Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans Shantou Co., 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
China Marine Shipping Agency Ningbo Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans Container Lines (Hong Kong) Company Limited	Controlled by the same ultimate controlling shareholder
Sinotrans Container Lines Co., Ltd.	Controlled by the same ultimate controlling shareholder
Yingkou Port Group Co., Ltd. and its subsidiaries ("Yingkou Port Group")	Controlled by the same ultimate controlling shareholder
Liaoning Port Group Co., Ltd.	Controlled by the same ultimate controlling shareholder
Liaoning Electronic Port Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Yangtze River Shipping Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Gangrong Big Data Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dalian Port Construction Supervision Consulting Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dalian Port Group Corporation Limited	Controlled by the same ultimate controlling shareholder
Dalian Container Terminal Co., Ltd.	Controlled by the same ultimate controlling shareholder
Shenzhen West Port Security Service Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dalian Port Container	Controlled by the same ultimate controlling shareholder
China Merchants Apartment Development (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dalian Bonded Zone Yongdixin Real Estate Development & Construction Co., Ltd.	Controlled by the same ultimate controlling shareholder
Jifa Logistics	Controlled by the same ultimate controlling shareholder
Dalian Jifa South Coast International Logistics Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dalian Jifa Port Logistics Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Shipping and Enterprises Company Limited	Controlled by the same ultimate controlling shareholder
Ningbo Transocean International Forwarding Agency Co., Ltd.	Controlled by the same ultimate controlling shareholder
Qingdao Sinotrans Mining Technology Co., Ltd.	Controlled by the same ultimate controlling shareholder
Yingkou Xingang Kuangshi Terminals Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dandong Port Group Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Port and Shipping Digital Technology (Liaoning) Co., Ltd.	Controlled by the same ultimate controlling shareholder
Ocean Driller III Limited	Controlled by the same ultimate controlling shareholder
Dalian Ganglong Technology Co., Ltd.	Controlled by the same ultimate controlling shareholder
Qingdao Sinotrans Logistics Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Logistics Group (Tianjin) Co., Ltd.	Controlled by the same ultimate controlling shareholder
Haitong Haihui (Shanghai) Technology Co., Ltd.	Controlled by the same ultimate controlling shareholder
CSC Cargo Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans (HK) Supply Chain Limited	Controlled by the same ultimate controlling shareholder
Sinotrans Djibouti Transportation and Shipping Agency Co., Ltd.	Controlled by the same ultimate controlling shareholder
AVIC Property Management Co., Ltd	Controlled by the same ultimate controlling shareholder
Shenzhen Wanhai Building Management Co., Ltd.	Significantly influenced by the ultimate controlling shareholder
China Merchants Union (BVI) limited	Significantly influenced by the ultimate controlling shareholder
Datong Securities Co., Ltd.	Significantly influenced by the ultimate controlling shareholder
Dalian Automobile Terminal Co., Ltd.	Significantly influenced by the ultimate controlling shareholder
Dalian Port Design Research Institute Co., Ltd.	Significantly influenced by the 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

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(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 period	Prior period
Receipt of services:				
Shenzhen Bay Electricity Industry Co., Ltd.	Service expenditure	Negotiation	18,364,365.64	26,554,647.89
Shenzhen Nanyou (Holdings) Ltd.	Service expenditure	Negotiation	17,899,824.44	18,821,945.88
China Merchants (Shenzhen) Power Supply Co., Ltd.	Service expenditure	Negotiation	5,121,162.21	8,840,100.79
Qingdao Qianwan West Port United Wharf Co., Ltd.	Service expenditure	Negotiation	9,441,654.65	7,940,246.77
Shenzhen West Port Security Service Co., Ltd.	Service expenditure	Negotiation	5,934,502.97	5,307,294.72
Hoi Tung (Shanghai) Company Limited	Service expenditure	Negotiation	4,295,541.54	2,045,941.84
Yiu Lian Dockyards Limited	Service expenditure	Negotiation	3,546,037.61	4,119,568.07
China Merchants Property Management (Shenzhen)	Service expenditure	Negotiation	2,914,842.28	5,330,755.99
China Merchants Zhangzhou Development Zone Power	Service expenditure	Negotiation	2,806,920.55	2,689,704.35
Nanshan Group and its subsidiaries	Service expenditure	Negotiation	2,340,464.64	2,819,999.34
China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	Service expenditure	Negotiation	2,109,363.08	5,096,401.49
International Djibouti Industrial Parks Operation FZCo	Service expenditure	Negotiation	2,006,556.55	1,212,761.22
Ningbo Zhoushan and its subsidiaries	Service expenditure	Negotiation	-	6,331,246.17
Other related parties	Service expenditure	Negotiation	16,478,938.50	8,634,096.98
China Merchants Bank Co., Ltd.	Purchase of structured deposits	Negotiation	2,320,000,000.00	2,080,000,000.00
China Merchants Bank Co., Ltd.	Interest expense	Negotiation	28,544,630.32	7,939,144.17
China Merchants Group Finance Company Limited	Interest expense	Negotiation	16,832,904.93	12,606,686.11
China Merchants Finance Lease (Shanghai) Co., Ltd.	Interest expense	Negotiation	1,707,016.51	4,562,849.95
China Merchants Finance Lease (Tianjin) Co., Ltd.	Interest expense	Negotiation	1,653,973.16	1,014,263.69
Total	— —	— —	2,461,998,699.58	2,211,867,655.42
Rendering of service:				
COSCO Logistics (Zhanjiang) Co., Ltd.	Service revenue	Negotiation	129,725,425.39	110,744,402.53
Antong Holdings	Service revenue	Negotiation	79,402,988.48	17,464,158.08
China Ocean Shipping Agency (Zhanjiang) Co., Ltd.	Service revenue	Negotiation	39,896,986.31	34,373,990.47
Qingdao Qianwan United Container Terminal Co., Ltd.	Service revenue	Negotiation	29,516,987.91	28,810,177.52
China Marine Shipping Agency Guangdong Co., Ltd.	Service revenue	Negotiation	17,120,465.09	14,170,082.79
China Merchants International Shipping Agency	Service revenue	Negotiation	9,584,350.77	13,335,734.13
Sinotrans Container Lines Co., Ltd.	Service revenue	Negotiation	7,788,611.36	4,361,180.07
Yiu Lian Dockyards (Shekou) Limited	Service revenue	Negotiation	5,789,639.47	6,049,745.64
Sinotrans Shenzhen Qianhai Supply Chain	Service revenue	Negotiation	5,514,141.96	5,122,531.86
China Ocean Shipping Agency Shenzhen	Service revenue	Negotiation	4,512,358.45	3,530,714.66
China Merchants International Cold Chain (Shenzhen)	Service revenue	Negotiation	3,617,926.00	3,573,112.10
CM Port Chuangrong (Shenzhen) Technology Co., Ltd.	Service revenue	Negotiation	3,273,043.34	5,399,572.64
Shenzhen Baohong Technology Co., Ltd.	Service revenue	Negotiation	2,788,710.48	4,665,334.02
Liaoning Port and its subsidiaries	Service revenue	Negotiation	2,164,982.97	29,653,667.27
New Land-Sea Corridor Operation (Zhanjiang) Co., Ltd.	Service revenue	Negotiation	1,379,772.34	3,141,567.23
China Merchants Port Investment Development Company Limited	Service revenue	Negotiation	660,943.40	1,554,377.36
Yingkou Port Group and its subsidiaries	Service revenue	Negotiation	-	13,685,712.13
Other related parties	Service revenue	Negotiation	22,732,903.49	61,278,553.32
Port of Newcastle and its subsidiaries	Interest income	Negotiation	34,832,183.27	24,964,528.83
China Merchants Bank Co., Ltd.	Interest income	Negotiation	16,828,019.29	29,498,613.99
China Merchants Group Finance Company Limited	Interest income	Negotiation	19,216,790.25	14,717,409.20
Terminal Link SAS	Interest income	Negotiation	6,269,446.51	88,397,856.38
Tianjin Haitian Bonded Logistics Co., Ltd.	Interest income	Negotiation	569,824.03	609,957.55
Total	— —	— —	443,186,500.56	519,102,979.77

CHINA MERCHANTS PORT GROUP CO., LTD.

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(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 recognized in the current period	Lease income recognized in the prior period
Qingdao Qianwan West Port United Wharf Co., Ltd.	Buildings and structures	Negotiation	7,147,337.58	6,848,492.44
Qingdao Bonded Logistics Park SinoTrans Warehousing Logistics Co., Ltd.	Port and terminal facilities	Negotiation	2,883,944.28	3,449,293.79
China Merchant Food (China) Co., Ltd.	Buildings and structures	Negotiation	899,729.58	2,910,341.70
China Traffic Import and Export Co., Ltd.	Buildings and structures	Negotiation	2,589,835.38	2,736,536.28
Qingdao SinoTrans Mining Technology Co., Ltd.	Buildings and structures	Negotiation	2,375,278.56	2,375,278.56
Qingdao SinoTrans Supply Chain Management Co., Ltd.	Buildings and structures	Negotiation	1,666,134.78	1,444,859.56
Qingdao Qianwan United Container Terminal Co., Ltd.	Buildings and structures	Negotiation	2,393,117.24	1,661,969.04
CM Port Chuangrong (Shenzhen) Technology Co., Ltd.	Equipment and storage yards	Negotiation	1,288,713.18	1,430,912.28
Qingdao Wutong Century Supply Chain Co., Ltd.	Buildings and structures	Negotiation	1,349,106.93	1,341,694.24
China Merchants Securities Co., Ltd.	Buildings and structures	Negotiation	1,275,298.17	1,333,059.69
Nanshan Group and its subsidiaries	Buildings and structures	Negotiation	959,298.55	1,125,136.47
Yiu Lian Dockyards (Shekou) Limited	Buildings and structures	Negotiation	1,064,638.09	1,122,531.42
Qingdao SinoTrans Logistics Co., Ltd.	Buildings and structures	Negotiation	1,238,834.28	825,889.52
China Merchants Real Estate (Shenzhen) Co., Ltd.	Buildings and structures	Negotiation	1,112,769.54	-
Other related parties	Buildings and structures, Land use rights, Port and terminal facilities	Negotiation	4,458,957.28	3,402,652.04
Total			32,702,993.42	32,008,647.03

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(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 period	Prior period	Current period	Prior period	Current period	Prior period	Current period	Prior period	Current period	Prior period
China Merchants Finance Lease (Shanghai) Co., Ltd.	Port and terminal facilities, Machinery and equipment	-	-	-	-	53,069,186.95	58,076,069.28	1,707,016.51	4,562,849.95	-	-
Nanshan Group	Buildings and structures, Port and terminal facilities, Land use right, Others	114,010.98	-	-	-	33,839,758.29	34,945,377.83	1,099,787.96	2,603,797.36	1,018,879.00	33,834.89
China Merchants Tongshang Finance Lease Co., Ltd.	Machinery and equipment	-	-	-	-	-	23,190,959.27	-	905,080.70	-	-
China Merchants Finance Lease (Tianjin) Co., Ltd.	Port and terminal facilities	-	-	-	-	21,519,888.10	19,394,624.82	1,704,729.75	2,195,437.17	-	-
China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Port and terminal facilities, Land use right	-	-	-	-	19,893,126.15	18,349,561.31	1,366,247.62	784,084.82	35,053,682.62	-
EuroAsia Dockyard Enterprise and Development Limited	Port and terminal facilities	-	-	-	-	7,504,804.84	7,571,928.07	331,040.40	332,056.61	-	-
Shenzhen Qianhai Shekou Free Trade Investment Development Co., Ltd.	Port and terminal facilities, Land use right	3,216,192.69	3,968,660.40	-	-	4,206,780.00	4,087,720.19	-	-	-	-
China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	Buildings and structures, Machinery and equipment	-	-	-	-	3,218,961.42	3,190,516.56	115,659.93	277,944.19	-	4,809,924.03
Shenzhen Nanyou (Holdings) Ltd.	Land use right	316,862.88	997,776.60	-	-	332,706.00	997,776.60	-	-	-	-
China Merchants International Cold Chain (Shenzhen) Company Limited	Others	-	148,500.00	-	-	410,967.28	946,881.45	13,314.73	21,273.00	2,554,727.16	-
Shenzhen Wanhai Building Management Co., Ltd.	Buildings and structures	-	-	-	-	1,162,417.00	610,722.00	40,745.94	33,840.58	2,946,807.86	-
Dalian Bonded Zone Yongdixin Real Estate Development & Construction Co., Ltd.	Buildings and structures	-	-	-	-	-	206,927.36	-	-	-	-

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(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(2) Leases with related parties - continued

The Group as the lessee: - continued

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 period	Prior period	Current period	Prior period	Current period	Prior period	Current period	Prior period	Current period	Prior period
China Merchants Apartment Development (Shenzhen) Co., Ltd.	Buildings and structures	-	72,331.43	-	-	-	71,337.15	-	-	-	-
Dalian Port Group Corporation Limited	Buildings and structures	-	-	-	-	-	40,000.00	-	3,316.24	-	-
Dalian Port Communications Engineering Co., Ltd.	Buildings and structures	-	-	-	-	-	25,000.00	-	4,842.09	-	-
Shenzhen Chiwan Haike Industrial Operation Co., Ltd.	Port and terminal facilities	685,714.31	-	-	-	792,000.00	-	-	-	-	-
Baosteel Zhanjiang Iron&Steel Co.,Ltd.	Machinery and equipment	-	-	-	-	-	1,800,000.00	-	23,339.88	-	5,119,357.99
Total		4,332,780.86	5,187,268.43	-	-	145,950,596.03	173,505,401.89	6,378,542.84	11,747,862.59	41,574,096.64	9,963,116.91

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(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	The guarantee has been completed or not
30/6/2024					
Terminal Link SAS (Note 1)	63,032,327.89	63,032,327.89	11 June 2013	2033	No
Khor Ambado FZCo (Note 2)	205,251,840.00	167,333,285.10	24 May 2019	2032	No
Terminal Link SAS (Note 1)	115,240,356.00	115,240,356.00	25 Jan 2023	2030	No
Total	383,524,523.89	345,605,968.99	— —	— —	— —
31/12/2023					
Terminal Link SAS (Note 1)	76,655,687.32	76,655,687.32	11 June 2013	2033	No
Khor Ambado FZCo (Note 2)	203,981,760.00	156,254,811.86	24 May 2019	2032	No
Terminal Link SAS (Note 1)	114,527,259.00	114,527,259.00	25 Jan 2023	2030	No
Total	395,164,706.32	347,437,758.18	— —	— —	— —

Note 1: CMA CGM S.A. is another shareholder of Terminal Link SAS, an associate of the Group. The Group has made a commitment to CMA CGM S.A. that the Group will provide guarantee for its bank loans and other liabilities to Terminal Link SAS to the extent of the Group's 49% ownership interest in the company. The actual guaranteed amount is RMB 178,272,683.89 as at 30 June 2024. If any guarantee liability occurs, the Group will compensate CMA CGM S.A.

Note 2: Khor Ambado FZCo is a related party of the Group's ultimate controlling shareholder. The Group provides guarantee for its bank loans and other liabilities, the actual amount of which as at 30 June 2024 is RMB 167,333,285.10.

(4) Borrowings and loans with related parties

Related party	Amount	Commencement date	Maturity date	Description
For the period from 1 January to 30 June 2024				
Borrowings				
China Merchants Bank Co., Ltd.	1,250,000,000.00	Actual borrowing date	Agreed repayment date	Short-term borrowings
China Merchants Group Finance Company Limited	173,500,000.00	Actual borrowing date	Agreed repayment date	Long-term borrowings
China Merchants Group Finance Company Limited	48,309,473.68	Actual borrowing date	Agreed repayment date	Short-term borrowings
China Merchants Bank Co., Ltd.	1,260,000,000.00	Actual borrowing date	Agreed repayment date	Long-term borrowings
Total	2,731,809,473.68	— —	— —	— —
For the year ended 31 December 2023				
Borrowings				
China Merchants Group Finance Company Limited	1,150,941,725.01	Actual borrowing date	Agreed repayment date	Short-term borrowings
China Merchants Bank Co., Ltd.	576,421,628.29	Actual borrowing date	Agreed repayment date	Long-term borrowings
Ocean Driller III Limited	332,846,013.33	Actual borrowing date	Agreed repayment date	Other current liabilities
China Merchants Group Finance Company Limited	207,179,377.43	Actual borrowing date	Agreed repayment date	Short-term borrowings
China Merchants Bank Co., Ltd.	68,062,333.33	Actual borrowing date	Agreed repayment date	Long-term borrowings
Total	2,335,451,077.39	— —	— —	— —

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(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(5) Asset transfer from related parties

Related party	Content of transaction	Pricing method and decision procedures of related transactions	Current period	Prior period
Ningbo Zhoushan	Equity investment	Valuation	-	1,845,000,000.00
Liaoning Port	Equity investment	Valuation	-	83,027,500.00
Dalian Port Container	Equity investment	Valuation	-	57,083,400.00
Jifa Logistics	Equity investment	Valuation	-	33,815,300.00
Yingkou Port Group	Equity investment	Valuation	-	19,002,800.00
Total	— —	— —		2,037,929,000.00

(6) Compensation for key management personnel

Item	Current period	Prior period
Compensation for key management personnel	8,080,998.82	8,972,032.11

6. Amounts due from/to related parties that have not settled

(1) Amounts due from related parties

Item	Related party	30/06/2024	31/12/2023
Cash and bank balances	China Merchants Bank Co., Ltd.	4,249,584,672.61	3,778,553,414.06
	China Merchants Group Finance Company Limited	2,289,627,387.58	2,090,078,155.93
	Total	6,539,212,060.19	5,868,631,569.99
Accounts receivable	Antong Holdings	53,165,015.95	8,919,131.23
	COSCO Logistics (Zhanjiang) Co., Ltd.	29,029,735.45	1,505,114.97
	Chu Kong River Trade Terminal Co., Ltd.	7,348,970.49	2,357,207.03
	Sinotrans Container Lines Co., Ltd.	5,610,442.15	2,763,240.00
	Yiu Lian Dockyards (Shekou) Limited	4,850,437.88	1,077,910.40
	China Marine Shipping Agency Guangdong Co., Ltd.	3,117,999.07	2,765,338.38
	China Merchants International Shipping Agency (Shenzhen) Co., Ltd.	2,831,343.21	1,750,277.36
	China Ocean Shipping Agency Shenzhen Co., Ltd.	2,257,095.25	2,035,495.50
	Great Horn Development Company FZCo	2,167,471.00	2,162,941.76
	Dalian Container Terminal Co., Ltd.	2,157,150.00	1,725,150.00
	Qingdao Qianwan United Container Terminal Co., Ltd.	1,914,390.00	1,188,600.01
	Qingdao Qianwan West Port United Wharf Co., Ltd.	1,312,057.08	1,207,750.72
	Nanshan Group and its subsidiaries	1,302,067.37	1,214,194.85
	Sinoway Shipping Ltd.	837,900.86	755,606.02
	Sinotrans (HK) Shipping Limited	761,515.93	682,942.44
	Other related parties	7,762,452.50	3,376,539.66
Total	126,426,044.19	35,487,440.33	

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(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	30/06/2024	31/12/2023
Dividends receivable	Nanshan Group	277,605,000.00	203,577,000.00
	Liaoning Port	5183,401.35	-
	Qingdao Port International Co., Ltd	44888,121.12	-
	Merchants Port City	3880,044.77	3880,044.77
	Dalian Port Logistics Network Co., Ltd.	3065,256.76	3065,256.76
	Yingkou Gangxin Technology Co., Ltd.	23881,213.75	23881,213.75
	COSCO Logistics (Zhanjiang) Co., Ltd.	1344,001.16	1344,001.16
	Tin-Can Island Container Terminal Ltd	690,587.25	219,680.22
	Tianjin Port Container Terminal Co., Ltd	5,354,258.9	-
	China Ocean Shipping Agency Shenzhen Co. Ltd.	-	11,230,000.00
Total	493,356,752.05	343,514,196.66	
Other receivables	Chu Kong River Trade Terminal Co., Ltd.	3682,042.40	3657,082.00
	Shenzhen Nanyou (Holdings) Ltd.	3063,652.92	3063,652.92
	Port de Djibouti S.A.	25,108,125.00	24,966,175.00
	Shenzhen Qianhai Shekou Free Trade Investment Development Co. Ltd.	630,000.00	630,000.00
	EuroAsia Dockyard Enterprise and Development Limited	15,424,443.00	15,318,804.00
	China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	1,166,408.40	1,166,408.40
	Nanshan Group and its subsidiaries	902,885.00	1,185,660.00
	Tin-Can Island Container Terminal Ltd	4,169,916.00	1,317,638.00
	China Merchants Port Investment Development Company Limited	-	283,088.00
	Other related parties	32,577,442.00	21,429,751.00
Total	106,262,849.78	108,672,063.99	
Prepayments	Other related parties	888,648.00	208,842.00
	Total	888,648.00	208,842.00
Non-current assets due within one year	Terminal Link SAS	13,488,658.00	7,468,488.00
	China Merchants Finance Lease (Tianjin) Co., Ltd.	747,155.00	380,000.00
	China Merchants Finance Lease (Shanghai) Co., Ltd.	-	620,000.00
	Port of Newcastle and its subsidiaries	-	-
Total	14,235,813.00	17,468,488.00	
Long-term receivables	Port of Newcastle and its subsidiaries	987,157,345.83	921,402,488.00
	Terminal Link SAS	199,389,422.56	204,295,115.20
	Tianjin Haitian Bonded Logistics Co., Ltd.	343,000,000.00	343,000,000.00
	Zhoushan Blue Ocean Investment Co., Ltd.	160,624.00	49,688.00
	China Merchants Finance Lease (Tianjin) Co., Ltd.	704,903.00	688,000.00
	China Merchants Finance Lease (Shanghai) Co., Ltd.	-	-
Total	1,171,720,120.92	1,165,694,814.92	

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(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

6. Amounts due from/to related parties - continued

(2) Amounts due to related parties

Item	Related party	30/06/2024	31/12/2023
Short-term borrowings	China Merchants Bank Co., Ltd.	2,341,646,244.46	1,150,880,891.67
	China Merchants Group Finance Company Limited	323,752,652.75	200,176,534.70
	Total	2,665,398,897.21	1,351,057,426.37
Accounts payable	Antong Holdings	25,446,355.98	20,360,897.30
	Khor Ambado FZCo	14,245,000.00	22,639,585.37
	Nanshan Group and its subsidiaries	9,436,619.08	5,968,662.37
	Dalian Port Logistics Network Co., Ltd.	7,983,797.55	8,355,644.80
	Shenzhen Bay Electricity Industry Co., Ltd.	4,949,134.06	5,394,353.74
	China Merchants Port and Shipping Digital Technology (Liaoning) Co., Ltd.	2,905,000.00	2,905,000.00
	Dalian Ganglong Technology Co., Ltd	2,739,450.00	2,739,450.00
	Dalian Port Logistics Technology Co., Ltd	2,458,830.90	17,607,121.00
	EUROASIA DOCKYARD ENTERPRISE AND DEVELOPMENT LIMITED	1,812,456.38	2,413,589.56
	Qingdao Qianwan West Port United Terminal Co., Ltd	1,727,972.60	4,066,438.84
	YIU LIAN DOCKYARDS LIMITED	1,604,222.16	1,135,115.31
	Globex e-Services Co., Ltd.	749,269.39	749,269.39
	China Marine Shipping Agency, Shenzhen Company Limited	441,882.30	259,966.50
	Shenzhen Zhaoshang Daojiahui Technology Co., Ltd	251,311.75	1,781,775.33
	China Merchants Investment Development Company Limited	-	1,649,069.28
	Other related parties	11,372,219.07	2,012,040.39
	Total	88,123,021.22	100,037,979.18
Receipts in advance	China Merchants Port Investment Development Company Limited	9,569,345.44	5,358,074.44
	Qingdao Wutong Century Supply Chain Co., Ltd	285,725.30	196,301.30
	Qingdao Qianwan United Container Terminal Co., Ltd.	1,524,657.17	-
	Other related parties	80,520.00	-
	Total	11,460,247.91	5,554,375.74
Contract liabilities	Qingdao Sinotrans Logistics Co., Ltd	433,604.00	440,727.56
	Qingdao Sinotrans Supply Chain Management Co., Ltd	428,055.84	1,464,429.12
	COSCO Logistics (Zhanjiang) Co., Ltd.	181,518.00	4,552,313.24
	Qingdao Qianwan United Container Terminal Co., Ltd.	141,477.60	-
	China Merchants Port Investment Development Company Limited	-	660,943.40
	China Ocean Shipping Agency Shenzhen Co. Ltd.	-	633,024.00
	Shenzhen Baohong Technology Co., Ltd	-	459,049.11
	Other related parties	851,540.73	1,021,000.85
Total	2,036,196.17	9,231,577.28	
Dividends payable	China Merchants Port Investment Development Company Limited	666,216,215.84	-
	China Merchants Gangtong Development (Shenzhen) Co., Ltd.	215,109,240.00	-
	Zhanjiang Infrastructure Construction Investment Group Co., Ltd.	95,442,231.24	-
	China Merchants Zhangzhou Development Zone Co., Ltd	72,734,806.46	77,734,806.46
	Broadford Global Limited	32,082,240.64	-
	Dalian Port Container	16,160,696.61	16,160,696.61
	China Merchants Investment Development (Hong Kong) Co., Ltd	10,336,739.21	-
	Jifa Logistics	9,575,104.42	9,575,104.42
	Yingkou Port Group	5,372,456.78	5,372,456.78
	Oriente Holdings Company Limited	1,313,769.60	-
Yiu Lian Dockyards Limited	-	2,334,150.00	
Total	1,124,343,500.80	111,177,214.27	
Other payables	Lac Assal Investment Holding Company Limited	64,672,313.88	64,310,900.95
	China Merchants Real Estate (Shenzhen) Co., Ltd.	10,079,369.00	10,079,369.00
	China Merchants Port Investment Development Company Limited	3,520,150.40	-
	China Merchants Shekou Industrial Zone Holding Co., Ltd	3,210,410.34	-

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(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	30/06/2024	31/12/2023
Other payables	CIAO International Limited	2,999,920.00	-
	Nanshan Group and its subsidiaries	2,289,786.71	-
	Terminal Link SAS	2,117,803.23	10,423,425.44
	China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	2,109,363.08	5,000,000.03
	Sinotrans Shenzhen Qianhai Supply Chain Management Ltd.	1,732,221.26	1,690,130.78
	Qingdao Qianwan United Container Terminal Co., Ltd.	1,528,057.17	-
	Hoi Tung (Shanghai) Company Limited	1,093,799.95	966,785.34
	Chu Kong River Trade Terminal Co., Ltd.	996,194.99	989,512.49
	China Traffic Import and Export Co., Ltd.	906,442.38	1,055,975.76
	China Merchants International Cold Chain (Shenzhen) Company Limited	757,976.00	757,976.00
	Shenzhen Baohong Technology Co., Ltd.	749,269.39	749,269.39
	China Marine Shipping Agency Guangdong Co., Ltd.	602,850.00	300,950.00
	China Merchant Food (China) Co., Ltd.	314,905.36	1,069,017.00
	Antong Holdings	62,532.00	4,743,266.37
	Other related parties	7,265,053.94	5,656,468.52
Total	107,008,419.08	107,793,047.07	
Non-current liabilities due within one year	China Merchants Group Finance Company Limited	135,654,321.71	288,071,994.22
	China Merchants Finance Lease (Tianjin) Co., Ltd.	41,988,137.24	7,548,329.72
	China Merchants Bank Co., Ltd.	38,974,631.93	199,326,195.84
	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	33,165,141.91	35,719,107.95
	Nanshan Group and its subsidiaries	32,033,074.79	63,331,699.85
	China Merchants Finance Lease (Shanghai) Co., Ltd.	25,129,932.71	76,461,173.65
	China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	3,235,085.23	6,396,788.04
	China Merchants Tongshang Finance Lease Co., Ltd.	1,464,440.48	-
	China Merchants International Cold Chain (Shenzhen) Company Limited	832,600.87	375,528.56
Total	312,477,456.87	677,230,817.83	
Long-term borrowings	China Merchants Group Finance Company Limited	1,345,500,000.00	158,000,000.00
	China Merchants Bank Co., Ltd.	810,945,334.79	721,624,592.13
	Total	2,156,445,334.79	879,624,592.13
Lease liabilities	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	46,849,163.22	62,185,360.58
	Shenzhen Wanhai Building Management Co., Ltd.	2,819,637.93	-
	China Merchants International Cold Chain (Shenzhen) Company Limited	1,585,424.25	-
	Other related parties	2,972,333.19	1,070,904.61
	Total	54,226,558.59	63,256,265.19
Long-term payables	China Merchants Finance Lease (Tianjin) Co., Ltd.	35,941,894.66	33,905,690.32

(XVI) SHARE-BASED PAYMENTS

1. Equity instruments

Type of targets granted	Granted in the current period		Exercised in the current period		Unlocked in the current period		Lapsed in the current period	
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount
Management	-	-	1,207,820.00	19,264,245.60	3,797,080.00	60,460,796.40	-	-

(XVI) SHARE-BASED PAYMENTS - continued

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1. Equity instruments - continued

Outstanding stock option or other equity instruments at the end of current period

Type of targets granted	Outstanding stock option at the end of current period	
	Range of exercise prices	Remaining term of contract
Management	RMB 13.83 to RMB 16.08	31 months

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 period and the estimates of prior year	(The 1st batch) Criteria of exercising in the third vesting period are satisfied (Reserved portion) Criteria of exercising in the second vesting period are satisfied
The aggregate amount of equity-settled share-based payments that is included in capital reserve	6,909,356.80

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 incentive 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; the 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 15 January 2024.

As at the date on which the financial statements are issued, 195 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) 190 incentive targets who met the designated grades (above grade C) in the performance assessment, holding 100% of the stock option (totalling 3,471,600 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 D 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 number of exercisable stock options in the third vesting period of stock option incentive plan (phase I) (the first batch of grants) is 35,320,800. 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).

3. Share-based payment expenses in the current period

Type of targets granted	Equity-settled share-based payment expenses
Management	264,766.44

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(XVII) COMMITMENTS AND CONTINGENCIES**1. Significant commitments**

Item	30/06/2024	31/12/2023
Commitments that have been entered into but have not been recognized in the financial statements		
- Commitment to make contributions to the investees	34,206,848.59	467,604,906.76
- Commitment to acquire and construct long-term assets	3,009,394,849.71	2,407,538,867.35
Total	3,043,601,698.30	2,875,143,774.11

2. Contingencies

Item	30/06/2024	31/12/2023
Contingent liabilities brought by external litigations (Note 1)	892,029,441.27	946,218,359.48
Guarantee for borrowings of related parties (Note 2)	345,605,968.99	347,437,758.18
Total	1,237,635,410.26	1,293,656,117.66

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. According to the latest estimates of the Group's management, the possible compensation is RMB 892,029,441.27, but it is not likely to cause outflow of economic benefits from the Group. Therefore, the contingent liabilities arising from the above pending litigations are not recognized as provisions. The counter-bonification where the Group as the beneficiary will be executed by the former TCP shareholder that disposed the shares. According to the counter-bonification agreement, the former TCP shareholder needs to make counter-bonification to the Group in respect of the above contingent liabilities, with the compensation amount not exceeding pre-determined amount and specified period.

Zhanjiang Port, a subsidiary of the Company, entered into an EPC contract for the General Cargo Terminal Project at Donghai Island Port Area of Zhanjiang Port with CCCC Water Transport Planning and Design Institute Co., Ltd. on 28 June 2016, with the agreed construction period from 28 June 2016 to 8 June 2018. After the contract was signed, the overall progress of the project construction was delayed due to the optimization and adjustment of the layout plan and process design for the terminal. In December 2022, CCCC Water Transport Planning and Design Institute Co., Ltd. filed a litigation to the court for losses caused by delay in construction, adjustment to project scale, changes in design, and other reasons, and may require the Zhanjiang Port for compensation.

The claims of CCCC Water Transport Planning and Design Institute Co., Ltd. were inconsistent with those agreed in the contract, the relevant result of the litigation could not be reasonably estimated, and the management of the Company believed that the possibility of loss was quite low, therefore, no provisions were made for the above pending litigation.

(XVII) COMMITMENTS AND CONTINGENCIES - continued

2. Contingencies - continued

Note 2: As at 30 June 2024, the guarantees provided by the Group for related parties are detailed in Note XV 5(3).

As at 30 June 2024, the directors of the Group evaluated the default risks of related companies on the above-mentioned loan financing and other liabilities, and believed that the risks were not significant and the possibility of guaranteed payments was very small.

Except for the above-mentioned contingencies, as at 30 June 2024, the Group had no other major guarantees and other contingencies that need to be explained.

(XVIII) EVENTS AFTER THE BALANCE SHEET

As at 30 June 2024, the Company had no events after the balance sheet date.

(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 1,105,049,581.67, representing 13.86% (from 1 January to 30 June 2023: 10.08%) of the Group's operating income for the period from 1 January to 30 June 2024.

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(XIX) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Financial information of reporting segments

Segment financial information for the period from 1 January to 30 June 2024 is as follows:

Item	Ports operation						Bonded logistics operation	Others	Unappropriated amount	Total
	Mainland China, Hong Kong and Taiwan				Other areas	Sub-total				
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Others						
Operating income	3,219,936,922.80	1,029,435.60	39,308,697.49	1,714,301,249.69	2,644,011,210.95	7,618,587,516.53	265,131,369.96	91,474,197.15	-	7,975,193,083.64
Operating cost	1,685,168,257.93	5,842,912.70	33,142,932.27	1,253,584,489.47	1,157,898,462.56	4,135,637,054.93	142,996,868.88	112,235,371.15	-	4,390,869,294.96
Segment operating profit (losses are marked with "-")	1,534,768,664.87	-4,813,477.10	6,165,765.22	460,716,760.22	1,486,112,748.39	3,482,950,461.60	122,134,501.08	-20,761,174.00	-	3,584,323,788.68
Taxes and surcharges	17,244,195.32	535,050.52	821,769.63	25,037,360.24	94,328,417.32	137,966,793.03	13,249,160.22	12,119,726.59	247,808.92	163,583,488.76
Administrative expense	196,933,278.40	1,612,493.40	4,359,371.33	248,105,996.41	126,398,428.69	577,409,568.23	33,030,856.52	549,225.95	197,189,105.48	808,178,756.18
R&D expenses	75,295,632.42	-	-	9,437,328.88	-	84,732,961.30	-	-	-	84,732,961.30
Financial expenses	26,926,418.03	3,725,670.57	-94,890.31	38,170,354.37	134,100,453.57	202,828,006.23	-3,209,663.68	7,731,837.05	788,862,594.21	996,212,773.81
Other income (losses are marked with "-")	82,479,124.76	612,942.55	26,641.94	14,188,876.02	-	97,307,585.27	10,880,170.75	208,451.85	-	108,396,207.87
Investment income (losses are marked with "-")	43,658,873.09	2,875,237,848.06	202,338,251.96	9,197,560.90	298,146,789.22	3,428,579,323.23	20,421,144.80	-27,371,992.96	16,221,423.39	3,437,849,898.46
Gains from changes in fair value (losses are marked with "-")	20,980,499.73	-	443,376,957.50	101,333.89	-	464,458,791.12	-	206,159.78	1,187,945.21	465,852,896.11
Gains from impairment of credit (losses are marked with "-")	-214,532.10	-	-	-1,286,581.85	316,819,722.85	315,318,608.90	407,893.03	-	-	315,726,501.93
Gains from impairment of assets (losses are marked with "-")	-	-	-	-	-	-	-	-	-	-
Gains from disposal of assets (losses are marked with "-")	1,147,053.63	-4,304.65	-110,309.93	-2,124.02	11,603.21	1,041,918.24	-155,995.83	-	-1,454.23	884,468.18
Operating profit (losses are marked with "-")	1,366,420,159.81	2,865,159,794.37	646,711,056.04	162,164,785.26	1,746,263,564.09	6,786,719,359.57	110,617,360.77	-68,119,344.92	-968,891,594.24	5,860,325,781.18

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(XIX) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Financial information of reporting segments - continued

Segment financial information for the period from 1 January to 30 June 2024 is as follows: - continued

Item	Ports operation						Bonded logistics operation	Others	Unappropriated amount	Total
	Mainland China, Hong Kong and Taiwan				Other areas	Sub-total				
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Others						
Non-operating income	8,082,316.61	-	-	4,261,287.73	1,978,420.68	14,322,025.02	42,240.83	49,439.70	3,124,729.18	17,538,434.73
Non-operating expenses	1,279,860.60	-	-	1,371,370.31	30,938,243.78	33,589,474.69	18,742.91	8,251.63	83,158.86	33,699,628.09
Total profit (Losses are marked with "-")	1,373,222,615.82	2,865,159,794.37	646,711,056.04	165,054,702.68	1,717,303,740.99	6,767,451,909.90	110,640,858.69	-68,078,156.85	-965,850,023.92	5,844,164,587.82
Income tax expenses	292,334,020.67	102,522,933.56	115,122,672.41	39,662,238.21	233,122,011.23	782,763,876.08	16,402,878.58	7,906,087.89	-2,553,964.04	804,518,878.51
Net profit (Losses are marked with "-")	1,080,888,595.15	2,762,636,860.81	531,588,383.63	125,392,464.47	1,484,181,729.76	5,984,688,033.82	94,237,980.11	-75,984,244.74	-963,296,059.88	5,039,645,709.31
Segment assets	25,159,648,144.61	59,053,667,162.30	10,290,478,652.54	27,605,130,841.79	43,895,539,823.77	166,004,464,625.01	4,385,458,318.06	19,461,526,772.48	10,893,681,899.76	200,745,131,615.31
Total assets in the financial statements										200,745,131,615.31
Segment liabilities	8,054,756,474.59	1,342,738,444.87	168,738,974.83	6,396,356,667.72	8,043,590,852.58	24,006,181,414.59	548,164,250.29	582,804,155.89	48,634,223,695.33	73,771,373,516.10
Total liabilities in the financial statements										73,771,373,516.10
Supplementary information:										
Depreciation and amortization	649,214,097.15	4,429,200.35	441,032.34	426,072,123.12	445,805,837.98	1,525,962,290.94	52,670,505.19	12,591,960.02	12,078,684.43	1,603,303,440.58
Interest income	16,953,957.00	285,724.46	304,556.64	8,849,103.13	97,732,626.85	124,125,968.08	2,947,476.59	478,816.47	112,605,281.64	240,157,542.78
Interest expense	44,968,925.36	4,005,717.95	-	46,286,600.74	158,527,211.05	253,788,455.10	4,228,352.92	6,619,216.67	883,829,107.75	1,148,465,132.44
Investment income from long-term equity investments under equity method (Losses are marked with "-")	27,015,306.72	2,875,237,848.06	157,499,358.35	6,796,818.08	298,146,789.23	3,364,696,120.44	20,421,144.80	-27,371,992.96	-	3,357,745,272.28
Long-term equity investments under equity method	1,778,239,596.88	57,238,687,511.41	8,854,531,448.95	1,714,256,379.55	12,321,801,119.52	81,907,516,056.31	1,712,129,148.10	14,359,020,060.75	-	97,978,665,265.16
Non-current assets other than long-term equity investments	18,020,380,466.47	394,157,415.12	14,385,806.35	19,882,238,102.80	25,993,279,320.59	64,304,441,111.33	2,367,078,133.19	4,707,807,383.48	1,182,623,518.60	72,561,950,146.60

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(XIX) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Financial information of reporting segments - continued

Segment financial information for the period from 1 January to 30 June 2023 is as follows:

Item	Ports operation						Bonded logistics operation	Others	Unappropriated amount	Total
	Mainland China, Hong Kong and Taiwan				Other areas	Sub-total				
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Others						
Operating income	3,097,351,341.64	454,417,897.17	34,005,738.63	1,707,565,905.93	2,150,550,737.41	7,443,891,620.78	264,962,592.07	86,407,358.14	-	7,795,261,570.99
Operating cost	1,682,854,605.81	324,518,375.72	27,745,460.78	1,244,020,127.84	991,877,837.27	4,271,016,407.42	137,413,819.19	111,513,527.18	-	4,519,943,753.79
Segment operating profit (Losses are marked with "-")	1,414,496,735.83	129,899,521.45	6,260,277.85	463,545,778.09	1,158,672,900.14	3,172,875,213.36	127,548,772.88	-25,106,169.04	-	3,275,317,817.20
Adjustments:										
Taxes and surcharges	19,526,223.00	753,587.52	750,216.83	23,234,524.85	73,010,300.82	117,274,853.02	12,504,446.59	11,998,032.83	-	141,777,332.44
Administrative expense	198,241,152.78	19,077,539.33	4,226,647.69	243,950,580.76	121,326,402.72	586,822,323.28	23,123,474.76	532,016.34	180,438,340.27	790,916,154.65
R&D expenses	94,730,593.45	19,694,430.12	-	6,616,287.15	-	121,041,310.72	-	-	-	121,041,310.72
Financial expenses	28,664,425.22	24,980,305.30	2,341,420.05	47,653,186.79	48,707,223.33	152,346,560.69	4,025,526.29	15,542,184.34	788,535,470.58	960,449,741.90
Other income	20,795,181.81	8,774,798.69	3,918.26	25,020,275.37	-	54,594,174.13	7,676,617.28	286,151.86	-	62,556,943.27
Investment income	31,088,848.04	2,576,081,993.76	223,213,146.95	20,281,271.27	179,713,787.90	3,030,379,047.92	16,346,214.88	127,311,637.93	13,455,817.67	3,187,492,718.40
Gains from changes in fair value (Losses are marked with "-")	27,635,522.77	-	171,253,003.44	-4,977,932.24	-	193,910,593.97	-57,875,873.69	5,674,527.84	1,328,055.56	143,037,303.68
Gains from impairment of credit (Losses are marked with "-")	-647,077.22	-	-	791,105.35	-7,855,915.77	-7,711,887.64	416,266.34	-	-	-7,295,621.30
Gains from impairment of assets	65,324.84	-	-	-	-	65,324.84	-	-	-	65,324.84
Gains from disposal of assets (Losses are marked with "-")	656,081.83	-	-7,362.22	-15,292.67	3,645.68	637,072.62	-285,026.87	-	-	352,045.75
Operating profit (Losses are marked with "-")	1,152,928,223.45	2,650,250,451.63	393,404,699.71	183,190,625.62	1,087,490,491.08	5,467,264,491.49	54,173,523.18	80,093,915.08	-954,189,937.62	4,647,341,992.13

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(XIX) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Financial information of reporting segments - continued

Segment financial information for the period from 1 January to 30 June 2023 is as follows: - continued

Item	Ports operation						Bonded logistics operation	Others	Unappropriated amount	Total
	Mainland China, Hong Kong and Taiwan				Other areas	Sub-total				
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Others						
Non-operating income	20,290,570.27	202,798.18	50,473.44	2,977,967.67	9,780,181.63	33,301,991.19	99,471.76	120,985.48	3,061,036.03	36,583,484.46
Non-operating expenses	5,761,171.09	213,965.02	-	3,056,124.97	1,047,742.25	10,079,003.33	-	-	-	10,079,003.33
Total profit (Losses are marked with "-")	1,167,457,622.63	2,650,239,284.79	393,455,173.15	183,112,468.32	1,096,222,930.46	5,490,487,479.35	54,272,994.94	80,214,900.56	-951,128,901.59	4,673,846,473.26
Income tax expenses	284,023,720.30	98,953,958.65	52,291,098.46	35,294,704.60	109,190,020.21	579,753,502.22	16,942,381.55	16,149,388.08	374,580.71	613,219,852.56
Net profit (Losses are marked with "-")	883,433,902.33	2,551,285,326.14	341,164,074.69	147,817,763.72	987,032,910.25	4,910,733,977.13	37,330,613.39	64,065,512.48	-951,503,482.30	4,060,626,620.70
Segment assets	24,077,034,824.03	60,067,762,451.82	9,816,804,596.68	27,625,611,169.76	47,152,109,689.23	168,739,322,731.52	3,971,154,263.99	19,585,631,808.90	12,632,780,604.92	204,928,889,409.33
Total assets in the financial statements	204,928,889,409.33									
Segment liabilities	7,030,968,571.00	1,976,037,523.47	142,578,115.06	7,412,483,599.88	7,539,593,421.93	24,101,661,231.34	382,986,037.09	703,952,392.58	48,988,629,180.92	74,177,228,841.93
Total liabilities in the financial statements	74,177,228,841.93									
Supplementary information:										
Depreciation and amortization	639,599,877.02	111,508,652.47	441,032.34	429,560,132.83	433,516,442.65	1,614,626,137.31	44,093,152.92	12,278,103.04	13,879,454.86	1,684,876,848.13
Interest income	24,037,169.58	659,332.12	337,995.32	12,375,739.77	143,657,830.50	181,068,067.29	419,363.09	898,417.50	66,515,506.30	248,901,354.18
Interest expense	44,714,677.00	6,591,958.47	-	58,488,953.57	195,722,581.32	305,518,170.36	4,367,885.32	9,846,807.92	793,157,746.32	1,112,890,609.92
Investment income from long-term equity investments under equity method	29,199,934.90	2,540,328,464.96	182,221,956.36	20,172,521.27	179,713,787.90	2,951,636,665.39	16,346,214.88	127,311,637.93	-	3,095,294,518.20
Long-term equity investments under equity method	1,813,117,599.50	53,312,454,699.90	8,694,304,892.54	1,718,018,313.90	13,417,899,893.72	78,955,795,399.56	1,736,168,937.02	14,284,305,831.54	-	94,976,270,168.12
Non-current assets other than long-term equity investments	18,097,790,529.49	401,611,000.59	15,379,045.27	20,222,118,801.41	26,461,825,273.66	65,198,724,650.42	2,022,680,892.60	4,922,045,463.32	1,477,890,583.32	73,621,341,589.66

CHINA MERCHANTS PORT GROUP CO., LTD.

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(XIX) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Financial information of reporting segments - continued

The Group's total revenue from external transactions in Mainland China and other countries and regions, and total non-current assets other than financial assets and deferred tax assets located in Mainland China and other countries and regions are presented as follows:

Revenue from external transactions	Current period	Prior period
Mainland China, Hong Kong and Taiwan	5,310,331,280.78	5,624,973,995.70
Pearl River Delta	3,479,997,279.58	3,354,702,296.86
Yangtze River Delta	1,029,435.60	454,417,897.17
Bohai Rim	115,003,315.91	108,287,895.74
Others	1,714,301,249.69	1,707,565,905.93
Other areas	2,664,861,802.86	2,170,287,575.29
Total	7,975,193,083.64	7,795,261,570.99

Total non-current assets	30/06/2024	31/12/2023
Mainland China, Hong Kong and Taiwan	129,668,458,692.32	128,859,143,257.19
Pearl River Delta	40,485,165,746.05	40,390,524,565.51
Yangtze River Delta	57,632,844,926.53	56,242,527,381.24
Bohai Rim	9,364,675,205.66	9,297,697,381.31
Others	22,185,772,814.08	22,928,393,929.13
Other areas	40,872,156,719.44	40,908,377,486.15
Total	170,540,615,411.76	169,767,520,743.34

(3) Degree of reliance on major customers

The total operating income derived from the top five customers of the Group is RMB 2,246,634,683.28, accounting for 28.17% 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	30/06/2024	31/12/2023
Dividends receivable	210,443,391.92	167,092,526.14
Other receivables	2,481,619,434.16	1,575,369,144.18
Total	2,692,062,826.08	1,742,461,670.32

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
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(XX)NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

- continued

1. Other receivables - continued

1.2 Dividends receivable

(1) Presentation of dividends receivable

Investee	30/06/2024	31/12/2023
Wharf Holdings Hong Kong	147,680,363.88	147,680,363.88
Zhanjiang Port	48,860,154.24	-
CM Port	6,910,683.41	-
Chiwan Shipping (Hong Kong) Limited	3,414,890.39	3,205,094.23
Sanya Merchants Port Development Co., Ltd	3,360,900.00	-
Shenzhen Petrochemical Industry (Group) Co., Ltd.	216,400.00	216,400.00
China Ocean Shipping Agency (Shenzhen) Co., Ltd.	-	11,232,000.00
CM International Tech	-	4,758,668.03
Total	210,443,391.92	167,092,526.14
Less: Provision for credit loss	-	-
Carrying amount	210,443,391.92	167,092,526.14

Significant dividends receivable aged more than 1 year

Item	30/06/2024	31/12/2023	Reason for outstanding	Impaired or not and the determination basis
Wharf Holdings Hong Kong	147,680,363.88	147,680,363.88	In processing and expected to be recovered in 2024	No
Total	147,680,363.88	147,680,363.88		

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(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

Aging	30/06/2024		
	Other receivables	Provision for credit loss	Proportion of provision (%)
Within 1 year	2,462,689,769.22	-	-
1 to 2 years	16,133,749.47	-	-
2 to 3 years	2,467,600.00	-	-
More than 3 years	711,772.07	383,456.60	53.87
Total	2,482,002,890.76	383,456.60	

(2) Disclosure of other receivables by nature

Item	30/06/2024	31/12/2023
Amounts due from related parties	2,446,538,790.17	1,553,447,353.90
Advances	4,649,277.34	4,965,337.56
Others	30,814,823.25	17,339,909.32
Total	2,482,002,890.76	1,575,752,600.78
Less: Provision for credit loss	383,456.60	383,456.60
Carrying amount	2,481,619,434.16	1,575,369,144.18

(3) Provision for credit loss of other receivables

Credit rating	Expected credit loss rate (%)	30/06/2024				31/12/2023			
		12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
A	0.00-0.10	2,481,619,434.16	-	-	2,481,619,434.16	1,575,369,144.18	-	-	1,575,369,144.18
B	0.10-0.30	-	-	-	-	-	-	-	-
C	0.30-50.00	-	-	-	-	-	-	-	-
D	50.00-100.00	-	-	383,456.60	383,456.60	-	-	383,456.60	383,456.60
Gross carrying amount		2,481,619,434.16	-	383,456.60	2,482,002,890.76	1,575,369,144.18	-	383,456.60	1,575,752,600.78
Provision for credit loss		-	-	383,456.60	383,456.60	-	-	383,456.60	383,456.60
Carrying amount		2,481,619,434.16	-	-	2,481,619,434.16	1,575,369,144.18	-	-	1,575,369,144.18

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
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(XX)NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

- continued

1. Other receivables - continued

1.3 Other receivables - continued

(4) Provision, recovery and reversal of credit loss of other receivables

Item	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	
At 1 January 2024	-	-	383,456.60	383,456.60
Balance of other receivables at 1 January 2024				
- Transfer to Stage 2	-	-	-	-
- Transfer to Stage 3	-	-	-	-
- Reverse to Stage 2	-	-	-	-
- Reverse to Stage 1	-	-	-	-
Provision for the period	-	-	-	-
Reversal for the period	-	-	-	-
Transfer out due to derecognition of financial assets (including direct write-down)	-	-	-	-
Other changes	-	-	-	-
At 30 June 2024	-	-	383,456.60	383,456.60

(5) Details of bad debt provision

Category	31/12/2023	Changes for the period					30/06/2024
		Provision	Recovery or reversal	Effect of changes in the scope of consolidation	Charge-off or write- off	Other changes	
Bad debt provision assessed on an individual basis	383,456.60	-	-	-	-	-	383,456.60
Bad debt provision assessed on a portfolio basis	-	-	-	-	-	-	-
Total	383,456.60	-	-	-	-	-	383,456.60

(6) The Company has no recovery or reversal of significant provision for credit loss in the current period.

CHINA MERCHANTS PORT GROUP CO., LTD.

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(XX)NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

- continued

1. Other receivables - continued

(7) The Group has no other receivables written off during the period.

(8) The top five balances of other receivables at the end of the period classified by debtor

Name of entity	Relationship with the Company	Nature	Closing balance	Aging	Proportion to total other receivables (%)	Closing balance of provision for credit loss
Wharf Holdings Hong Kong	Subsidiary	Loan to related parties	2,438,029,366.73	Within 1 year, 1-2 years	98.23	-
Shenzhen Chiwan Port Development Co., Ltd	Subsidiary	Lease payment	22,784,877.90	Within 1 year, 1-2 years	0.92	-
Shunkong Port	Subsidiary	Loan to related parties	8,509,423.44	1-2 years	0.34	-
China Securities Depository and Clearing Corporation Limited Shenzhen Branch	Third party	Others	3,996,917.82	Within 1 year	0.16	-
CM International Tech	Subsidiary	Advances	2,467,600.00	2-3 years	0.10	-
Total			2,475,788,185.89		99.75	-

CHINA MERCHANTS PORT GROUP CO., LTD.

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(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	01/01/2024	Changes for the period								30/06/2024	Closing balance of provision for impairment	
		Investment increase	Investment decrease	Investment income under equity method	Reconciliation of other comprehensive income	Other equity movements	Cash dividends or profit declared	Provision for impairment	Others			
I. Subsidiaries												
Shenzhen Chiwan International Freight Agency Co., Ltd.	5,500,000.00	-	-	-	-	-	-	-	-	-	5,500,000.00	-
Shenzhen Chiwan Harbor Container Co. Ltd.	250,920,000.00	-	-	-	-	-	-	-	-	-	250,920,000.00	-
Shenzhen Chiwan Port Development Co., Ltd.	206,283,811.09	-	-	-	-	-	-	-	-	-	206,283,811.09	-
Wharf Holdings Hong Kong	1,070,000.00	-	-	-	-	-	-	-	-	-	1,070,000.00	-
Shenzhen Chiwan Tugboat Co., Ltd.	24,000,000.00	-	-	-	-	-	-	-	-	-	24,000,000.00	-
Chiwan Container Terminal Co., Ltd.	421,023,199.85	-	-	-	-	-	-	-	-	-	421,023,199.85	-
Dongguan Shenchiwan Port Affairs Co., Ltd.	186,525,000.00	-	-	-	-	-	-	-	-	-	186,525,000.00	-
Dongguan Shenchiwan Wharf Co., Ltd.	175,000,000.00	-	-	-	-	-	-	-	-	-	175,000,000.00	-
Chiwan Shipping (Hong Kong) Limited	1,051,789.43	-	-	-	-	-	-	-	-	-	1,051,789.43	-
CM Port (Note 1)	181,316,161.41	163,260.82	-	-	-	-	-	-	-	-	181,479,422.23	-
Zhoushan RoRo	106,104,786.00	-	-	-	-	-	-	-	-	-	106,104,786.00	43,605,014.00
Zhanjiang Port	3,381,825,528.52	-	-	-	-	-	-	-	-	-	3,381,825,528.52	-
CM International Tech	130,462,575.02	-	-	-	-	-	-	-	-	-	130,462,575.02	-
Sanya Merchants Port Development Co., Ltd.	2,040,000.00	-	-	-	-	-	-	-	-	-	2,040,000.00	-
Ports Development (Hong Kong) Limited	29,203,045,326.23	-	-	-	-	-	-	-	-	-	29,203,045,326.23	-
Shunkong Port (Note 2)	194,673,400.00	10,408,200.00	-	-	-	-	-	-	-	-	205,081,600.00	-
Yide Port	131,866,700.00	-	-	-	-	-	-	-	-	-	131,866,700.00	-
Sub-total	34,602,708,277.55	10,571,460.82	-	-	-	-	-	-	-	-	34,613,279,738.37	43,605,014.00
II. Associates												
Ningbo Zhoushan	16,813,664,839.73	-	-	471,712,057.26	11,720,178.46	2,147,898.58	-371,449,726.01	-	-	-	16,927,795,248.02	-
China Merchants Northeast Asia Development & Investment Co., Ltd.	1,018,534,351.56	-	-	245,114.78	-	152.62	-	-	-	-	1,018,779,618.96	-
China Merchants Bonded Logistics Co., Ltd.	382,205,734.47	-	-	19,688,000.00	-	-	-47,284,052.37	-	-	-	354,609,682.10	-
Antong Holdings	922,332,364.58	-	-	10,238,052.17	-	-	-	-	-	-	932,570,416.75	-
Sub-total	19,136,737,290.34	-	-	501,883,224.21	11,720,178.46	2,148,051.20	-418,733,778.38	-	-	-	19,233,754,965.83	-
III. Joint ventures												
Yantai Port Group Laizhou Port Co., Ltd.	802,527,184.43	-	-	3,022,770.83	-	-	-	-	-	-	805,549,955.26	-
Fujian Zhaohang Logistics Management Partnership (Limited Partnership)	614,726,959.48	-	-	5,693,333.33	-	-	-	-	-	-	620,420,292.81	-
Shenzhen Gangteng Internet Technology Co., Ltd.	11,918,626.99	-	-	-1,069,655.98	-	-	-	-	-	-	10,848,971.01	-
Sub-total	1,429,172,770.90	-	-	7,646,448.18	-	-	-	-	-	-	1,436,819,219.08	-
Total	55,168,618,338.79	10,571,460.82	-	509,529,672.39	11,720,178.46	2,148,051.20	-418,733,778.38	-	-	-	55,283,853,923.28	43,605,014.00

NOTES TO THE FINANCIAL STATEMENTS
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(Unless otherwise specified, the monetary unit shall be RMB)

(XX)NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

- continued

2. Long-term equity investments - continued

(1) Details of long-term equity investments - continued

Note 1: Details are set out in Note (XI) 1. (1).

Note 2: In December 2023, the Company and Guangdong Shunkong City Investment Real Estate Co. Ltd. entered into a capital increase agreement for Shunkong Port, whereby the two parties agreed to increase the capital by RMB 153,823,600.00 together in accordance with their respective shareholding ratios of 51% and 49%, of which the Company contributed RMB 78,450,000.00. According to the capital increase agreement, Pursuant to the Capital Increase Agreement the Company paid \$33,110,200.00 for the Capital Increase by 31 December 2023 and as at 30 June 2024, \$10,408,200.00 for the Capital Increase had been paid and the remaining \$34,931,600.00 had not been paid. The shareholding ratio of the two investors remained unchanged after the capital increase.

3. Operating income and operating costs

Item	Current period		Prior period	
	Income	Cost	Income	Cost
Principal operation	-	-	-	-
Other operations	8,997,504.49	1,869,721.92	8,968,995.20	1,843,205.76
Total	8,997,504.49	1,869,721.92	8,968,995.20	1,843,205.76

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024
(Unless otherwise specified, the monetary unit shall be RMB)

(XX)NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

- continued

4. Investment income

(1) Details of investment income

Item	Current period	Prior period
Income from long-term equity investments under equity method	509,529,672.39	513,357,921.90
Income from long-term equity investments under cost method	450,574,980.92	405,401,855.31
Income from held-for-trading financial assets	16,033,315.06	27,032,712.34
Income from investments in other equity instruments	-	8,824,500.00
Total	976,137,968.37	954,616,989.55

(2) Income from long-term equity investments under cost method

Investee	Current period	Prior period	Reason for changes
Shenzhen Chiwan Harbor Container Co. Ltd.	143,167,589.81	111,712,423.41	Changes in profit distribution of investee
Chiwan Container Terminal Co., Ltd.	124,392,799.44	149,527,479.94	Changes in profit distribution of investee
Zhanjiang Port	83,925,753.46	36,552,790.18	Changes in profit distribution of investee
Dongguan Shenchiu Wharf Co., Ltd.	42,509,038.50	33,386,741.74	Changes in profit distribution of investee
Shenzhen Chiwan Tugboat Co., Ltd.	28,061,835.33	20,137,075.44	Changes in profit distribution of investee
Dongguan Shenchiu Port Affairs Co., Ltd.	13,703,850.69	26,519,896.50	Changes in profit distribution of investee
CM Port	6,875,839.88	8,083,560.00	Changes in profit distribution of investee
Shenzhen Chiwan Port Development Co., Ltd.	3,409,806.03	9,751,697.73	Changes in profit distribution of investee
Sanya Merchants Port Development Co., Ltd.	3,360,900.00	-	Changes in profit distribution of investee
Shenzhen Chiwan International Freight Agency Co., Ltd.	957,771.62	212,854.30	Changes in profit distribution of investee
Chiwan Shipping (Hong Kong) Limited	209,796.16	-	Changes in profit distribution of investee
CM International Tech	-	9,517,336.07	Changes in profit distribution of investee
Total	450,574,980.92	405,401,855.31	

CHINA MERCHANTS PORT GROUP CO., LTD.

**SUPPLEMENTARY INFORMATION
FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024**

1. BREAKDOWN OF NON-RECURRING PROFIT OR LOSS

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	-2,252,028.44	
Government grants recognized 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)	81,086,511.73	
Income earned from lending funds to non-financial institutions and recognized in profit or loss	41,671,453.81	
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	-	
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.	-	
Gains from transactions with unfair transaction price	-	
Net profit or loss of subsidiaries recognized as a result of business combination of enterprises under common control from the beginning of the period 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	465,852,896.11	
Reversal of provision for accounts receivable that are tested for impairment individually	317,235,230.14	
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 recognized 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	-13,024,696.74	
Other profit or loss that meets the definition of non-recurring profit or loss	-	
Less: Tax effects	124,701,487.41	
Effects of minority interests (after tax)	383,185,216.12	
Total	382,682,663.08	

CHINA MERCHANTS PORT GROUP CO., LTD.

SUPPLEMENTARY INFORMATION
FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024

2. RETURN ON NET ASSETS AND EARNINGS PER SHARE ("EPS")

The return on net assets and EPS have been prepared by the Company in accordance with *Information Disclosure and Presentation Rules for Companies Making Public Offering No. 9 - Calculation and Disclosure of Return on Net Assets and Earnings per Share* (revised in 2010) issued by China Securities Regulatory Commission.

Item	Weighted average return on net assets (%)	EPS	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders	4.2546%	1.0189	1.0188
Net profit attributable to ordinary shareholders after deducting non-recurring profit or loss	3.6153%	0.8658	0.8657