

CHINA MERCHANTS PORT GROUP CO., LTD.

FINANCIAL STATEMENTS AND AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

CHINA MERCHANTS PORT GROUP CO., LTD.

FINANCIAL STATEMENTS AND AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

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AUDITOR'S REPORT

毕马威华振审字第 2507318 号

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

I. Audit Opinion

We have audited the accompanying financial statements of China Merchants Port Group Co., Ltd. ("China Merchants Port Group"), which comprise the consolidated and company balance sheets as at 31 December 2024, the consolidated and company income statements, the consolidated and company cash flow statements, the consolidated and company statements of changes in shareholders' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company financial position of China Merchants Port Group as at 31 December 2024, and the consolidated and company financial performance and cash flows of China Merchants Port Group for the year then ended in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

II. Basis for the Opinion

We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants ("CSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of China Merchants Port Group in accordance with China Code of Ethics for Certified Public Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. Key Audit Matters

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

| Subsequent measurement of long-term equity investments in associates | |
|--|---|
| Refer to Note (IV) 14 accounting policy to the financial statements, Note (VIII) 12 to the consolidated financial statements, and Note (XX) 2 to China Merchants Port Group's financial statements. | |
| The Key Audit Matter | How the matter was addressed in our audit |
| <p>As at 31 December 2024, the carrying amount of China Merchants Port Group's long-term equity investments in associates amounts to RMB 90,710,156,849.66, accounting for 70.78% of the total shareholder's equity. For the year ended 31 December 2024, the investment income from associates recognized under the equity method amounts to RMB 6,073,558,615.46, accounting for 68.41% of the consolidated net profit.</p> <p>Since the amount of income from investments in associates recognized by China Merchants Port Group for the year is significant, we determine the above-mentioned subsequent measurement of the long-term equity investments in associates as a key audit matter of the consolidated financial statements.</p> | <p>Our audit procedures to the key audit matter included the following:</p> <ul style="list-style-type: none"> • Understand and evaluate the design and operation effectiveness of internal control over key financial statements related to the subsequent measurement of long-term equity investments of associated enterprises; • Evaluate the independence and professional competence of auditors of important joint ventures; • Participate in the risk assessment process of important joint venture auditors based on the purpose of group audit, and evaluate whether the audit evidence obtained by the risk assessment procedures implemented by them can provide an appropriate basis for identifying and evaluating the risk of material misstatement (RMM) of the group's financial statements; • Communicate with important joint venture auditors on matters related to the assessment of risk of material misstatement (RMM) of the Group's financial statements, and evaluate the appropriateness of further audit procedures they have implemented to address risk of material misstatement (RMM) of the Group's financial statements; |

III. Key Audit Matters - continued

| The Key Audit Matter | How the matter was addressed in our audit |
|---|--|
| | <ul style="list-style-type: none"> • Communicate with the auditors of important joint ventures about the important matters that may affect the consolidated financial statements found during the audit, the procedures implemented and the conclusions reached; • Evaluate the appropriateness of the management's consolidated adjustment to the financial information of the joint venture based on the accounting policies of China Merchants Harbor Group, including checking the supporting documents of the relevant difference adjustment and the accuracy of the subsequent measurement of the long-term equity investments of the joint venture based on the adjustment. |
| Goodwill impairment | |
| Refer to Note (IV) 7 accounting policy to the financial statements, Note (VIII) 20 to the consolidated financial statements. | |
| The Key Audit Matter | How the matter was addressed in our audit |
| As at 31 December 2024, the carrying amount of the goodwill presented in the consolidated financial statements of China Merchants Port Group is RMB 5,933,310,929.34. | <p>Our audit procedures to the key audit matter included the following:</p> <ul style="list-style-type: none"> • Understand and evaluate the design and operation effectiveness of internal control over key financial statements related to goodwill impairment; • Evaluate whether the management's identification of assets groups, the method of allocating goodwill to assets groups or assets group portfolios, and the method used to determine the recoverable amount meet the requirements of the Accounting Standards for Business Enterprises; |

III. Key Audit Matters - continued

| The Key Audit Matter | How the matter was addressed in our audit |
|---|---|
| <p>The management of China Merchants Port Group conducts impairment testing on goodwill at the end of each year. Management compares the book value of the assets group or assets group combination containing the apportioned goodwill with its recoverable amount to determine whether it is necessary to withdraw the impairment. The recoverable amount is the higher of the net amount of the fair value of the assets group or the combination of assets groups minus the disposal expenses and the present value of the estimated future cash flow. The determination of the present value of expected future cash flows involves significant management judgments, especially the estimation of key assumptions such as revenue growth rate and discount rate.</p> <p>Since the book value of goodwill is materiality to the financial statements, and the impairment testing of goodwill involves management's major judgments and estimates, these judgments are inherently uncertain, and may be affected by management bias's bias, we recognize the impairment of goodwill as a key audit matters.</p> | <ul style="list-style-type: none"> • Based on our understanding of the Based on our understanding of the industry in which China Merchants Port Group is located, and taking into account the historical operation of relevant asset groups and other external information, evaluate the rationality of the revenue growth rate adopted by management in determining the present value of the expected future cash flow; • Use the work of our valuation experts to evaluate the appropriateness of the valuation method and the reasonableness of the discount rate used by the management to determine the present value of the estimated future cash flow of the relevant asset group; • Carry out sensitivity analysis on the key assumptions of revenue growth rate and discount rate adopted by management, evaluate the possible impact of changes in key assumptions on the evaluation results of goodwill impairment, and whether there is any sign of management bias; • Compare the key assumptions adopted by management when preparing the present value of estimated cash flow in the previous year with the actual situation of the current year to evaluate whether there is any sign of management bias; • Evaluate whether the disclosure of goodwill impairment and key assumptions adopted in the financial statements meet the requirements of the Accounting Standards for Business Enterprises. |

IV. Other Information

China Merchants Port Group's management is responsible for the other information. The other information comprises all the information included in 2024 annual report of China Merchants Port Group, other than the financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on China Merchants Port Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause China Merchants Port Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within China Merchants Port Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

KPMG Huazhen LLP

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

王 洁 (Engagement Partner)

Beijing, China

吴惠煌

1 April 2025

CHINA MERCHANTS PORT GROUP CO., LTD.

As at 31 DECEMBER 2024

Consolidated Balance Sheet

RMB

| Item | Notes | 31/12/2024 | 31/12/2023 |
|--|----------|--------------------|--------------------|
| Current Assets: | | | |
| Cash and bank balances | (VIII)1 | 16,630,400,701.13 | 16,079,646,178.24 |
| Including: Cash deposited in the finance company | (XV)6(1) | 4,745,991,554.35 | 2,090,078,155.93 |
| Financial assets held for trading | (VIII)2 | 5,685,135,472.01 | 4,568,806,108.84 |
| Derivative financial assets | | - | - |
| Bills receivable | (VIII)3 | 270,127,883.63 | 325,150,195.09 |
| Accounts receivable | (VIII)4 | 1,193,408,383.78 | 1,103,901,466.25 |
| Receivables under financing | (VIII)5 | - | 2,001,669.46 |
| Prepayments | (VIII)6 | 59,177,117.22 | 37,664,552.30 |
| Funds receivable under centralised management | | - | - |
| Other receivables | (VIII)7 | 1,166,499,343.90 | 940,014,994.01 |
| Including: Dividends receivable | (VIII)7 | 554,387,723.94 | 343,386,866.06 |
| Inventories | (VIII)8 | 269,958,020.34 | 218,898,192.87 |
| Including: Raw materials | | 260,819,412.56 | 215,862,884.60 |
| Goods in stock (finished products) | | 4,683,965.30 | 2,520,205.91 |
| Contract assets | | - | - |
| Assets held for sale | | - | - |
| Non-current assets due within one year | (VIII)9 | 34,997,992.08 | 17,451,380.98 |
| Other current assets | (VIII)10 | 251,697,812.77 | 189,673,500.87 |
| Total current assets | | 25,561,402,726.86 | 23,483,208,238.91 |
| Non-current Assets: | | | |
| Debt investments | | - | - |
| Other debt investments | | - | - |
| Long-term receivables | (VIII)11 | 3,777,373,574.70 | 3,856,466,116.99 |
| Long-term equity investments | (VIII)12 | 100,018,029,894.96 | 96,666,117,776.27 |
| Investments in other equity instruments | (VIII)13 | 139,451,887.05 | 157,461,648.16 |
| Other non-current financial assets | (VIII)14 | 28,524,600.31 | 877,576,442.83 |
| Investment properties | (VIII)15 | 3,288,690,070.60 | 4,958,374,968.79 |
| Fixed assets | (VIII)16 | 30,689,217,791.45 | 28,986,538,326.35 |
| Including: Fixed assets - cost | | 55,832,500,023.64 | 51,987,700,820.76 |
| Accumulated depreciation | | 24,930,618,296.33 | 22,787,694,400.09 |
| Provision for impairment of fixed assets | | 213,290,383.06 | 213,504,483.08 |
| Construction in progress | (VIII)17 | 3,311,109,996.59 | 2,909,817,281.46 |
| Right-of-use assets | (VIII)18 | 8,957,352,063.54 | 9,441,668,311.22 |
| Intangible assets | (VIII)19 | 17,335,082,422.84 | 18,073,062,184.72 |
| Development costs | (IX)2 | 63,395,053.69 | 50,990,153.18 |
| Goodwill | (VIII)20 | 5,933,310,929.34 | 6,493,002,246.44 |
| Long-term deferred expenses | (VIII)21 | 940,404,479.94 | 993,793,505.29 |
| Deferred tax assets | (VIII)22 | 365,481,207.77 | 415,063,477.03 |
| Other non-current assets | (VIII)23 | 1,109,025,181.81 | 1,194,155,989.62 |
| Total non-current assets | | 175,956,449,154.59 | 175,074,088,428.35 |
| TOTAL ASSETS | | 201,517,851,881.45 | 198,557,296,667.26 |

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

As at 31 DECEMBER 2024

Consolidated Balance Sheet - continued

RMB

| Item | Notes | 31/12/2024 | 31/12/2023 |
|---|----------|--------------------------|--------------------------|
| Current liabilities: | | | |
| Short-term borrowings | (VIII)24 | 12,791,242,141.69 | 15,714,045,288.97 |
| Financial liabilities held for trading | | - | - |
| Derivative financial liabilities | | - | - |
| Bills payable | (VIII)25 | 1,536,194.00 | 73,461,165.82 |
| Accounts payable | (VIII)26 | 785,830,532.33 | 691,765,137.25 |
| Advance payments received | (VIII)27 | 14,576,237.84 | 17,387,537.36 |
| Contract liabilities | (VIII)28 | 267,888,272.62 | 142,080,101.00 |
| Employee benefits payable | (VIII)29 | 1,168,592,349.15 | 917,964,606.65 |
| Including: Payroll payable | | 1,126,682,376.20 | 883,913,277.13 |
| Welfare payable | | - | - |
| Taxes payable | (VIII)30 | 725,165,726.32 | 923,053,572.50 |
| Including: Taxes payable | | 714,248,068.55 | 914,917,451.47 |
| Other payables | (VIII)31 | 1,923,980,312.98 | 1,654,622,170.02 |
| Including: Dividends payable | (VIII)31 | 132,334,744.28 | 111,897,214.27 |
| Liabilities held for sale | | - | - |
| Non-current liabilities due within one year | (VIII)32 | 10,506,682,795.60 | 6,817,404,289.25 |
| Other current liabilities | (VIII)33 | 4,061,201,760.72 | 2,143,842,534.53 |
| Total current liabilities | | 32,246,696,323.25 | 29,095,626,403.35 |
| Non-current Liabilities: | | | |
| Long-term borrowings | (VIII)34 | 15,582,593,255.65 | 18,227,543,954.71 |
| Bonds payable | (VIII)35 | 13,875,559,119.52 | 14,287,508,564.15 |
| Including: Preference shares | | - | - |
| Perpetual bonds | | - | - |
| Lease liabilities | (VIII)36 | 1,387,206,990.51 | 1,001,172,206.92 |
| Long-term payables | (VIII)37 | 3,204,582,672.75 | 3,822,862,202.17 |
| Long-term employee benefits payable | (VIII)38 | 655,658,044.98 | 603,009,921.91 |
| Provisions | (VIII)39 | 159,435,795.50 | 85,590,059.41 |
| Deferred income | (VIII)40 | 1,268,975,316.61 | 1,024,776,557.73 |
| Deferred tax liabilities | (VIII)22 | 4,795,985,333.59 | 4,659,638,104.37 |
| Other non-current liabilities | (VIII)41 | 182,720,254.84 | 179,634,263.73 |
| Total non-current liabilities | | 41,112,716,783.95 | 43,891,735,835.10 |
| TOTAL LIABILITIES | | 73,359,413,107.20 | 72,987,362,238.45 |

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

As at 31 DECEMBER 2024

Consolidated Balance Sheet - continued

RMB

| Item | Notes | 31/12/2024 | 31/12/2023 |
|--|----------|--------------------|--------------------|
| Shareholders' equity: | | | |
| Share capital | (VIII)42 | 2,501,308,481.00 | 2,499,074,661.00 |
| Including: State capital | | - | - |
| State-owned corporate capital | | 2,236,269,506.00 | 2,264,090,797.00 |
| Collective capital | | - | - |
| Private capital | | 240,947,591.00 | 218,857,094.00 |
| Foreign capital | | 24,091,384.00 | 16,126,770.00 |
| Other equity instruments | | - | - |
| Including: Preference shares | | - | - |
| Perpetual bonds | | - | - |
| Capital reserve | (VIII)43 | 37,362,981,831.67 | 37,076,846,803.06 |
| Less: Treasury shares | | 50,559,789.14 | - |
| Other comprehensive income | (VIII)44 | -1,558,381,237.45 | -903,626,594.35 |
| Including: Translation difference of financial statements denominated in foreign currencies | | -1,030,995,258.63 | -453,976,318.25 |
| Specific reserve | (VIII)45 | 40,074,647.27 | 34,003,994.41 |
| Surplus reserve | (VIII)46 | 1,249,537,330.50 | 1,095,980,563.68 |
| Including: Legal reserve | | 1,249,537,330.50 | 1,095,980,563.68 |
| Arbitrary accumulation fund | | - | - |
| Retained earnings | (VIII)47 | 21,957,778,579.11 | 19,045,313,519.75 |
| Total equity attributable to shareholders of the Company | | 61,502,739,842.96 | 58,847,592,947.55 |
| Non-controlling interests | | 66,655,698,931.29 | 66,722,341,481.26 |
| TOTAL SHAREHOLDERS' EQUITY | | 128,158,438,774.25 | 125,569,934,428.81 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 201,517,851,881.45 | 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

Huang Zhenzhou

Chief Financial Officer

Liu Shixia

Head of Accounting Department

CHINA MERCHANTS PORT GROUP CO., LTD.

As at 31 DECEMBER 2024

Balance Sheet of the Company

RMB

| Item | Notes | 31/12/2024 | 31/12/2023 |
|--|-------|--------------------------|--------------------------|
| Current Assets: | | | |
| Cash and bank balances | | 4,051,544,937.38 | 3,281,038,218.84 |
| Including: Cash deposited in the finance company | | 2,738,121,884.17 | 514,219,595.31 |
| Financial assets held for trading | | 2,902,402,602.73 | 1,500,517,808.22 |
| Derivative financial assets | | - | - |
| Bills receivable | | - | - |
| Accounts receivable | | - | - |
| Receivables under financing | | - | - |
| Prepayments | | 879,205.65 | 10,075,055.61 |
| Funds receivable under centralised management | | - | - |
| Other receivables | (XX)1 | 2,413,442,661.68 | 1,742,461,670.32 |
| Including: Dividends receivable | (XX)1 | 965,690,879.89 | 167,092,526.14 |
| Inventories | | - | - |
| Including: Raw materials | | - | - |
| Goods in stock (finished products) | | - | - |
| Contract assets | | - | - |
| Assets held for sale | | - | - |
| Non-current assets due within one year | | - | - |
| Other current assets | | 8,783,543.80 | 10,882,675.96 |
| Total current assets | | 9,377,052,951.24 | 6,544,975,428.95 |
| Non-current Assets: | | | |
| Debt investments | | - | - |
| Other debt investments | | - | - |
| Long-term receivables | | 9,546,673.32 | 9,391,615.50 |
| Long-term equity investments | (XX)2 | 56,009,282,172.30 | 55,168,618,338.79 |
| Investments in other equity instruments | | 130,125,719.67 | 148,088,364.25 |
| Other non-current financial assets | | - | - |
| Investment properties | | - | - |
| Fixed assets | | 25,785,696.83 | 27,343,639.28 |
| Including: Fixed assets - cost | | 33,196,561.49 | 32,478,382.04 |
| Accumulated depreciation | | 7,410,864.66 | 5,134,742.76 |
| Provision for impairment of fixed assets | | - | - |
| Construction in progress | | 607,774.34 | 607,774.34 |
| Right-of-use assets | | - | - |
| Intangible assets | | 55,685,403.63 | 54,876,218.77 |
| Development costs | | 53,435,391.51 | 38,923,289.23 |
| Goodwill | | - | - |
| Long-term deferred expenses | | 287,141.10 | 665,319.42 |
| Deferred tax assets | | - | 928,465.21 |
| Other non-current assets | | - | - |
| Total non-current assets | | 56,284,755,972.70 | 55,449,443,024.79 |
| TOTAL ASSETS | | 65,661,808,923.94 | 61,994,418,453.74 |

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

As at 31 DECEMBER 2024

Balance Sheet of the Company - continued

RMB

| Item | Notes | 31/12/2024 | 31/12/2023 |
|---|-------|--------------------------|--------------------------|
| Current Liabilities: | | | |
| Short-term borrowings | | 136,552,893.75 | - |
| Financial liabilities held for trading | | - | - |
| Derivative financial liabilities | | - | - |
| Bills payable | | - | - |
| Accounts payable | | - | - |
| Advance payments received | | - | 5,358,074.44 |
| Contract liabilities | | - | - |
| Employee benefits payable | | 57,295,154.90 | 45,188,572.96 |
| Including: Payroll payable | | 57,135,815.24 | 45,032,983.18 |
| Welfare payable | | - | - |
| Taxes payable | | 2,967,430.48 | 1,046,270.66 |
| Including: Taxes payable | | 2,967,430.48 | 1,046,270.66 |
| Other payables | | 413,758,779.36 | 376,323,201.93 |
| Including: Dividends payable | | 34,577,578.12 | 34,577,578.12 |
| Liabilities held for sale | | - | - |
| Non-current liabilities due within one year | | 3,126,770,180.31 | 5,119,243,623.45 |
| Other current liabilities | | 4,020,214,246.58 | 2,007,190,136.98 |
| Total current liabilities | | 7,757,558,685.38 | 7,554,349,880.42 |
| Non-current Liabilities: | | | |
| Long-term borrowings | | 7,966,000,000.00 | 7,979,000,000.00 |
| Bonds payable | | 6,000,000,000.00 | 3,000,000,000.00 |
| Including: Preference shares | | - | - |
| Perpetual bonds | | - | - |
| Lease liabilities | | - | - |
| Long-term payables | | - | - |
| Long-term employee benefits payable | | - | - |
| Provisions | | - | - |
| Deferred income | | 11,000,000.00 | - |
| Deferred tax liabilities | | 37,000,434.40 | 41,948,362.13 |
| Other non-current liabilities | | - | - |
| Total non-current liabilities | | 14,014,000,434.40 | 11,020,948,362.13 |
| TOTAL LIABILITIES | | 21,771,559,119.78 | 18,575,298,242.55 |

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

As at 31 DECEMBER 2024

Balance Sheet of the Company - continued

RMB

| Item | Notes | 31/12/2024 | 31/12/2023 |
|--|-------|--------------------------|--------------------------|
| Shareholders' equity | | | |
| Share capital | | 2,501,308,481.00 | 2,499,074,661.00 |
| Including: State capital | | - | - |
| State-owned corporate capital | | 2,236,269,506.00 | 2,264,090,797.00 |
| Collective capital | | - | - |
| Private capital | | 240,947,591.00 | 218,857,094.00 |
| Foreign capital | | 24,091,384.00 | 16,126,770.00 |
| Other equity instruments | | - | - |
| Including: Preference shares | | - | - |
| Perpetual bonds | | - | - |
| Capital reserve | | 37,773,833,882.62 | 37,704,543,586.11 |
| Less: Treasury shares | | 50,559,789.14 | - |
| Other comprehensive income | | 130,414,442.07 | 120,520,832.83 |
| Including: Translation difference of financial statements denominated in foreign currencies | | - | - |
| Specific reserve | | - | - |
| Surplus reserve | | 1,249,537,330.50 | 1,095,980,563.68 |
| Including: Legal reserve | | 1,249,537,330.50 | 1,095,980,563.68 |
| Arbitrary accumulation fund | | - | - |
| Retained earnings | | 2,285,715,457.11 | 1,999,000,567.57 |
| Total shareholders' equity | | 43,890,249,804.16 | 43,419,120,211.19 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 65,661,808,923.94 | 61,994,418,453.74 |

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2024

Consolidated Income Statement

RMB

| Item | Notes | 2024 | 2023 |
|--|----------|-------------------|-------------------|
| I. Total operating income | (VIII)48 | 16,130,778,028.24 | 15,750,475,780.22 |
| Including: Operating income | | 16,130,778,028.24 | 15,750,475,780.22 |
| II. Total operating costs | | 13,409,015,440.91 | 13,470,678,289.53 |
| Less: Operating costs | (VIII)48 | 9,196,016,692.35 | 9,318,186,707.75 |
| Taxes and surcharges | (VIII)49 | 332,333,763.15 | 312,998,026.19 |
| Selling and distribution expenses | | - | - |
| General and administrative expenses | (VIII)50 | 1,821,544,282.18 | 1,776,641,155.38 |
| Research and development expenses | (VIII)51 | 201,755,066.36 | 223,739,072.07 |
| Financial expenses | (VIII)52 | 1,857,365,636.87 | 1,839,113,328.14 |
| Including: Interest expenses | | 2,215,219,118.52 | 2,238,152,796.66 |
| Interest income | | 477,430,320.41 | 497,593,921.36 |
| Net exchange loss (“-” for gains) | | 109,256,513.08 | 85,519,920.28 |
| Add: Other income | (VIII)53 | 185,410,303.29 | 224,389,260.77 |
| Investment income (“-” for losses) | (VIII)54 | 6,546,996,531.50 | 6,348,676,940.80 |
| Including: Income from investments in associates and joint ventures | (VIII)54 | 6,441,005,613.25 | 5,979,007,585.96 |
| Income arising from derecognition of financial assets measured at amortised cost | | - | - |
| Net exposure hedging income (“-” for losses) | | - | - |
| Gains from changes in fair value (“-” for losses) | (VIII)55 | 390,232,365.15 | 73,352,800.52 |
| Reversal of credit impairment | (VIII)56 | 272,994,309.08 | 37,284,041.18 |
| Impairment losses (“-” for losses) | (VIII)57 | -8,880,788.88 | -191,297,311.28 |
| Gains from asset disposals (“-” for losses) | (VIII)58 | 34,062,395.75 | 36,759,532.61 |

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2024

Consolidated Income Statement - continued

RMB

| Item | Notes | 2024 | 2023 |
|---|----------|-------------------|------------------|
| III. Operating profit | | 10,142,577,703.22 | 8,808,962,755.29 |
| Add: Non-operating income | (VIII)59 | 59,018,655.32 | 87,302,024.12 |
| Including: Government grants | | - | - |
| Less: Non-operating expenses | (VIII)60 | 70,252,101.73 | 97,072,840.72 |
| IV. Profit before income tax | | 10,131,344,256.81 | 8,799,191,938.69 |
| Less: Income tax expenses | (VIII)63 | 1,252,837,946.90 | 1,303,579,852.93 |
| V. Net profit for the year | | 8,878,506,309.91 | 7,495,612,085.76 |
| (I) Net profit classified by continuity of operations | | | |
| 1. Net profit from continuing operation | | 8,878,506,309.91 | 7,495,612,085.76 |
| 2. Net profit from discontinued operation | | - | - |
| (II) Net profit classified by ownership | | | |
| 1. Shareholders of the Company | | 4,516,301,317.16 | 3,571,800,762.16 |
| 2. Non-controlling interests | | 4,362,204,992.75 | 3,923,811,323.60 |
| VI. Other comprehensive income, net of tax | (VIII)44 | -1,529,342,680.40 | 209,856,768.77 |
| (I) Other comprehensive income (net of tax) attributable to shareholders of the Company | | -654,754,643.10 | -214,072,974.49 |
| 1. Items that will not be reclassified to profit or loss | | -102,848,966.14 | -73,874,071.89 |
| (1) Remeasurement of defined benefit plan | | -24,453,072.38 | 7,480,103.34 |
| (2) Other comprehensive income recognised under the equity method | | -64,909,867.66 | -83,841,725.07 |
| (3) Changes in fair value of investments in other equity instruments | | -13,486,026.10 | 2,487,549.84 |
| (4) Changes in fair value of entity's own credit risk | | - | - |
| (5) Others | | - | - |
| 2. Item that reclassified to profit or loss | | -551,905,676.96 | -140,198,902.60 |
| (1) Other comprehensive income recognised under the equity method | | 25,113,263.42 | -366,028,318.84 |
| (2) Changes in fair value of other debt investments | | - | - |
| (3) Amount of financial assets reclassified into other comprehensive income | | - | - |
| (4) Credit losses of other debt investments | | - | - |
| (5) Cash flow hedge reserve (effective part of cash flow hedging profit and loss) | | - | - |
| (6) Translation differences arising from translation of foreign currency financial statements | | -577,018,940.38 | 225,829,416.24 |
| (7) Others | | - | - |
| (II) Other comprehensive income (net of tax) attributable to non-controlling interests | | -874,588,037.30 | 423,929,743.26 |
| VII. Total comprehensive income for the year | | 7,349,163,629.51 | 7,705,468,854.53 |
| (I) Attributable to shareholders of the Company | | 3,861,546,674.06 | 3,357,727,787.67 |
| (II) Attributable to non-controlling interests | | 3,487,616,955.45 | 4,347,741,066.86 |
| VIII. Earnings per share | | | |
| (I) Basic earnings per share (RMB/share) | | 1.81 | 1.43 |
| (II) Diluted earnings per share (RMB/share) | | 1.81 | 1.43 |

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2024

Income Statement of the Company

RMB

| Item | Notes | 2024 | 2023 |
|--|-------|------------------|------------------|
| I. Total operating income | (XX)3 | 18,456,183.80 | 17,326,885.29 |
| Less: Operating costs | (XX)3 | 3,739,443.84 | 3,686,411.84 |
| Taxes and surcharges | | 1,304,373.74 | 2,161,621.42 |
| Selling and distribution expenses | | - | - |
| General and administrative expenses | | 157,158,232.51 | 167,273,393.24 |
| Research and development expenses | | 17,042,748.71 | 14,046,526.98 |
| Financial expenses | | 406,958,438.88 | 397,006,521.97 |
| Including: Interest expenses | | 483,982,034.35 | 482,413,617.32 |
| Interest income | | 85,684,756.27 | 89,862,634.06 |
| Net exchange loss (“-” for losses) | | 2,351,741.58 | 2,296,890.14 |
| Add: Other income | | 397,379.05 | 206,131.06 |
| Investment income (“-” for losses) | (XX)4 | 2,453,196,389.65 | 1,597,599,935.27 |
| Including: Income from investments in associates and joint ventures | (XX)4 | 1,154,581,593.08 | 1,111,522,805.93 |
| Income arising from derecognition of financial assets measured at amortised cost | | - | - |
| Net exposure hedging income (“-” for losses) | | - | - |
| Gains from changes in fair value (“-” for losses) | | 4,999,863.00 | -48,217,517.53 |
| Reversal of credit impairment | | - | - |
| Impairment losses (“-” for losses) | | - | -43,605,014.00 |
| Gains from asset disposals (“-” for losses) | | -9,551.52 | - |
| II. Operating profit | | 1,890,837,026.30 | 939,135,944.64 |
| Add: Non-operating income | | 185,319.67 | 18,698.11 |
| Including: Government grants | | - | - |
| Less: Non-operating expenses | | - | 104,998.04 |
| III. Profit before income tax | | 1,891,022,345.97 | 939,049,644.71 |
| Less: Income tax expenses | | 471,198.63 | -1,581,500.55 |
| IV. Net profit for the year | | 1,890,551,147.34 | 940,631,145.26 |
| Net profit from continuing operations (“-” for net loss) | | 1,890,551,147.34 | 940,631,145.26 |
| Net profit from discontinued operations (“-” for net loss) | | - | - |
| V. Other comprehensive income, net of tax | | 9,893,609.24 | 20,995,146.80 |
| (I) Items that will not be reclassified to profit or loss | | -14,557,437.08 | 3,661,309.41 |
| 1. Remeasurement of the defined benefit plan | | - | - |
| 2. Other comprehensive income recognised under the equity method | | -1,085,453.65 | 1,120,319.93 |
| 3. Changes in fair value of investments in other equity instruments | | -13,471,983.43 | 2,540,989.48 |
| 4. Changes in fair value of entity’s own credit risk | | - | - |
| 5. Others | | - | - |
| (II) Items that may be reclassified to profit or loss | | 24,451,046.32 | 17,333,837.39 |
| 1. Other comprehensive income recognised under the equity method | | 24,451,046.32 | 17,333,837.39 |
| 2. Changes in fair value of other debt investments | | - | - |
| 3. Amount of financial assets reclassified into other comprehensive income | | - | - |
| 4. Credit losses of other debt investments | | - | - |
| 5. Cash flow hedge reserve (effective part of cash flow hedging profit and loss) | | - | - |
| 6. Translation differences arising from translation of foreign currency financial statements | | - | - |
| 7. Others | | - | - |
| VI. Total comprehensive income for the year | | 1,900,444,756.58 | 961,626,292.06 |

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2024

Consolidated Cash Flow Statement

RMB

| Item | Notes | 2024 | 2023 |
|--|-------------|-------------------|-------------------|
| I. Cash flows from operating activities: | | | |
| Proceeds from sale of goods and rendering of services | | 16,589,207,291.70 | 16,019,658,434.90 |
| Refund of taxes | | 180,073,212.01 | 53,272,648.95 |
| Proceeds from other operating activities | (VIII)66(1) | 1,413,169,094.11 | 927,564,019.09 |
| Sub-total of cash inflows | | 18,182,449,597.82 | 17,000,495,102.94 |
| Payment for goods and services | | 4,334,345,500.75 | 4,550,256,851.25 |
| Payment to and for employees | | 3,464,632,790.50 | 3,598,624,870.64 |
| Payment of various taxes | | 1,594,215,474.70 | 1,418,779,686.67 |
| Payment for other operating activities | (VIII)66(1) | 776,043,007.47 | 853,227,059.21 |
| Sub-total of cash outflows | | 10,169,236,773.42 | 10,420,888,467.77 |
| Net cash inflow from operating activities | (VIII)67(1) | 8,013,212,824.40 | 6,579,606,635.17 |
| II. Cash flows from investing activities: | | | |
| Proceeds from disposal of investments | | 27,563,331,868.18 | 28,430,740,038.14 |
| Investment returns received | | 2,945,983,531.55 | 2,329,944,728.79 |
| Net proceeds from disposal of fixed assets, intangible assets and other long-term assets | | 63,168,477.18 | 144,845,803.86 |
| Net proceeds from disposal of subsidiaries and other business units | (VIII)66(2) | - | 1,683,385,533.43 |
| Proceeds from other investing activities | (VIII)66(2) | 16,260,626.10 | 3,164,955,303.27 |
| Sub-total of cash inflows | | 30,588,744,503.01 | 35,753,871,407.49 |
| Payment for acquisition of fixed assets, intangible assets and other long-term assets | | 1,945,061,261.66 | 1,929,374,936.21 |
| Payment for acquisition of investments | | 27,610,855,675.82 | 29,974,648,554.87 |
| Net payment for acquisition of subsidiaries and other business units | (VIII)67(3) | 293,358,563.60 | - |
| Payment for other investing activities | (VIII)66(2) | 261,140,547.34 | 82,663,303.33 |
| Sub-total of cash outflows | | 30,110,416,048.42 | 31,986,686,794.41 |
| Net cash inflow from investing activities | | 478,328,454.59 | 3,767,184,613.08 |
| III. Cash flows from financing activities: | | | |
| Proceeds from investors | | 76,758,234.49 | 217,520,934.61 |
| Including: Proceeds from non-controlling shareholders of subsidiaries | | 43,561,800.00 | 217,520,934.61 |
| Proceeds from borrowings | | 26,764,844,974.84 | 35,416,872,247.55 |
| Proceeds from other financing activities | (VIII)66(3) | 55,862,550.05 | 334,754,229.63 |
| Sub-total of cash inflows | | 26,897,465,759.38 | 35,969,147,411.79 |
| Repayments of borrowings | | 27,301,766,289.39 | 31,919,051,211.87 |
| Payment for dividends, profit distributions or interest | (VIII)67(4) | 6,961,913,964.29 | 5,167,695,546.01 |
| Including: Dividends and profits paid to non-controlling shareholders of subsidiaries | | 3,553,580,816.50 | 1,955,677,172.68 |
| Payment for other financing activities | (VIII)66(3) | 539,924,528.35 | 6,867,093,830.32 |
| Sub-total of cash outflows | | 34,803,604,782.03 | 43,953,840,588.20 |
| Net cash outflow from financing activities | | -7,906,139,022.65 | -7,984,693,176.41 |
| IV. Effect of foreign exchange rate changes on cash and cash equivalents | | -88,946,332.53 | 89,206,087.64 |
| V. Net increase in cash and cash equivalents | | 496,455,923.81 | 2,451,304,159.48 |
| Add: Cash and cash equivalents at the beginning of the year | (VIII)67(1) | 16,018,613,631.10 | 13,567,309,471.62 |
| VI. Cash and cash equivalents at the end of the year | (VIII)67(2) | 16,515,069,554.91 | 16,018,613,631.10 |

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2024

Cash Flow Statement of the Company

RMB

| Item | Notes | 2024 | 2023 |
|--|-------|-------------------|-------------------|
| I. Cash flows from operating activities: | | | |
| Proceeds from sale of goods and rendering of services | | - | - |
| Refunds of taxes | | 4,722,220.72 | 1,576,989.49 |
| Proceeds from other operating activities | | 465,774,682.36 | 204,317,795.73 |
| Sub-total of cash inflows | | 470,496,903.08 | 205,894,785.22 |
| Payment for goods and services | | 105,600.00 | 142,500.00 |
| Payment to and for employees | | 99,220,574.59 | 111,864,640.42 |
| Payment of various taxes | | 548,632.16 | 2,203,522.03 |
| Payment for other operating activities | | 420,429,917.05 | 197,101,786.33 |
| Sub-total of cash outflows | | 520,304,723.80 | 311,312,448.78 |
| Net cash outflow from operating activities | | -49,807,820.72 | -105,417,663.56 |
| II. Cash flows from investing activities: | | | |
| Proceeds from disposal of investments | | 10,500,000,000.00 | 11,200,000,000.00 |
| Investment returns received | | 922,093,300.17 | 934,979,575.11 |
| Net proceeds from disposal of fixed assets, intangible assets and other long-term assets | | 4,620.00 | - |
| Net proceeds from disposals of subsidiaries and other business units | | - | - |
| Proceeds from other investing activities | | 2,105,669,483.62 | 1,948,842,841.79 |
| Sub-total of cash inflows | | 13,527,767,403.79 | 14,083,822,416.90 |
| Payment for acquisition of fixed assets, intangible assets and other long-term assets | | 18,200,422.44 | 23,594,300.69 |
| Payment for acquisition of investments | | 11,945,339,800.00 | 11,589,128,994.69 |
| Net payment for acquisition of subsidiaries and other business units | | - | - |
| Payment for other investing activities | | 1,990,013,432.08 | 890,011,664.40 |
| Sub-total of cash outflows | | 13,953,553,654.52 | 12,502,734,959.78 |
| Net cash (outflow)/inflow from investing activities | | -425,786,250.73 | 1,581,087,457.12 |
| III. Cash flows from financing activities: | | | |
| Proceeds from investors | | 33,196,434.49 | - |
| Proceeds from borrowings | | 14,361,983,943.48 | 12,250,000,000.00 |
| Proceeds from other financing activities | | 11,034,623.06 | 6,728,017.13 |
| Sub-total of cash inflows | | 14,406,215,001.03 | 12,256,728,017.13 |
| Repayments of borrowings | | 11,207,000,000.00 | 12,125,000,000.00 |
| Payment for dividends or interest | | 1,920,172,028.00 | 1,650,693,345.10 |
| Payment for other financing activities | | 68,463,301.09 | 9,832,313.92 |
| Sub-total of cash outflows | | 13,195,635,329.09 | 13,785,525,659.02 |
| Net cash inflow/(outflow) from financing activities | | 1,210,579,671.94 | -1,528,797,641.89 |
| IV. Effect of foreign exchange rate changes on cash and cash equivalents | | 312,670.57 | 176,979.73 |
| V. Net increase in cash and cash equivalents (“-” for net decrease) | | 735,298,271.06 | -52,950,868.60 |
| Add: Cash and cash equivalents at the beginning of the year | | 3,280,985,718.84 | 3,333,936,587.44 |
| VI. Cash and cash equivalents at the end of the year | | 4,016,283,989.90 | 3,280,985,718.84 |

The accompanying notes form part of the financial statements.

Consolidated Statement of Changes in Shareholders' Equity

RMB

| Item | 2024 | | | | | | | | | | | | Non-controlling interests | Total |
|---|--|--------------------------|--------|--|-----------------|-----------------------|----------------------------|---|------------------|-----------------|-------------------|----------|---------------------------|------------|
| | Equity attributable to shareholders of the Company | | | | | | | | | | | | | |
| | Share capital | Other equity instruments | | | Capital reserve | Less: Treasury shares | Other comprehensive income | Including: Translation difference of financial statements denominated in foreign currencies | Specific reserve | Surplus reserve | Retained earnings | Subtotal | | |
| | Preference shares | Perpetual bonds | others | | | | | | | | | | | |
| I. Balance at the end of the previous year | 26900 | | | | 3724836 | | 91256 | -5525 | 304 | 199826 | 19,045,313,519.75 | 5852945 | 672244826 | 1279944384 |
| Add: Changes in accounting policies | | | | | | | | | | | - | | | |
| Corrections of prior period errors | | | | | | | | | | | - | | | |
| Business combination involving entities under common control | | | | | | | | | | | - | | | |
| Others | | | | | | | | | | | - | | | |
| II. Balance at the beginning of the year | 26900 | | | | 3724836 | | 91256 | -5525 | 304 | 199826 | 19,045,313,519.75 | 5852945 | 672244826 | 1279944384 |
| III. Changes in equity during the year | 3 | | | | 2126 | 0 | 62440 | 57246 | 6 | 5502 | 2,912,465,059.36 | 2542881 | 465247 | 2984664 |
| (I) Total comprehensive income | | | | | | | 62440 | 57246 | | 5502 | 2,912,465,059.36 | 2542881 | 465247 | 2984664 |
| (II) Shareholders' contributions of capital | 3 | | | | 2126 | 0 | 62440 | 57246 | | | 4,516,301,317.16 | 363676 | 3632455 | 3643221 |
| 1. Contribution by ordinary shareholders | 3 | | | | 368 | 0 | | | | | - | 428 | 48400 | 5268 |
| 2. Contribution by holders of other equity instruments | | | | | | | | | | | - | | | |
| 3. Equity-settled share-based payments | | | | | 68 | | | | | | - | 68 | 1956 | 882 |
| 4. Others | | | | | 378 | 0 | | | | | - | 282 | 1882 | 1158 |
| (III) Appropriation of profits | | | | | | | | | | 5502 | -1,603,836,257.80 | - | 1822498 | -1018246 |
| 1. Appropriation for surplus reserve | | | | | | | | | | 5502 | -153,556,766.82 | | | |
| Including: Legal reserve | | | | | | | | | | 5502 | -153,556,766.82 | | | |
| Arbitrary accumulation fund | | | | | | | | | | | - | | | |
| 2. Distribution to shareholders | | | | | | | | | | | -1,450,279,490.98 | | -1822498 | -1018246 |
| 3. Others | | | | | | | | | | | - | | 52242 | 52242 |
| (IV) Transfers within equity | | | | | | | | | | | - | | | |
| 1. Share capital increased by capital reserve transfer | | | | | | | | | | | - | | | |
| 2. Share capital increased by surplus reserve transfer | | | | | | | | | | | - | | | |
| 3. Transfer of surplus reserve to offset losses | | | | | | | | | | | - | | | |
| 4. Changes arising from defined benefit plan transferred to retained earnings | | | | | | | | | | | - | | | |
| 5. Transfer of other comprehensive income to retained earnings | | | | | | | | | | | - | | | |
| 6. Others | | | | | | | | | | | - | | | |
| (V) Specific reserve | | | | | | | | 6 | | | - | 6 | 950 | 500 |
| 1. Appropriation during the year | | | | | | | | 57 | | | - | 57 | 5234 | 1825 |
| 2. Utilisation during the year | | | | | | | | 505 | | | - | 505 | 52464 | 12370 |
| (VI) Others | | | | | | | | | | | - | | | |
| IV. Balance at the end of the year | 30800 | | | | 3937507 | 0 | 153696 | 13956 | 410 | 124730 | 21,957,778,579.11 | 6395826 | 67896922 | 1289891026 |

Consolidated Statement of Changes in Shareholders' Equity - continued

RMB

| Item | 2023 | | | | | | | | | | | | | |
|---|--|--------------------------|--------|--|-----------------|-----------------------|----------------------------|---|------------------|-----------------|-------------------|---------------------------|----------|-----------|
| | Equity attributable to shareholders of the Company | | | | | | | | | | | Non-controlling interests | Total | |
| | Share capital | Other equity instruments | | | Capital reserve | Less: Treasury shares | Other comprehensive income | Including: Translation difference of financial statements denominated in foreign currencies | Specific reserve | Surplus reserve | Retained earnings | | | Subtotal |
| | Preference shares | perpetual bonds | others | | | | | | | | | | | |
| I. Balance at the end of the previous year | 26900 | | | | 3294825 | | 62506 | 62887 | 287 | 101205 | 16,679,688,347.09 | 5225842 | 73944823 | 128235925 |
| Add: Changes in accounting policies | | | | | | | | | | | 22,299,954.05 | 285 | 35466 | 5285 |
| Corrections of prior period errors | | | | | | | | | | | - | | | |
| Business combination involving entities under common control | | | | | | | | | | | - | | | |
| Others | | | | | | | | | | | - | | | |
| II. Balance at the beginning of the year | 26900 | | | | 3294825 | | 62506 | 62887 | 287 | 101205 | 16,701,988,301.14 | 5226065 | 74105326 | 128240231 |
| III. Changes in equity during the year | | | | | 222568 | | 31290 | 2983 | 8 | 985 | 2,343,325,218.61 | 452760 | 3284834 | 2523700 |
| (I) Total comprehensive income | | | | | | | 31290 | 2983 | | | 3,571,800,762.16 | 322297 | 4271066 | 738866 |
| (II) Shareholders' contributions of capital | | | | | 222568 | | | | 8 | | -1,883,909.97 | 230425 | 948289 | 662316 |
| 1. Contribution by ordinary shareholders | | | | | | | | | | | - | | 662316 | 662316 |
| 2. Contribution by holders of other equity instruments | | | | | | | | | | | - | | 4224808 | 4224808 |
| 3. Equity-settled share-based payments | | | | | 8 | | | | | | - | 8 | 32 | 38 |
| 4. Others | | | | | 222560 | | | | | | -1,883,909.97 | 230487 | 562267 | 3328054 |
| (III) Appropriation of profits | | | | | | | | | | 985 | -1,226,591,633.58 | 425845 | 3478284 | 348054 |
| 1. Appropriation for surplus reserve | | | | | | | | | | 985 | -94,063,114.53 | | | |
| Including: Legal reserve | | | | | | | | | | 985 | -94,063,114.53 | | | |
| Arbitrary accumulation fund | | | | | | | | | | | - | | | |
| 2. Distribution to shareholders | | | | | | | | | | | -1,124,583,597.45 | 425845 | 2294612 | 3472947 |
| 3. Others | | | | | | | | | | | -7,944,921.60 | 380 | 246117 | 246117 |
| (IV) Transfers within equity | | | | | | | | | | | - | | | |
| 1. Share capital increased by capital reserve transfer | | | | | | | | | | | - | | | |
| 2. Share capital increased by surplus reserve transfer | | | | | | | | | | | - | | | |
| 3. Transfer of surplus reserve to offset losses | | | | | | | | | | | - | | | |
| 4. Changes arising from defined benefit plan transferred to retained earnings | | | | | | | | | | | - | | | |
| 5. Transfer of other comprehensive income to retained earnings | | | | | | | | | | | - | | | |
| 6. Others | | | | | | | | | | | - | | | |
| (V) Specific reserve | | | | | | | | | 8 | | - | 8 | 12582 | 12582 |
| 1. Appropriation during the year | | | | | | | | | 8 | | - | 8 | 6298 | 6298 |
| 2. Utilisation during the year | | | | | | | | | 8 | | - | 8 | 5984 | 5984 |
| (VI) Others | | | | | | | | | | | - | | | |
| IV. Balance at the end of the year | 26900 | | | | 3294836 | | 92506 | 42825 | 384 | 102090 | 19,045,313,519.75 | 5653455 | 67224823 | 128684231 |

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2024

The Company's Statement of Changes in Shareholders' Equity

RMB

| Item | 2024 | | | | | | | | | | | |
|---|------------------|--------------------------|-----------------|--------|-------------------|-----------------------|----------------------------|---|------------------|------------------|-------------------|-------------------|
| | Share capital | Other equity instruments | | | Capital reserve | Less: Treasury shares | Other comprehensive income | Including: Translation difference of financial statements denominated in foreign currencies | Specific reserve | Surplus reserve | Retained earnings | Total |
| | | Preference shares | perpetual bonds | others | | | | | | | | |
| I. Balance at the end of the previous year | 2,499,074,661.00 | - | - | - | 37,704,543,586.11 | - | 120,520,832.83 | - | - | 1,095,980,563.68 | 1,999,000,567.57 | 43,419,120,211.19 |
| Add: Changes in accounting policies | - | - | - | - | - | - | - | - | - | - | - | - |
| Corrections of prior period errors | - | - | - | - | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - | - | - | - | - |
| II. Balance at the beginning of the year | 2,499,074,661.00 | - | - | - | 37,704,543,586.11 | - | 120,520,832.83 | - | - | 1,095,980,563.68 | 1,999,000,567.57 | 43,419,120,211.19 |
| III. Changes in equity during the year | 2,233,820.00 | - | - | - | 69,290,296.51 | 50,559,789.14 | 9,893,609.24 | - | - | 153,556,766.82 | 286,714,889.54 | 471,129,592.97 |
| (I) Total comprehensive income | - | - | - | - | - | - | 9,893,609.24 | - | - | - | 1,890,551,147.34 | 1,900,444,756.58 |
| (II) Shareholders' contributions of capital | 2,233,820.00 | - | - | - | 69,290,296.51 | 50,559,789.14 | - | - | - | - | - | 20,964,327.37 |
| 1. Contribution by ordinary shareholders | 2,233,820.00 | - | - | - | 39,515,503.24 | - | - | - | - | - | - | 41,749,323.24 |
| 2. Contribution by holders of other equity instruments | - | - | - | - | - | - | - | - | - | - | - | - |
| 3. Equity-settled share-based payments | - | - | - | - | -6,172,572.05 | - | - | - | - | - | - | -6,172,572.05 |
| 4. Others | - | - | - | - | 35,947,365.32 | 50,559,789.14 | - | - | - | - | - | -14,612,423.82 |
| (III) Appropriation of profits | - | - | - | - | - | - | - | - | - | 153,556,766.82 | -1,603,836,257.80 | -1,450,279,490.98 |
| 1. Appropriation for surplus reserve | - | - | - | - | - | - | - | - | - | 153,556,766.82 | -153,556,766.82 | - |
| Including: Legal reserve | - | - | - | - | - | - | - | - | - | 153,556,766.82 | -153,556,766.82 | - |
| Arbitrary accumulation fund | - | - | - | - | - | - | - | - | - | - | - | - |
| 2. Distribution to shareholders | - | - | - | - | - | - | - | - | - | - | -1,450,279,490.98 | -1,450,279,490.98 |
| 3. Others | - | - | - | - | - | - | - | - | - | - | - | - |
| (IV) Transfers within equity | - | - | - | - | - | - | - | - | - | - | - | - |
| 1. Share capital increased by capital reserve transfer | - | - | - | - | - | - | - | - | - | - | - | - |
| 2. Share capital increased by surplus reserve transfer | - | - | - | - | - | - | - | - | - | - | - | - |
| 3. Transfer of surplus reserve to offset losses | - | - | - | - | - | - | - | - | - | - | - | - |
| 4. Changes arising from defined benefit plan transferred to retained earnings | - | - | - | - | - | - | - | - | - | - | - | - |
| 5. Transfer of other comprehensive income to retained earnings | - | - | - | - | - | - | - | - | - | - | - | - |
| 6. Others | - | - | - | - | - | - | - | - | - | - | - | - |
| (V) Specific reserve | - | - | - | - | - | - | - | - | - | - | - | - |
| 1. Appropriation during the year | - | - | - | - | - | - | - | - | - | - | - | - |
| 2. Utilisation during the year | - | - | - | - | - | - | - | - | - | - | - | - |
| (VI) Others | - | - | - | - | - | - | - | - | - | - | - | - |
| IV. Balance at the end of the year | 2,501,308,481.00 | - | - | - | 37,773,833,882.62 | 50,559,789.14 | 130,414,442.07 | - | - | 1,249,537,330.50 | 2,285,715,457.11 | 43,890,249,804.16 |

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2024

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

RMB

| Item | 2023 | | | | | | | | | | | |
|---|------------------|--------------------------|-----------------|--------|-------------------|-----------------------|----------------------------|---|------------------|------------------|-------------------|-------------------|
| | Share capital | Other equity instruments | | | Capital reserve | Less: Treasury shares | Other comprehensive income | Including: Translation difference of financial statements denominated in foreign currencies | Specific reserve | Surplus reserve | Retained earnings | Total |
| | | Preference shares | perpetual bonds | others | | | | | | | | |
| I. Balance at the end of the previous year | 2,499,074,661.00 | - | - | - | 37,749,723,642.07 | - | 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. Balance at the beginning of the 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 |
| III. Changes in equity during the year | - | - | - | - | -45,180,055.96 | - | 20,995,146.80 | - | - | 94,063,114.53 | -278,015,566.72 | -208,137,361.35 |
| (I) Total comprehensive income | - | - | - | - | - | - | 20,995,146.80 | - | - | - | 940,631,145.26 | 961,626,292.06 |
| (II) Shareholders' contributions of capital | - | - | - | - | -45,180,055.96 | - | - | - | - | - | - | -45,180,055.96 |
| 1. Contribution by ordinary shareholders | - | - | - | - | - | - | - | - | - | - | - | - |
| 2. Contribution by holders of other equity instruments | - | - | - | - | - | - | - | - | - | - | - | - |
| 3. Equity-settled share-based payments | - | - | - | - | 1,890,784.31 | - | - | - | - | - | - | 1,890,784.31 |
| 4. Others | - | - | - | - | -47,070,840.27 | - | - | - | - | - | - | -47,070,840.27 |
| (III) Appropriation of profits | - | - | - | - | - | - | - | - | - | 94,063,114.53 | -1,218,646,711.98 | -1,124,583,597.45 |
| 1. Appropriation for surplus reserve | - | - | - | - | - | - | - | - | - | 94,063,114.53 | -94,063,114.53 | - |
| Including: Legal reserve | - | - | - | - | - | - | - | - | - | 94,063,114.53 | -94,063,114.53 | - |
| Arbitrary accumulation fund | - | - | - | - | - | - | - | - | - | - | - | - |
| 2. Distribution to shareholders | - | - | - | - | - | - | - | - | - | - | -1,124,583,597.45 | -1,124,583,597.45 |
| 3. Others | - | - | - | - | - | - | - | - | - | - | - | - |
| (IV) Transfers within equity | - | - | - | - | - | - | - | - | - | - | - | - |
| 1. Share capital increased by capital reserve transfer | - | - | - | - | - | - | - | - | - | - | - | - |
| 2. Share capital increased by surplus reserve transfer | - | - | - | - | - | - | - | - | - | - | - | - |
| 3. Transfer of surplus reserve to offset losses | - | - | - | - | - | - | - | - | - | - | - | - |
| 4. Changes arising from defined benefit plan transferred to retained earnings | - | - | - | - | - | - | - | - | - | - | - | - |
| 5. Transfer of other comprehensive income to retained earnings | - | - | - | - | - | - | - | - | - | - | - | - |
| 6. Others | - | - | - | - | - | - | - | - | - | - | - | - |
| (V) Specific reserve | - | - | - | - | - | - | - | - | - | - | - | - |
| 1. Appropriation during the year | - | - | - | - | - | - | - | - | - | - | - | - |
| 2. Utilisation during the year | - | - | - | - | - | - | - | - | - | - | - | - |
| (VI) Others | - | - | - | - | - | - | - | - | - | - | - | - |
| IV. Balance at the end of the year | 2,499,074,661.00 | - | - | - | 37,704,543,586.11 | - | 120,520,832.83 | - | - | 1,095,980,563.68 | 1,999,000,567.57 | 43,419,120,211.19 |

The accompanying notes form part of the financial statements.

(I) GENERAL INFORMATION OF THE COMPANY

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

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

The Company's and consolidated financial statements were approved by the Board of Directors on 1 April 2025.

(II) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Basis of preparation of financial statements

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

Going concern

As at 31 December 2024, the Group had total current liabilities in excess of total current assets by RMB 6,685,293,596.39. As at 31 December 2024, the Group had available and unused credit facilities and bonds amounting to RMB 40,616,331,020.58, which is greater than the balance of the net current liabilities. The Group can obtain financial support from the available line of credit and bonds when needed. Therefore, the financial statements have been prepared on a going concern basis.

(III) STATEMENT OF COMPLIANCE WITH THE ASBE

The financial statements prepared by the Company comply with the requirements of the Accounting Standards for Business Enterprises, and truly and completely reflect the consolidated and Company's financial position as at 31 December, 2024, and the consolidated and Company's operating results, consolidated and Company's shareholders' equity, and consolidated and Company's cash flow for the year ended 31 December 2024.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Accounting year

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

2. Operating cycle

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

3. Functional currency

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

4. Basis of accounting and principle of measurement

The Group has adopted the accrual basis of accounting. Except for financial instruments which are measured at fair value, the Group adopts the historical cost as the principle of measurement of the financial statements. Upon being restructured into a stock company, the fixed assets and intangible assets initially contributed by the state-owned shareholders are 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 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(Unless otherwise specified, the monetary unit shall be RMB)

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

4. Basis of accounting and principle of measurement - continued

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

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

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

| Item | Materiality criteria |
|---|--|
| Significant prepayments aged more than 1 year | The amount exceeds RMB 10 million individually |
| Significant dividends receivable aged more than 1 year | The amount exceeds RMB 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 advance payments received aged more than 1 year | The amount exceeds RMB 10 million individually |
| Significant contract liabilities aged more than 1 year | The amount exceeds RMB 10 million individually |
| Significant dividends payable aged more than 1 year | The amount exceeds RMB 50 million individually |
| Significant other payables aged more than 1 year | The amount exceeds RMB 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 and 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

6. Business combinations

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

6.1 Business combinations involving enterprises under common control

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

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

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

6.2 Business combinations not involving enterprises under common control

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

6. Business combinations - continued

6.2 Business combinations not involving enterprises under common control - continued

Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, after considering the impact of relevant deferred income tax, the difference is treated as an asset and 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.

7. Goodwill

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

8. Consolidated financial statements

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

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

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

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

8. Consolidated financial statements - continued

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

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

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

For the stepwise acquisition of equity interest till acquiring control after a few transactions and leading to business combination not involving enterprises under common control, it shall be dealt with based on whether it belongs to 'package deal': if it belongs to 'package deal', it will be accounted for as a transactions to acquire control; if it does not belong to 'package deal', it will be accounted for as a transaction to acquire control on acquisition date, and the fair value of acquiree' shares held before acquisition date will be revalued, and the difference between fair value and carrying amount will be 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 the sum of the consideration obtained from the disposal of equity and the fair value of the remaining equity, less the share of the net assets of the parent company that should be continuously calculated from the purchase date based on the original shareholding ratio, is included in the investment income of the current period when the control right is lost, and at the same time, the goodwill is offset. Other comprehensive income associated with investment in the former subsidiary is reclassified to investment income in the period in which control is lost.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

8. Consolidated financial statements - continued

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

9. Joint arrangements

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

9. Joint arrangements - continued

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

10. Cash and cash equivalents

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

11. Financial instruments

The Group 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) 4). 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, bills receivable and accounts receivable that do not contain significant financing component or without considering the financing component included in the contract with a term not exceeding one year under the *Accounting Standards for Business Enterprises No. 14 - Revenue* (hereinafter referred to as "Revenue Standards"), the Group adopts the transaction price as defined in the Revenue Standards for initial measurement.

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

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 book value 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.

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, bills receivable, accounts receivable, other receivables, and long-term receivables etc.

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.1 Classification, recognition and measurement of financial assets - continued

On initial recognition, the Group may irrevocably designate non-trading equity instruments, other than contingent consideration 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
- Related financial assets are derivatives. However, the derivatives meeting the definition of financial guarantee contract and those designated as effective hedging instruments are excluded.

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

- Financial assets not satisfying the criteria of classification as financial assets at 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 at FVTPL if doing so eliminates or significantly reduces accounting mismatch.

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

11.1.1 Financial assets measured at 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.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.1 Classification, recognition and measurement of financial assets - continued

11.1.1 Financial assets measured at amortized cost - continued

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

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

11.1.2 Financial assets at FVTOCI

For financial assets classified as at FVTOCI, except for the impairment losses or gains and the interest income and exchange losses or gains calculated using the effective interest method which are included in profit or loss for the period, the changes in fair value are included in other comprehensive income. The amounts included in profit or loss for each period are equivalent to that as if the financial assets have been always measured at 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 (hereinafter referred to as "ECL").

For all contract assets, bills receivable and accounts receivable arising from transactions regulated by Revenue Standards, and lease receivables arising from transactions regulated by the *Accounting Standards for Business Enterprises No. 21 - Leases*, the Group 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 impairment 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 provision for bad debts 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 credit loss of leases receivables on the basis of single assets, and determines the credit loss of related financial instruments on the basis of combination of cash at bank and on hand, bills receivable, accounts receivable, other receivables, long-term receivables, etc. with impairment matrix. The Group divides financial instruments into different groups based on common risk characteristics. Common credit risk characteristics adopted by the Group include: type of financial instruments, credit risk rating, type of collateral, initial recognition date, remaining contract period, industry of the debtor, geographical location of the debtor, value of collateral relative to financial assets, etc.

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

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

The factors reflected by the Group's measurement of ECL of financial instruments include: unbiased probability weighted average amount 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-off of financial assets

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.3 Transfer of financial assets

The Group will 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.

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.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.3 Transfer of financial assets - continued

If a part of the transferred financial asset qualifies for derecognition, the overall carrying amount of the financial asset prior to transfer is allocated between the part that continues to be 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 financial liability upon receipt.

11.4 Classification of financial liabilities and equity instruments

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

11.4.1 Classification, recognition and measurement of financial liabilities

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

11.4.1.1 Financial liabilities at FVTPL

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.4 Classification of financial liabilities and equity instruments - continued

11.4.1 Classification, recognition and measurement of financial liabilities - continued

11.4.1.1 Financial liabilities at FVTPL - continued

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

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

For a financial liability designated as at FVTPL, the amount of changes in fair value of the financial liability that are attributable to changes in the credit risk of that liability shall be presented in other comprehensive income, while other changes in fair value are included in profit or loss for the current period. Upon the derecognition of such financial liability, the accumulated amount of changes in fair value that are attributable to changes in the credit risk of that liability, which was 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.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.4 Classification of financial liabilities and equity instruments - continued

11.4.1 Classification, recognition and measurement of financial liabilities - continued

11.4.1.2 Other financial liabilities

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

11.4.1.3 Financial guarantee contracts

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.4 Classification of financial liabilities and equity instruments - continued

11.4.2 Derecognition of financial liabilities

The Group 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. The Group's issuance of equity instruments is recorded in the owner's equity at the actual issue price, and the relevant transaction costs are deducted from the owner's equity (capital reserve). If the capital reserve is insufficient to offset, the surplus reserve and retained earnings are offset in turn. The consideration and transaction costs paid for repurchasing the Company's equity instruments reduce the owner's equity.

The Group 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 by (hereinafter referred to as "FVTPL") the Group, such financial asset is measured at fair value at the date of reclassification and the difference between the original carrying amount and the fair value is 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 (hereinafter referred to as "FVTOCI") by the Group, such financial asset is measured at fair value at the date of reclassification, and the difference between the original carrying amount and the fair value is 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 book value.

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

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

12. Receivables

12.1 Determination and accounting methods for expected credit losses of receivables

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

12. Receivables - continued

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

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

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

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

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

13. Inventories

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

13.1.1 Categories of inventories

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

13. Inventories - continued

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

13.1.2 Measurement method of cost of inventories

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

13.1.3 Inventory count system

The perpetual inventory system is perpetual inventory system.

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

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

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

14. Long-term equity investments

14.1 Basis for determining joint control and significant influence over investee

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

14.2 Determination of initial investment cost

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

14. Long-term equity investments - continued

14.2 Determination of initial investment cost - continued

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

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

14.3 Subsequent measurement and recognition of profit or loss

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

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

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

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

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

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is 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

14. Long-term equity investments - continued

14.3 Subsequent measurement and recognition of profit or loss - continued

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

Under the equity method, the Group 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, other comprehensive income and profit distribution 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 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 and assets invested or sold, which do not constitute a business, are eliminated based on the proportion attributable to the Group and then investment gains or losses are 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.

When recognizing the net loss of the investee that should be shared, the book value of the long-term equity investments and other long-term interests that substantially constitute the net investment in the investee should be written down to zero. In addition, if the Group has incurred obligations to assume additional losses, a provision is 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

14. Long-term equity investments - continued

14.4 Disposal of long-term equity investments

On disposal of a long-term equity investment, the difference between the proceeds actually received and receivable and the carrying amount is 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. Where remaining shares after disposal are accounted for under equity method, other comprehensive income and other owners' equity are transferred on a pro rata basis. Where remaining shares after disposal are accounted for in accordance with the standards for recognition and measurement of financial instruments, other comprehensive income and other owners' equity are all transferred.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

14. Long-term equity investments - continued

14.4 Disposal of long-term equity investments - continued

Where the Group loses joint control or significant influence over the investee after part disposal of shares, remaining shares after disposal are accounted for in accordance with the standards for recognition and measurement of financial instruments, and the difference between fair value at the date of losing joint control or significant influence and carrying amount is 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 before the loss of control, and transferred to profit or loss for the period when the control is lost.

15. Investment properties

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

An investment property is measured initially at cost. Subsequent expenditures incurred for such investment property are included in the cost of the investment property if it is probable that economic benefits associated with the investment property will flow to the Group and the subsequent expenditures can be measured reliably. Other subsequent expenditures are 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 it is estimated that no economic benefits can be obtained from its disposal, the investment properties is derecognized.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise specified, the monetary unit shall be RMB)

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

15. 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.

16. Fixed assets and depreciation

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year. A fixed asset is 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

17. Construction in progress

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

18. Intangible assets

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

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

An intangible asset is measured initially at cost. Upon being restructured into a stock company, the intangible assets initially contributed by the state-owned shareholders are 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 minus the expected net residual value and the accumulated amount of impairment provision is amortized over its estimated useful life by using straight-line method. 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) and recognition | 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 | - |
| Data resources and 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

18. Intangible assets - continued

18.2 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

19. Long-term deferred expenses

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

20. Impairment of non-financial assets other than goodwill

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

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

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

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

21. Provisions

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

The amount 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.

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

22. Employee benefits

22.1 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 according to the beneficiaries of services provided by employees in the accounting period in which employees provide services to the Group. Staff welfare expenses incurred by the Group are 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.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

22. Employee benefits - continued

22.1 Short-term employee benefits - continued

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.

22.2 Post-employment benefits

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

22. Employee benefits - continued

22.2 Post-employment benefits - continued

Service costs and net interest of net liabilities and net assets of defined benefit plans are 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.

22.3 Termination benefits

Termination benefits refer to the compensations the Group pay to the employees for terminating the employment relationship with employees before the expiry of the employment contracts or encouraging employees to accept voluntary redundancy. When the Group provides termination benefits to employees, employee benefit liabilities are 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 has a detailed and formal restructuring plan involving the payment of dismissal benefit; In addition, the restructuring plan has been implemented or the main contents of the plan have been notified to the affected parties, so that all parties have formed a reasonable expectation that the Group will implement the restructuring.

22.4 Other long-term employee benefits

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

Other long-term employee benefits that qualify as defined contribution plans are treated in accordance with the relevant provisions of the defined contribution plans mentioned above, except that the net liability or net asset for other long-term employee benefits is 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.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

22. Employee benefits - continued

22.4 Other long-term employee benefits - continued

The Group provides internal retirement benefits to employees accepting the internal retirement arrangements. Internal retirement benefits refer to the payments of salaries and social security contributions for employees who have not reached the retirement age regulated by the country and are approved to quit the job voluntarily. For internal retirement benefits, the internal retirement benefits the Group is expected to pay during the period from the date when employees stop providing services to the date of normal retirement are 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.

23. Share-based payments

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

Equity-settled share-based payments in exchange for services rendered by employees are measured at fair value of the equity instruments granted to employees at the grant date. Such amount is 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.

24. Bonds payable

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

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

25. Preference shares, perpetual bonds and other financial instruments

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

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

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

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

26. Revenue recognition

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

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

The Group 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. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to a customer. The transaction price recognized by the Group does not exceed the amount of accumulated recognized revenue that is unlikely to be significantly reversed when the relevant uncertainty is eliminated.

The Group evaluates the contract on the contract start date, identifies each individual performance obligation contained in the contract, and determines whether each individual performance obligation is performed within a certain period or at a certain time point. It is a performance obligation satisfied during a period of time and the Group 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.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

26. Revenue recognition - continued

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

The Group adopts output method, i.e., the value of goods or services transferred to customers to determine the appropriate progress of performance. Where the progress cannot be determined reasonably, the revenue is 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.

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

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

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

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

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

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.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

26. Revenue recognition - continued

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

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 advance payments received are not required to be refunded and it is probable that the customer will waive all or part of its contractual rights, the Group 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.

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.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

26. Revenue recognition - continued

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

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

26.3 Costs of obtaining a contract

For the incremental cost of obtaining the contract (cost that will not occur if the contract is not obtained) that is expected to be recoverable, it is 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.

26.4 Costs to fulfil a contract

If the costs incurred in fulfilling a contract are not within the scope of any standards other than Revenue Standards, the Group 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.

27. Government grants

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

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a non-monetary asset, it is measured at fair value. If the fair value cannot be reliably determined, it is measured at a nominal amount. A government grant measured at a nominal amount is recognized immediately in profit or loss for the period.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

27. Government grants - continued

27.1 Determination basis and accounting treatment of government grant related to assets

Government grants of the Group mainly include grants for intelligent system, etc., and these government grants relate to assets as they will form long-term assets.

A government grant related to an asset is recognized as deferred income, and included in profit or loss by stages over the useful life of the related asset in a reasonable and systematic way. A government grant measured at a nominal amount is recognized immediately in profit or loss in the current period. Where the relevant asset is sold, transferred, retired or damaged prior to the end of its useful life, the related undistributed deferred income is transferred to profit or loss of the disposal period.

27.2 Determination basis and accounting treatment of government grant related to income

Government grants of the Group mainly include grants for business development and specialized operations, etc., and these government grants relate to income as they will not form long-term assets. The Group classifies government grants that are difficult to be distinguished as government grants related to income aggregately.

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is 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; a government grant not related to the Group's daily activities is recognized in non-operating income.

28. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is interrupted abnormally and when the interruption is for a continuous period of more than 3 months. Capitalization is suspended until the acquisition, construction or production of the asset is resumed. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

28. Borrowing costs - continued

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.

29. Income tax

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

29.1 Current income tax

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

29.2 Deferred tax assets and deferred tax liabilities

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not 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 income 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.

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.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

29. Deferred tax assets/ deferred tax liabilities - continued

29.2 Deferred tax assets and deferred tax liabilities - continued

Deferred tax liabilities are 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.

29.3 Income tax offsetting

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

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

30.1 Transactions denominated in foreign currencies

A foreign currency transaction is recorded, on initial recognition, by applying the spot exchange rate on the date of the transaction.

At the balance sheet date, foreign currency monetary items are translated into functional currency using the spot exchange rates at the balance sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the balance sheet date and those on initial recognition or at the previous balance sheet date are 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. 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

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

30.2 Translation of financial statements denominated in foreign currencies

For the purpose of preparing the consolidated financial statements, financial statements of a foreign operation are translated from the foreign currency into RMB using the following method: assets and liabilities on the balance sheet are translated at the spot exchange rate prevailing at the balance sheet date; shareholders' equity items except for translation differences arising from translation of foreign currency financial statements items in retained earnings and other comprehensive income are translated at the spot exchange rates at the dates on which such items arose; all items in the income statement as well as items reflecting the distribution of profits are translated at the average exchange rates of the accounting period of the consolidated financial statements; retained earnings at the beginning of the year are the converted year-end retained earnings of the previous year. The year-end retained earnings are calculated and presented in accordance with the items of profit distribution after conversion. The difference between the translated assets and the aggregate of liabilities and shareholders' equity items is 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 amount at the beginning of the year and the comparative figures of previous year are presented at the translated amounts in the previous year's financial statements.

On disposal of the Group's entire interest in a foreign operation, or upon a loss of control over a foreign operation due to disposal of certain interest in it or other reasons, the Group transfers the accumulated exchange differences arising from translation of financial statements of this foreign operation attributable to the owners' equity of the Company and presented under other comprehensive income, to profit or loss in the period in which the disposal occurs.

In case of a disposal of part equity investments or other reason leading to lower interest percentage in foreign operations but does not result in the Group losing control over a foreign operation, the exchange differences arising from the translation difference of financial statements denominated in foreign currencies related to this disposed part are re-attributed to non-controlling interests and are not 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 difference of financial statements denominated in foreign currencies is reclassified to profit or loss.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases

A lease is a contract in which the lessor, for a certain period of time, gives the lessee the right to use the assets to obtain a consideration.

On the contract start date, the Group assesses whether the contract is a lease or includes a lease. If one party in the contract transfers the right to control the use of one or more identified assets within a certain period in exchange for consideration, the contract is a lease or includes a lease. Unless the contract terms and conditions change, the Group will not re-evaluate whether the contract is a lease or includes a lease.

31.1 The Group as lessee

31.1.1 Separating components of a lease

For a contract that contains one or more lease components or non-lease components, the Group separates each individual lease and non-lease component and allocates the contract consideration in the relative proportion of the sum of the individual price of each lease component and the individual price of the non-lease component.

31.1.2 Right-of-use assets

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases - continued

31.1 The Group as lessee - continued

31.1.3 Lease liabilities

Except for short-term leases and leases of low-value assets, the Group initially measures lease liabilities at the present value of the outstanding lease payments at the commencement date. In calculating the present value of the lease payments, the Group uses the implicit interest rate of the lease as the discount rate. If it is not possible to determine the implicit interest rate of the lease, the incremental borrowing rate shall be applied.

The lease payments comprise the following payments by the Group for the right to use the underlying asset during the lease term:

- fixed payments (including in-substance fixed payments), less any lease incentives.
- variable lease payments that depend on an index or a rate.
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option.
- payments for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.
- amounts expected to be payable by the Group under residual value guarantees.

Variable lease payments that depend on an index or a rate, are initially measured using the index or rate as at the commencement date. Variable lease payments not included in the measurement of the lease liabilities, are 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 payments and the revised discount rate.
- where there is a change in the amounts expected to be payable under a residual value guarantee, or in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities, on the basis of the revised lease payments and the unchanged discount rate, unless the change in the lease payments results from a change in floating interest rates, in which case a revised discount rate is applied to calculate the present value.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases - continued

31.1 The Group as lessee - continued

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

The Group elects not to 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 lower 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.

31.1.5 Lease modifications

A lease modification should be accounted for as a separate lease if both of the following apply:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets.
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price according to the circumstances of the particular contract.

For a lease 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

31. Leases - continued

31.1 The Group as lessee - continued

31.1.6 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.

31.2 The Group as lessor

31.2.1 Separating components of a lease

For a contract that contains lease components and non-lease components, the Group allocates the contract consideration in accordance with the Revenue Standards on allocation of transaction prices, based on the respective individual prices of the lease components and the non-lease components.

31.2.2 Classification of leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership. All other leases are classified as operating leases.

31.2.2.1 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

31. Leases - continued

31.2 The Group as lessor - continued

31.2.2 Classification of leases - continued

31.2.2.2 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.

31.2.3 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

31. Leases - continued

31.2 The Group as lessor - continued

31.2.4 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.

31.2.5 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

32. Safety production cost

According to the *Administrative Measures for the Collection and Utilization of Enterprise Work Safety Funds* (Cai Zi [2022] No. 136) jointly issued by the Ministry of Finance and the Emergency Department on 13 December 2022, safety production cost set aside by the Group is directly included in the cost of relevant products or recognized in profit or loss for the period, and transferred to specific reserve simultaneously. When safety production cost set aside is utilized, if the costs incurred can be categorized as expenditure, the costs incurred should be charged against the specific reserve. If the costs set aside are used to build up fixed assets, the costs should be charged to construction in progress, and reclassified to fixed assets when the safety projects are ready for intended use. Meantime, expenditures in building up fixed assets are directly charged against the specific reserve with the accumulated depreciation recognized at the same amount. Depreciation will not be made in the future period on such fixed assets.

33. Exchange of non-monetary assets

When the non-monetary assets are of commercial substance and the fair value of assets received or the assets given up can be measured reliably, the non-monetary transactions are measured at fair value. For the asset received, the fair value of the asset given up and related taxes payable are 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.

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

In the application of accounting policies and accounting estimates as set out in Note (IV), the Group is required to make judgments, estimates and assumptions about the carrying amounts of items in the financial statements that cannot be measured accurately, due to the internal uncertainty of the operating activities. These judgments, estimates and assumptions are based on historical experience of the Group's management as well as other factors that are considered to be relevant. Actual results may differ from these estimates.

The Group regularly reviews the judgments, estimates and assumptions on a going concern basis. Changes in accounting estimates which only affect the current period should be 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.

1. Key assumptions and uncertainties used in important judgments and accounting estimates

At the balance sheet date, key assumptions and uncertainties in critical judgments and accounting estimates that are likely to lead to significant adjustments to the carrying amounts of assets and liabilities in the future are as follows:

1.1 Goodwill impairment

The book value of goodwill on 31 December 2024 is RMB 5,933,310,929.34. The Group will conduct impairment testing on goodwill at least annually. For the purpose of impairment testing, the recoverable amount of each assets group and combination of assets groups that generate goodwill of the Group is determined by fair value less estimated disposal expenses and by the present value of estimated future cash flows, which involve the judgment of management.

1.2 Recognition of deferred income tax

The Group calculates and makes provision for deferred tax liabilities according to the profit distribution plans of subsidiaries, associates and joint ventures and relevant provisions of tax law. For retained earnings of the investee which are not expected to be distributed, since the profits will be used for the daily operation and future development of the investee, no deferred tax liabilities are 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.

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

1. Key assumptions and uncertainties used in important judgments and accounting estimates - continued

1.3 Estimated useful lives and residual value of fixed assets and intangible assets

The Group assesses the estimated useful lives and residual value of fixed assets and intangible assets. Such estimate is made by reference to the historical experience of actual useful lives and residual value of fixed assets and intangible assets of similar nature and function, and is subject to significant changes due to technical innovation and fierce industry competition. Where the estimated useful lives and residual value of fixed assets and intangible assets are less than the previous estimates, the Group will increase the depreciation and 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 and their impacts

(1) For the year ended 31 December 2024, the Group implemented the relevant provisions and guidelines of the Accounting Standards for Business Enterprises issued by the Ministry of Finance in recent years, mainly including:

1) Provisions on "Division of current liabilities and non-current liabilities" in *Accounting Standards for Business Enterprises Interpretation No. 17* (CK [2023] No. 21) (hereinafter referred to as "Interpretation No. 17")

According to 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.

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(VI) CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

1. Changes in significant accounting policies and their impacts - continued

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- Presentation 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.

2) Provisions on "Accounting treatment for quality assurance of guarantee type that does not belong to individual performance obligations" in *Accounting Standards for Business Enterprises Interpretation No. 18* (CK [2024] No. 24) (hereinafter referred to as "Interpretation No. 18").

According to the provisions of Interpretation No. 18, the company will include the accrued warranty cost in the " operating costs ".

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

(VII) TAXES

1. Major taxes and tax rates

| Taxes | Tax basis | Tax rate |
|--|--|--------------------------------------|
| Enterprise income tax | Taxable income | 8.25%-34% (Note 1) |
| | Dividend income tax | 5%,10% (Note 2) |
| Value-added tax (Note 3) (hereinafter referred to as "VAT") | Income from sale of goods | 9%,13% |
| | Income from transportation, loading and unloading business and part of modern service industries | 6% |
| | Income from sale of real estate, property management, lease of real estate, etc. | 3%, 5%, 9% |
| | Income from leases of movable properties | 13% |
| Social contribution tax (Note 4) | Income | 0.65%-7.6% |
| Deed tax | Land use right and property transfer amount | 3%-5% |
| Property tax | 70% of cost of property or rental income | 1.2% or 12% |
| City maintenance and construction tax | VAT paid | 1%-7% |
| Education surtax | VAT paid | 3% |
| Land use tax | Land area actually occupied | RMB 1-12 per square meter |
| Environmental protection tax | Amount of pollution equivalents of the taxable air pollutants converted based on the quantity of pollutions discharged | RMB 1.2-1.8 per pollution equivalent |

(VII) TAXES - continued

1. Major taxes and tax rates - continued

Note 1: The Group's enterprise income tax is calculated based on the current tax rate stipulated by local tax laws. Among them, the Company is subject to an enterprise income tax rate of 25%, the subsidiaries set up in Hong Kong are subject to an enterprise income tax rate of 8.25% and 16.5%, the majority of subsidiaries set up in China are subject to an enterprise income tax rate of 25%, and the other overseas subsidiaries are subject to enterprise income tax rates between 10% and 34%.

The Company obtains dividends distributed by overseas subsidiaries and should pay enterprise income tax at a rate of 25% in accordance with relevant Chinese tax laws. The Company obtains taxable income outside of China, and the amount of income tax that has been paid abroad can be offset with the current taxable amount. The credit limit is the taxable amount calculated in accordance with the provisions of the Enterprise Income Tax Law.

Note 2: Foreign investors who receive dividends of profits from Chinese subsidiaries in 2008 and thereafter generally shall pay withholding income tax at a rate of 10% in accordance with the relevant provisions on the PRC enterprise income tax. For companies incorporated in certain regions (including Hong Kong and Singapore), if the companies meet relevant conditions, they will enjoy a preferential tax rate of 5%.

Note 3: The VAT amount is the balance of the output tax less the deductible input tax, and the output tax is calculated in accordance with the sales income and the corresponding tax rate stipulated in the relevant tax laws of China.

Note 4: The social contribution tax is the tax paid by TCP Participações S.A. (hereinafter referred to as "TCP"), an overseas subsidiary of the Group, to the local government.

2. Tax preference and approval documents

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%. Some of Group's some subsidiaries inside of China may pay corporate income tax at the rate of 15% according to the preferential policies of Qianhai Shenzhen Hong Kong Modern Service Industry Cooperation Zone.

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(VII) TAXES - continued

2. Tax preference and approval documents - continued

Certain subsidiaries of the Group in China are small and micro enterprises and are subject to a preferential tax rate of 20%. In accordance with the Announcement on Relevant Tax and Fee Policies for *Further Supporting the Development of Micro and Small Enterprises and Individual Industrial and Commercial Households* (Announcement No. 12 of the Ministry of Finance and the State Administration of Taxation in 2023), for small and micro enterprises, the taxable income is calculated at a reduced rate of 25% and the enterprise income tax is paid at a rate of 20% from 1 January 2023 and 31 December 2027.

Some subsidiaries of the Group outside China can reduce or exempt corporate income tax according to relevant local tax policies.

From 1 January 2023 to 31 December 2027, the urban land use tax for certain domestic subsidiaries of the Group on the land for bulk commodity storage facilities is levied at the reduced rate of 50% of the tax amount applicable to the grade of the land.

As approved by 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 | 31/12/2024 | | | 31/12/2023 | | |
|---|--------------------|---------------|-------------------|-------------------|---------------|-------------------|
| | Original Currency | Exchange rate | RMB | Original Currency | Exchange rate | RMB |
| Cash | — | — | 457,486.90 | — | — | 974,692.93 |
| Including: RMB | 300.00 | 1.0000 | 300.00 | 2,767.60 | 1.0000 | 2,767.60 |
| USD | 1,327.58 | 7.1884 | 9,543.18 | 31,847.37 | 7.0827 | 225,565.37 |
| HKD | 6,354.10 | 0.9260 | 5,884.15 | 27,873.90 | 0.9062 | 25,259.89 |
| Others | 161,212,970.72 | - | 441,759.57 | 37,752,399.93 | - | 721,100.07 |
| Bank deposits | — | — | 11,769,350,938.86 | — | — | 13,934,385,410.92 |
| Including: RMB | 7,922,930,866.84 | 1.0000 | 7,922,930,866.84 | 8,215,456,953.08 | 1.0000 | 8,215,456,953.08 |
| USD | 328,306,260.16 | 7.1884 | 2,359,996,720.94 | 450,261,524.89 | 7.0827 | 3,189,067,302.34 |
| HKD | 764,174,676.63 | 0.9260 | 707,656,317.54 | 1,337,109,431.38 | 0.9062 | 1,211,715,308.91 |
| EUR | 3,955,241.68 | 7.5257 | 29,765,962.32 | 83,365,808.01 | 7.8592 | 655,188,558.31 |
| GBP | 68,592.09 | 9.0765 | 622,576.10 | - | 9.0411 | - |
| AUD | 4,590,999.43 | 4.5070 | 20,691,634.43 | 7,503,763.11 | 4.8484 | 36,381,245.06 |
| Others | 340,388,882,836.85 | - | 727,686,860.69 | 26,946,239,115.00 | - | 626,576,043.22 |
| Other cash and bank balances | — | — | 114,600,721.02 | — | — | 54,207,918.46 |
| Including: RMB | 74,726,938.79 | 1.0000 | 74,726,938.79 | 14,920,544.77 | 1.0000 | 14,920,544.77 |
| HKD | 283.50 | 0.9260 | 262.53 | 181.00 | 0.9062 | 164.03 |
| Others | 1,622,193,641.17 | - | 39,873,519.70 | 1,795,121,602.79 | - | 39,287,209.66 |
| Cash deposited in the finance company | 4,745,991,554.35 | 1.0000 | 4,745,991,554.35 | 2,090,078,155.93 | 1.0000 | 2,090,078,155.93 |
| Total | — | — | 16,630,400,701.13 | — | — | 16,079,646,178.24 |
| Including: Total amount of funds deposited overseas | — | — | 5,449,122,430.53 | — | — | 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 at the end of the year amounted to RMB 35,470,534.89.

Note 2: Cash deposited in the finance company included the interest receivable amounting to RMB 35,221,381.65.

Note 3: Restricted use of cash at bank and on hand at the end of the year.

| Item | 31/12/2024 | 31/12/2023 | Reasons for restricted use |
|---------------------------|-----------------|---------------|--|
| Interest receivable | 799261 | 149790 | Not actually received |
| Performance bond | 416197 | 498876 | Not available for withdrawal at any time |
| Litigation freezing funds | 8288 | 8288 | Not available for withdrawal at any time |
| Bill deposit | 5390 | | Not available for withdrawal at any time |
| Guarantee deposit | 300 | 4480 | Not available for withdrawal at any time |
| ETC card frozen funds | 9 | 9 | Not available for withdrawal at any time |
| Total | 11531462 | 602524 | |

2. Financial assets held for trading

| Item | 31/12/2024 | 31/12/2023 |
|--|-------------------------|-------------------------|
| Financial assets classified as at FVTPL | 5,685,135,472.01 | 4,568,806,108.84 |
| Including: Investments in debt instruments | - | 450,209.48 |
| Structured deposits | 5,685,135,472.01 | 4,568,355,899.36 |
| Total | 5,685,135,472.01 | 4,568,806,108.84 |

3. Bills receivable

(1) Category of bills receivable

| Category | 31/12/2024 | 31/12/2023 |
|-----------------------|-----------------------|-----------------------|
| Bank acceptance | 263,127,883.63 | 315,150,195.09 |
| Commercial acceptance | 7,000,000.00 | 10,000,000.00 |
| Total | 270,127,883.63 | 325,150,195.09 |

Note: For the year ended 31 December 2024, no provision for bad debts of bills receivable is assessed on an individual basis and, the acceptor of bank acceptance and commercial acceptance for which provision for bad debts is assessed on a portfolio basis has high credit ratings with no significant credit risks, therefore, no provision for bad debts is made.

(2) As at 31 December 2024, the Group has no bills receivable pledged.

(3) As at 31 December 2024, bills receivable endorsed or discounted by the Group and not yet due on the balance sheet date.

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

3. Bills receivable - continued

| Item | Amount derecognized at the end of the year | Unrecognized amount at the end of the year |
|-----------------|--|--|
| Bank acceptance | 68,052,445.59 | 17,496,058.18 |

(4) As at 31 December, 2024, the Group has no bills transferred to accounts receivable due to the drawer's failure to perform.

(5) The Group has no bills receivable written off for the year ended 31 December 2024.

4. Accounts receivable

(1) Overall situation of accounts receivable

| Category | 31/12/2024 | 31/12/2023 |
|-------------------------------|------------------|------------------|
| Accounts receivable | 1,282,371,828.87 | 1,194,923,829.34 |
| Less: Provision for bad debts | 88,963,445.09 | 91,022,363.09 |
| Total | 1,193,408,383.78 | 1,103,901,466.25 |

(2) Aging analysis of accounts receivable

| Aging | 31/12/2024 | | | 31/12/2023 | | |
|----------------------------------|------------------|----------------|-------------------------|------------------|----------------|-------------------------|
| | Book value | Proportion (%) | Provision for bad debts | Book value | Proportion (%) | Provision for bad debts |
| Within 1 year (Including 1 year) | 1,184,171,645.45 | 99 | 3,628,746 | 1,112,613,215.99 | 93 | 19,149,366.89 |
| 1-2 years (Including 2 years) | 25,773,736.31 | | 152,770,615 | 23,735,983.67 | | 186,684,123 |
| 2-3 years (Including 3 years) | 18,788,751.53 | | 17,375,043.2 | 3,139,299.76 | | 78,646 |
| More than 3 years | 53,637,695.58 | | 533,185,298 | 55,435,329.92 | | 52,453,009.1 |
| Total | 1,282,371,828.87 | 100 | 889,634,450.9 | 1,194,923,829.34 | 100 | 91,022,363.09 |

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

4. Accounts receivable - continued

(3) Disclosure of accounts receivable by category

| Credit rating | Expected credit loss rate (%) | Book value | | | | | Provision for bad debts | | | | | Carrying amount | Provision for bad debts |
|---------------|-------------------------------|------------------|---------------|---------------|-------------------|------------------|-------------------------|---------------|---------------|-------------------|---------------|------------------|--|
| | | Aging | | | | Total | Aging | | | | Total | | |
| | | Within 1 year | 1-2 years | 2-3 years | More than 3 years | | Within 1 year | 1-2 years | 2-3 years | More than 3 years | | | |
| A | 0.00-0.10 | 733,738,147.98 | 2,297,383.05 | 213,471.96 | 21,223.14 | 736,270,226.13 | 70,851.91 | 193,993.27 | 98,320.55 | 21,223.14 | 384,388.7 | 735,885,837.26 | Accrued according to the expected loss rate of each rating |
| B | 0.10-0.30 | 365,349,709.55 | 3,538,705.53 | 1,166,853.33 | 262,901.93 | 370,318,170.34 | 66,045.30 | 241,905.41 | 61,748.61 | 262,901.93 | 631,601.25 | 369,686,569.09 | Accrued according to the expected loss rate of each rating |
| C | 0.30-50.00 | 80,357,827.67 | 2,993,912.02 | 38,769.49 | 842,481.25 | 84,232,990.43 | 367,341.11 | 240,254.71 | 38,769.49 | 842,481.25 | 1,488,846.56 | 82,744,143.87 | Accrued according to the expected loss rate of each rating |
| D | 50.00-100.00 | 4,725,960.25 | 16,943,735.71 | 17,369,656.75 | 52,511,089.26 | 91,550,441.97 | 2,549,636.32 | 14,540,852.76 | 17,176,195.67 | 52,191,923.66 | 86,458,608.41 | 5,091,833.56 | Low probability of recovery |
| 合计 | | 1,184,171,645.45 | 25,773,736.31 | 18,788,751.53 | 53,637,695.58 | 1,282,371,828.87 | 3,052,874.64 | 15,217,006.15 | 17,375,034.32 | 53,318,529.98 | 88,963,445.09 | 1,193,408,383.78 | |

Including: Provision for bad debts assessed on an individual basis at the end of the year:

| Name | 31 December 2024 | | | Reason for provision |
|----------|------------------|-------------------------|-------------------------------|-----------------------------|
| | Book value | Provision for bad debts | Expected credit loss rate (%) | |
| Client 1 | 24,908,308.44 | 24,908,308.44 | 100.00 | Low probability of recovery |
| Client 2 | 14,965,689.98 | 14,965,689.98 | 100.00 | Low probability of recovery |
| Client 3 | 6,304,434.02 | 6,304,434.02 | 100.00 | Low probability of recovery |
| Client 4 | 6,104,490.21 | 6,104,490.21 | 100.00 | Low probability of recovery |
| Client 5 | 5,700,298.86 | 5,700,298.86 | 100.00 | Low probability of recovery |
| Others | 33,567,220.46 | 28,475,386.90 | 84.83 | — — |
| Total | 91,550,441.97 | 86,458,608.41 | | — — |

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

4. Accounts receivable - continued

- (4) 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 |
|--|---|---|---------------|
| As at 1 January 2024 | | 80,402,847.19 | 91,022,363.09 |
| Book value of accounts receivable as at 1 January 2024 | | | |
| - Transfer to credit-impaired accounts receivable | | 2,727,505.55 | - |
| - Reversal of accounts receivable that are not credit-impaired | | - | - |
| Provision for the year | | 6,539,340.03 | 8,974,855.96 |
| Reversal for the year | | -407,893.03 | -7,202,807.78 |
| Effect of changes in the scope of consolidation | | 788,447.74 | 788,447.74 |
| Write off in current year | | | -57,892.46 |
| Other changes | | | -4,561,521.46 |
| As at 31 December 2024 | | | 88,963,445.09 |

- (5) For the year ended 31 December 2024, the Group has no significant provision for bad debts recovered or reversed this year.

- (6) Accounts receivable written off in the year

| Item | Nature | Amount | Reason for write-off | Procedures performed | Arising from related party transactions or not |
|----------|--------------|-----------|----------------------------|----------------------|--|
| Client 6 | Service fees | 47,020.00 | Confirmed as irrecoverable | Yes | No |
| Client 7 | Service fees | 8,527.46 | Confirmed as irrecoverable | Yes | No |
| Client 8 | Service fees | 2,345.00 | Confirmed as irrecoverable | Yes | No |
| Total | — — | 57,892.46 | — — | — — | — — |

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

| Name of entity | Relationship with the Group | Book value | Aging | Provision for bad debts | Proportion of the amount to the total accounts receivable (%) |
|----------------|-----------------------------|----------------|--------------------------|-------------------------|---|
| Client 9 | Third party | 289,218,829.81 | Within 1 year, 1-2 years | 84,976.90 | 22.55 |
| Client 10 | Third party | 54,619,613.76 | Within 1 year, 1-2 years | 11,418.80 | 4.26 |
| Client 11 | Third party | 47,963,363.49 | Within 1 year | 23,473.72 | 3.74 |
| Client 12 | Third party | 34,630,956.90 | Within 1 year | - | 2.70 |
| Client 13 | Third party | 30,613,764.04 | Within 1 year, 1-2 years | 7,978.88 | 2.39 |
| Total | | 457,046,528.00 | | 127,848.30 | 35.64 |

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

5. Receivables under financing

(1) Classification of receivables under financing

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

(2) As at 31 December 2024, the Group has no pledged receivables under financing.

(3) At the end of the year, there is no Company's receivables under financing that have been endorsed or discounted and have not yet matured at the balance sheet date.

6. Prepayments

(1) Aging analysis of prepayments

| Aging | 31/12/2024 | | | 31/12/2023 | | |
|----------------------------------|---------------|----------------|----------------------|---------------|----------------|----------------------|
| | Book value | Proportion (%) | Impairment provision | Book value | Proportion (%) | Impairment provision |
| Within 1 year (including 1 year) | 58,397,947.01 | 98.69 | - | 36,798,888.01 | 97.70 | - |
| 1-2 years (including 2 year) | 620,707.85 | 1.05 | - | 615,427.75 | 1.63 | - |
| 2-3 years (including 3 year) | 8,000.00 | 0.01 | - | 129,361.04 | 0.34 | - |
| More than 3 years | 150,462.36 | 0.25 | - | 120,875.50 | 0.33 | - |
| Total | 59,177,117.22 | 100.00 | - | 37,664,552.30 | 100.00 | - |

(2) As at 31 December 2024, the Group has no significant prepayments aged more than one year.

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

| Name of entity | Relationship with the Company | 31/12/2024 | Aging | Proportion in total prepayments (%) | Provision for bad debts |
|----------------|-------------------------------|---------------|----------------------------------|-------------------------------------|------------------------------------|
| Supplier 1 | Third party | 15,347,156.55 | Within 1 year | 25.93 | Unsettled prepayment for premium |
| Supplier 2 | Third party | 5,491,648.66 | Within 1 year | 9.28 | Unsettled prepaid service charges |
| Supplier 3 | Third party | 3,344,997.38 | Within 1 year | 5.65 | Unsettled advance purchase payment |
| Supplier 4 | Third party | 3,025,232.04 | Within 1 year, more than 3 years | 5.11 | Unsettled prepayment for premium |
| Supplier 5 | Third party | 2,031,865.00 | Within 1 year | 3.43 | Unsettled prepayment for premium |
| Total | | 29,240,899.63 | | 49.40 | |

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Unless otherwise specified, the monetary unit shall be RMB)

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

7. Other receivables

7.1 Presentation of other receivables

| Item | 31/12/2024 | 31/12/2023 |
|----------------------|-------------------------|-----------------------|
| Dividends receivable | 554,387,723.94 | 343,386,866.06 |
| Other receivables | 612,111,619.96 | 596,628,127.95 |
| Total | 1,166,499,343.90 | 940,014,994.01 |

7.2 Dividends receivable

(1) Presentation of dividends receivable by aging

| Name of investee | 31/12/2024 | 31/12/2023 | Reason for non-recovery | Whether there is impairment and its judgment basis |
|---|-----------------------|-----------------------|---|---|
| Dividends receivable with an aging within 1 year | 436,240,220.68 | 157,850,228.61 | — | — |
| Including: | — | — | — | — |
| Shanghai International Port (Group) Co., Ltd. (hereinafter referred to as "Shanghai Port Group") | 326,565,642.25 | - | — | No |
| China Nanshan Development (Group) Incorporation (hereinafter referred to as "Nanshan Group") | 74,028,000.00 | 74,028,000.00 | — | No |
| Euro-Asia Oceangate S.a.r.l. | 23,881,469.17 | - | — | No |
| China Ocean Shipping Agency Shenzhen Co., Ltd. | 10,575,000.00 | 11,232,000.00 | — | No |
| Dalian Port Logistics Network Co., Ltd. | - | 30,605,256.76 | — | — |
| Yingkou Gangxin Technology Co., Ltd. | - | 23,881,213.75 | — | — |
| Tin-can Island Container Terminal Ltd. | - | 18,103,758.10 | — | — |
| Others | 1,190,109.26 | - | — | No |
| Dividends receivable with an aging of more than one year | 118,702,445.93 | 185,880,368.05 | — | — |
| Including: | — | — | — | — |
| Nanshan Group | 74,028,000.00 | 129,549,000.00 | Relevant procedures are being handled and past dividends are being paid in succession | No |
| Zhanjiang Merchants Port City Investment Co., Ltd. (hereinafter referred to as "Merchants Port City") | 38,809,044.77 | 38,809,044.77 | Lack of funds | No |
| COSCO Logistics (Zhanjiang) Co., Ltd. | 5,649,001.16 | 13,449,001.16 | Lack of funds, and payment is made in installments | No |
| Tin-can Island Container Terminal Ltd. | - | 3,856,922.12 | — | — |
| Others | 216,400.00 | 216,400.00 | Lack of funds | No |
| Sub-total | 554,942,666.61 | 343,730,596.66 | — | — |
| Less: Provision for bad debts | 554,942.67 | 343,730.60 | — | — |
| Total | 554,387,723.94 | 343,386,866.06 | — | — |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(Unless otherwise specified, the monetary unit shall be RMB)

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

7. Other receivables - continued

7.2 Dividends receivable - continued

(2) 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) | |
| As 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 year | 211,212.07 | | | 211,212.07 |
| Reversal for the year | - | | | - |
| As at 31 December 2024 | 554,942.67 | | | 554,942.67 |

(3) Details of provision for bad debts

| Category | 31/12/2023 | Changes for the year | | | | 31/12/2024 |
|---|------------|----------------------|----------------------|-------------------------|---------------|------------|
| | | Provision | Recovery or reversal | Charge-off or write-off | Other changes | |
| Provision for bad debts assessed on an individual basis | - | - | - | - | - | - |
| Provision for bad debts assessed on a portfolio basis | 343,730.60 | 211,212.07 | - | - | - | 554,942.67 |
| Total | 343,730.60 | 211,212.07 | - | - | - | 554,942.67 |

7.3 Other receivables

(1) Aging analysis of other receivables

| Aging | 31/12/2024 | | | 31/12/2023 | | |
|----------------------------------|------------------|----------------|-------------------------|------------------|----------------|-------------------------|
| | Book value | Proportion (%) | Provision for bad debts | Book value | Proportion (%) | Provision for bad debts |
| Within 1 year (including 1 year) | 27082702 | | 588 | 261800665 | | 38638 |
| 1-2 years (including 2 year) | 3485146 | | 1638384 | 286345616 | | 1866208 |
| 2-3 years (including 3 year) | 254247774 | | 1827961760 | 189293748 | | 45365 |
| More than 3 years | 66865277 | | 381133846 | 83421722 | | 750635 |
| Total | 1,177,150,316.19 | | 566089623 | 1,553,366,128.21 | | 9578005 |

(2) Disclosure of other receivables by nature

| Item | 31/12/2024 | 31/12/2023 |
|---------------------------------------|------------------|------------------|
| Operation compensation (Note 1) | 512,608,434.72 | 857,551,782.45 |
| Advance payment | 227,885,870.03 | 264,603,548.43 |
| Land compensation (Note 2) | 197,262,369.00 | 89,630,000.00 |
| Special subsidies collected on behalf | 19,779,450.00 | 24,800,000.00 |
| Security deposit | 28,631,566.40 | 24,853,374.42 |
| Others | 190,982,626.04 | 291,927,422.91 |
| Sub-total | 1,177,150,316.19 | 1,553,366,128.21 |
| Less: Provision for bad debts | 565,038,696.23 | 956,738,000.26 |
| Total | 612,111,619.96 | 596,628,127.95 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise specified, the monetary unit shall be RMB)

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

7. Other receivables - continued

7.3 Other receivables - continued

(2) Disclosure of other receivables by nature - continued

Note 1: It is the operating compensation that the subsidiary of the Company shall collect from the holding company of its non-controlling shareholders according to the agreement. As at 31 December 2023, the Group has accumulated the compensation that has not been received, equivalent to RMB 857,551,782.45, and has withdrawn the provision for bad debts in full. For the year ended 31 December 2024, the Group recovers the compensation equivalent to RMB 316,715,160.00, and transfer back the provision for bad debts of RMB 316,715,160.00 accordingly. As at 31 December 2024, the Group has accumulated the compensation that has not been received, which is equivalent to RMB 512,608,434.72. The provision for bad debts have been fully withdrawn.

Note 2: On 9 October 2021, Zhanjiang Port (Group) Co., Ltd. (hereinafter referred to as "Zhanjiang Port"), a subsidiary of the Company, signed the *Agreement on the Recovery of State owned Land Use Rights* with local government agencies, which stipulates that Zhanjiang Port will return 195.68 mu of land located in Zhanjiang Comprehensive Bonded Zone, east of Shugang Avenue, to local government agencies at a price of RMB 89,630,000.00. The above land has been handed over before 31 December 2021. As at 31 December 2024, the above land compensation of RMB 89,630,000.00 has not been recovered.

On 4 September 2024, Zhanjiang Port signed the *Agreement on the Recovery of State owned Land Use Rights* with local government agencies, which stipulates that Zhanjiang Port will return 146,970.20 square meters of land and assets on the ground located in the north of Xiashan Port District of Zhanjiang to local government agencies at a price of RMB 107,632,369.00. The above land and above ground assets have been transferred before 18 September 2024. As at 31 December 2024, the above land compensation of RMB 107,632,369.00 has not been recovered.

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(Unless otherwise specified, the monetary unit shall be RMB)

(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 (%) | 31/12/2024 | | | | 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 | 499,361,668.36 | - | - | 499,361,668.36 | 596,631,116.95 | - | - | 596,631,116.95 |
| B | 0.10-0.30 | - | - | - | - | - | - | - | - |
| C | 0.30-50.00 | - | - | - | - | - | - | - | - |
| D | 50.00-100.00 | - | - | 677,788,647.83 | 677,788,647.83 | - | - | 956,735,011.26 | 956,735,011.26 |
| Book value | | 499,361,668.36 | - | 677,788,647.83 | 1,177,150,316.19 | 596,631,116.95 | - | 956,735,011.26 | 1,553,366,128.21 |
| Provision for bad debts | | 13,957.42 | - | 565,024,738.81 | 565,038,696.23 | 2,989.00 | - | 956,735,011.26 | 956,738,000.26 |
| Carrying amount | | 499,347,710.94 | - | 112,763,909.02 | 612,111,619.96 | 596,628,127.95 | - | - | 596,628,127.95 |

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

| Name of entity | 31/12/2024 | Provision for bad debts | ECL rate (%) | Reason for provision |
|----------------|----------------|-------------------------|--------------|-------------------------------------|
| Entity 14 | 512,608,434.72 | 512,608,434.72 | 100.00 | Expected to be unrecoverable (Note) |
| Entity 15 | 122,569,018.03 | 9,854,263.08 | 8.04 | No specific payment plan |
| Entity 16 | 14,000,000.00 | 14,000,000.00 | 100.00 | Expected to be unrecoverable |
| Total | 649,177,452.75 | 536,462,697.80 | — — | — — |

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 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) | |
| As 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 year | 10,914.76 | | 164,176,375.6 | 16,428,552.32 |
| Reversal for the year | - | | -379,923,568.34 | -379,923,568.34 |
| Effect of changes in the scope of consolidation | - | | | - |
| Charge-off for the year | - | | | - |
| Write-off for the year | - | | | - |
| Other changes | 53.66 | | -28,204,341.67 | -28,204,288.01 |
| As at 31 December 2024 | 13,957.42 | | 565,024,788.1 | 565,038,696.23 |

(5) The provision for bad debts recovered or reversed for the period that is significant in amount is listed as below:

| Name of entity | Book value of other receivables | Reason and method of recovery or reversal | Basis for determining the original provision for bad debts | Accumulated provision for bad debts before recovery or reversal | Amount recovered or reversed |
|----------------|---------------------------------|---|--|---|------------------------------|
| Entity 14 | 512,608,434.72 | According to the reconciliation agreement, the debtor repaid part of the amount | Determined according to the financial status of previous years | 857,551,782.45 | 316,715,160.00 |
| Entity 17 | 1,634,741.75 | Debtor repays debt after negotiation between both parties | Determined according to the financial status of previous years | 64,841,250.09 | 63,206,508.34 |
| Total | 514,243,176.47 | — | — | 922,393,032.54 | 379,921,668.34 |

CHINA MERCHANTS PORT GROUP CO., LTD.

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(Unless otherwise specified, the monetary unit shall be RMB)

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

7. Other receivables - continued

7.3 Other receivables - continued

(6) The Group has no other receivables actually written off this year.

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

| Name of entity | Relationship with the Group | Book value | Aging | Proportion to total other receivables (%) | Provision for credit impairment at the end of the year | Nature |
|----------------|-----------------------------|----------------|----------------------------------|---|--|------------------------|
| Entity 14 | The third party | 512,608,434.72 | 2-3 years, more than 3 years | 43.55 | 512,608,434.72 | Operation compensation |
| Entity 18 | The third party | 197,262,369.00 | Within 1 year, more than 3 years | 16.76 | - | Land compensation |
| Entity 15 | The third party | 122,569,018.03 | 2-3 years, more than 3 years | 10.41 | 9,854,263.08 | Advanced payments |
| Entity 19 | Associated enterprise | 37,374,974.40 | 1-2 years, more than 3 years | 3.18 | - | loan |
| Entity 20 | The third party | 33,954,749.14 | Within 1 year | 2.88 | - | Advanced payments |
| Total | — — | 903,769,545.29 | — — | 76.78 | 522,462,697.80 | — — |

8. Inventories

(1) Inventories by category

| Item | 31/12/2024 | | | 31/12/2023 | | |
|----------------|----------------|---|-----------------|----------------|---|-----------------|
| | Book value | Provision for impairment of inventories | Carrying amount | Book value | Provision for impairment of inventories | Carrying amount |
| Raw materials | 261,972,849.28 | 1,153,436.72 | 260,819,412.56 | 217,097,512.98 | 1,234,628.38 | 215,862,884.60 |
| Finished goods | 4,683,965.30 | - | 4,683,965.30 | 2,520,205.91 | - | 2,520,205.91 |
| Others | 4,454,642.48 | - | 4,454,642.48 | 515,102.36 | - | 515,102.36 |
| Total | 271,111,457.06 | 1,153,436.72 | 269,958,020.34 | 220,132,821.25 | 1,234,628.38 | 218,898,192.87 |

(2) Provision for impairment of inventories

| Category | 1/1/2024 | Increase | | Decrease | | Effect of translation of financial statements denominated in foreign currencies | 31/12/2024 |
|---------------|--------------|-----------|--------|------------------------|--------|---|--------------|
| | | Provision | Others | Reversal or charge-off | Others | | |
| Raw materials | 1,234,628.38 | - | - | 92,227.23 | - | 11,035.57 | 1,153,436.72 |

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

8. Inventories - continued

(2) Provision for impairment 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. The reason for the write off of provision for impairment of inventories in this year is requisition and consumption.

- (3) As at 31 December 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 | 31/12/2024 | 31/12/2023 |
|---|---------------|---------------|
| Long-term receivables due within one year | 35,033,025.11 | 17,468,849.83 |
| Less: Provision for bad debts | 35,033.03 | 17,468.85 |
| Carrying amount | 34,997,992.08 | 17,451,380.98 |

10. Other current assets

| Item | 31/12/2024 | 31/12/2023 |
|--|----------------|----------------|
| Input VAT to be deducted and certified | 110,187,182.64 | 115,121,766.13 |
| Prepaid taxes | 140,440,401.53 | 71,771,659.09 |
| Others | 1,070,228.60 | 2,780,075.65 |
| Sub-total | 251,697,812.77 | 189,673,500.87 |
| Less: provision for impairment | - | - |
| Total | 251,697,812.77 | 189,673,500.87 |

11. Long-term receivables

(1) Details of long-term receivables

| Item | 31/12/2024 | | | 31/12/2023 | | | Range of discount rate at the end of year |
|---|------------------|-------------------------|------------------|------------------|-------------------------|------------------|---|
| | Book value | Provision for bad debts | Carrying amount | Book value | Provision for bad debts | Carrying amount | |
| Advances to shareholders (Note 1) | 1,169,988,750.65 | 1,169,988.75 | 1,168,818,761.90 | 1,167,470,819.35 | 1,167,470.82 | 1,166,303,348.53 | 6.15%-8.08% |
| Guarantees for finance leases | 1,453,195.68 | 1,453.20 | 1,451,742.48 | 10,695,876.01 | 10,695.88 | 10,685,180.13 | 0-4.72% |
| Land compensation receivable (Note 2) | 2,641,932,000.00 | - | 2,641,932,000.00 | 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 | 3,813,543,008.73 | 1,171,441.95 | 3,812,371,566.78 | 3,875,095,664.67 | 1,178,166.70 | 3,873,917,497.97 | |
| Less: Long-term receivables due within 1 year | 35,033,025.11 | 35,033.03 | 34,997,992.08 | 17,468,849.83 | 17,468.85 | 17,451,380.98 | |
| Long-term receivables due after 1 year | 3,778,509,983.62 | 1,136,408.92 | 3,777,373,574.70 | 3,857,626,814.84 | 1,160,697.85 | 3,856,466,116.99 | |

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FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise specified, the monetary unit shall be RMB)

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

11. Long-term receivables - continued

Note 1: It mainly represents the aggregate principal and interest receivable from Port of Newcastle and Terminal Link SAS, equivalent to RMB 920,674,796.27 and RMB 215,013,954.38, respectively.

On 14 June 2018, China Merchants Port Holdings Company (hereinafter referred to as "CM Port"), a subsidiary of the Company, provided a long-term loan to Port of Newcastle, which signed in 2023 and has been extended to 31 December 2034. The loan carries interest at a rate of weighted average interest rate on debt as determined by local authority of Port of Newcastle plus 0.5%.

On 31 May 2023, CM Port, a subsidiary of the Company, provided a long-term loan to Terminal Link SAS for making additional capital injection to Saigang project and charged interest to Terminal Link SAS at an interest rate of 6.15%.

Note 2: On 5 November 2019, Shantou CM Port Group Co., Ltd. (hereinafter referred to as "Shantou Port"), a subsidiary of the Company entered into the *Contract for the Acquisition of State-Owned Land Use Rights in Shantou* with Shantou Land Reserve Center. Pursuant to the contract, the land and attached buildings of approximately 370.96 mu located in Zhuchi Deepwater Port on the south of Zhongshan East Road of Shantou should be returned to Shantou Land Reserve Center by Shantou Port, which is amounting to RMB1,558,032,000.00. Among them, 183.63 mu of land and attached buildings have been transferred in 2019, and the remaining 187.33 mu of land and attached buildings have been transferred in 2020. As at 31 December 2024, the land compensation of RMB1,158,032,000.00 has not yet been recovered.

On 21 August 2020, Shantou Port and Shantou Haojiang District Land Reserve Center signed the *Shantou City State owned Land Use Right Purchase Contract*, which stipulates that Shantou Port will hand back 152.34 mu of land and attached buildings located in Wutian Farm, Yushi, Haojiang District, Shantou City to Shantou Haojiang District Land Reserve Center at a price of RMB250,000,000.00. The above land and attached buildings have been handed over before 31 December 2020. As at 31 December 2024, the land compensation of 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 31 December 2024, the land compensation of RMB 1,283,900,000.00 has not yet been recovered.

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(Unless otherwise specified, the monetary unit shall be RMB)

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

11. Long-term receivables - continued

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

| Category | 31 December 2024 | | | | | 31 December 2023 | | | | |
|---|------------------|----------------|-------------------------|----------------|------------------|------------------|----------------|-------------------------|----------------|------------------|
| | Book value | | Provision for bad debts | | Carrying amount | Book value | | Provision for bad debts | | Carrying amount |
| | Amount | Proportion (%) | Amount | Proportion (%) | | Amount | Proportion (%) | Amount | Proportion (%) | |
| Provision for bad debts assessed on a portfolio basis | 3,813,543,008.73 | 100.00 | 1,171,441.95 | 0.03 | 3,812,371,566.78 | 3,875,095,664.67 | 100.00 | 1,178,166.70 | 0.03 | 3,873,917,497.97 |
| Total | 3,813,543,008.73 | 100.00 | 1,171,441.95 | | 3,812,371,566.78 | 3,875,095,664.67 | 100.00 | 1,178,166.70 | | 3,873,917,497.97 |

Provision for bad debts assessed on a portfolio basis

| Credit rating | 31 December 2024 | | |
|---------------|---------------------|-------------------------|----------------|
| | Accounts receivable | Provision for bad debts | Proportion (%) |
| A | 3,813,543,008.73 | 1,171,441.95 | 0.03 |
| Total | 3,813,543,008.73 | 1,171,441.95 | |

(3) Provision for bad debts 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) | |
| As at 1 January 2024 | 1,178,166.70 | - | - | 1,178,166.70 |
| Book value of long-term receivables as at 1 January 2024 | - | - | - | - |
| - Transfer to Stage 2 | - | - | - | - |
| - Transfer to Stage 3 | - | - | - | - |
| - Reverse to Stage 2 | - | - | - | - |
| - Reverse to Stage 1 | - | - | - | - |
| Provision for the year | 45,771.75 | - | - | 45,771.75 |
| Reversal for the year | -52,496.50 | - | - | -52,496.50 |
| Charge-off for the year | - | - | - | - |
| Write-off for the year | - | - | - | - |
| Other changes | - | - | - | - |
| As at 31 December 2024 | 1,171,441.95 | - | - | 1,171,441.95 |

(4) Details of provision for bad debts

| Category | 31/12/2023 | Changes for the year | | | | 31/12/2024 |
|-------------------------------|--------------|----------------------|----------------------|-------------------------|---|--------------|
| | | Provision | Recovery or reversal | Charge-off or write-off | Effect of changes in the scope of consolidation | |
| Advances to shareholders | 1,167,470.82 | 45,014.43 | -42,496.50 | - | - | 1,169,988.75 |
| Guarantees for finance leases | 10,695.88 | 757.32 | -10,000.00 | - | - | 1,453.20 |
| Land compensation receivable | - | - | - | - | - | - |
| Others | - | - | - | - | - | - |
| Total | 1,178,166.70 | 45,771.75 | -52,496.50 | - | - | 1,171,441.95 |

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

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(Unless otherwise specified, the monetary unit shall be RMB)

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

12. Long-term equity investments

(1) Classification of long-term equity investments

| Item | 31/12/2023 | Effect of changes in the scope of consolidation | Increase | Decrease | Other increase (decrease expressed with "-") | Effect of translation of financial statements denominated in foreign currencies | 31/12/2024 |
|--|-------------------|---|----------------|-----------------|--|---|--------------------|
| Investment in joint ventures | 8,957,993,335.22 | - | 160,855,675.82 | - | 322,006,693.75 | -124,869,176.85 | 9,315,986,527.94 |
| Investment in associates | 88,070,458,516.81 | - | - | -120,000,000.00 | 2,919,591,008.79 | 167,416,104.04 | 91,037,465,629.64 |
| Sub-total | 97,028,451,852.03 | - | 160,855,675.82 | -120,000,000.00 | 3,241,597,702.54 | 42,546,927.19 | 100,353,452,157.58 |
| Less: provision for impairment of long-term equity investments | 362,334,075.76 | - | - | - | 8,113,482.64 | -35,025,295.78 | 335,422,262.62 |
| Total | 96,666,117,776.27 | - | 160,855,675.82 | -120,000,000.00 | 3,233,484,219.90 | 77,572,222.97 | 100,018,029,894.96 |

(2) Details of long-term equity investments

| Investees | 31/12/2023 | Changes for the year | | | | | | | | 31/12/2024 | Provision for impairment at the end of the year | |
|---|-------------------|----------------------|-----------------|---------------------------------------|----------------------------|------------------------|------------------------------------|--------------------------|---|-----------------|---|----------------|
| | | Increase | Decrease | Investment income under equity method | Other comprehensive income | Other equity movements | Cash dividends or profits declared | Provision for impairment | Effect of translation of financial statements denominated in foreign currencies | | | |
| I. Joint ventures | | | | | | | | | | | | |
| Euro-Asia Oceangate S.à.r.l. | 2,045,841,414.96 | - | - | 129,656,958.63 | 183,258,241.46 | - | -115,493,866.93 | - | - | 31,870,075.84 | 2,275,132,823.96 | - |
| Port of Newcastle | 2,075,023,699.91 | - | - | 25,792,465.60 | -8,849,767.13 | - | - | - | - | -152,714,223.82 | 1,939,252,174.56 | - |
| Others | 4,837,128,220.35 | 160,855,675.82 | - | 211,997,573.56 | -12,678,065.76 | 56,831.00 | -91,733,676.68 | -8,113,482.64 | - | -4,025,028.87 | 5,093,488,046.78 | 8,113,482.64 |
| Sub-total | 8,957,993,335.22 | 160,855,675.82 | - | 367,446,997.79 | 161,730,408.57 | 56,831.00 | -207,227,543.61 | -8,113,482.64 | - | -124,869,176.85 | 9,307,873,045.30 | 8,113,482.64 |
| II. Associates | | | | | | | | | | | | |
| Shanghai Port Group | 37,212,885,138.77 | - | - | 4,181,987,765.08 | 78,387,100.55 | 19,065,221.75 | -1,449,951,451.59 | - | - | - | 40,042,373,774.56 | - |
| Nanshan Group | 6,559,245,040.52 | - | - | -378,299,555.51 | -26,388,437.39 | -47,008,815.51 | -74,028,000.00 | - | - | - | 6,033,520,232.11 | - |
| Terminal Link SAS | 6,453,040,914.20 | - | - | 346,946,611.72 | -327,831,030.14 | - | -395,260,400.37 | - | - | 91,816,798.27 | 6,168,712,893.68 | - |
| Liaoning Port Co., Ltd. (hereinafter referred to as "Liaoning Port") | 4,124,157,791.26 | - | - | 129,530,471.96 | 3,921,721.81 | 9,391,216.02 | -51,851,456.34 | - | - | 35,076,570.08 | 4,250,226,314.79 | 324,913,116.66 |
| Shenzhen China Merchants Qianhai Industrial Development Co., Ltd. | 7,445,725,318.18 | - | - | 13,195,540.90 | - | - | -49,000,000.00 | - | - | - | 7,409,920,859.08 | - |
| Ningbo Zhoushan Port Company Limited (hereinafter referred to as "Ningbo Zhoushan") | 18,631,154,114.31 | - | - | 1,133,840,746.97 | 25,589,778.67 | 39,479,895.57 | -408,578,523.82 | - | - | - | 19,421,486,011.70 | - |
| Others | 7,281,916,123.81 | - | -120,000,000.00 | 646,357,034.34 | -25,409,646.22 | -503,725.07 | -473,991,054.59 | - | - | 75,548,031.47 | 7,383,916,763.74 | 2,395,663.32 |
| Sub-total | 87,708,124,441.05 | - | -120,000,000.00 | 6,073,558,615.46 | -271,730,512.72 | 20,423,792.76 | -2,902,660,886.71 | - | - | 202,441,399.82 | 90,710,156,849.66 | 327,308,779.98 |
| Total | 96,666,117,776.27 | 160,855,675.82 | -120,000,000.00 | 6,441,005,613.25 | -110,000,104.15 | 20,480,623.76 | -3,109,888,430.32 | -8,113,482.64 | - | 77,572,222.97 | 100,018,029,894.96 | 335,422,262.62 |

CHINA MERCHANTS PORT GROUP CO., LTD.

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

12. Long-term equity investments - continued

(2) Changes in provision for impairment of long-term equity investments are as follows

| Item | 31/12/2023 | Effect of changes in the scope of consolidation | Increase | Decrease | | Effect of translation of financial statements denominated in foreign currencies | 31/12/2024 |
|---|----------------|---|--------------|----------|--------------------------|---|----------------|
| | | | | Decrease | Reasons for reduction | | |
| Liaoning Port | 359,989,686.74 | - | - | - | - | -35,076,570.08 | 324,913,116.66 |
| Silk Road Yishang Information Technology Co., Ltd. | - | - | 8,113,482.64 | - | - | - | 8,113,482.64 |
| HOA THUONG CORPORATION | 2,344,389.02 | - | - | - | - | 51,274.30 | 2,395,663.32 |
| Total | 362,334,075.76 | - | 8,113,482.64 | - | - | -35,025,295.78 | 335,422,262.62 |

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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 | 31/12/2024 | 31/12/2023 | Dividend income recognized for the year | Other comprehensive income during the year | Other comprehensive income at the end of the year | Reasons for designation at fair value through other comprehensive income | Amount transferred from other comprehensive income to retained earnings | Reasons for transferring other comprehensive income to retained earnings |
|--|----------------|----------------|---|--|---|--|---|--|
| China Ocean Shipping Agency Shenzhen Co., Ltd. | 129,726,519.67 | 147,689,164.25 | 10,575,000.00 | -17,962,644.58 | 116,216,519.67 | It is a non-trading equity instrument investment | - | --- |
| Others | 9,725,367.38 | 9,772,483.91 | 240,000.00 | -47,116.53 | 697,867.38 | It is a non-trading equity instrument investment | - | --- |
| Total | 139,451,887.05 | 157,461,648.16 | 10,815,000.00 | -18,009,761.11 | 116,914,387.05 | --- | - | --- |

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

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

14. Other non-current financial assets

| Item | 31/12/2024 | 31/12/2023 |
|---|---------------|----------------|
| Financial assets at FVTPL | 28,524,600.31 | 877,576,442.83 |
| Including: Investments in equity instruments | 28,524,600.31 | 877,576,442.83 |
| Including: Qingdao Port International Co., Ltd. | - | 850,222,729.23 |
| Others | 28,524,600.31 | 27,353,713.60 |
| Total | 28,524,600.31 | 877,576,442.83 |

15. Investment properties

(1) Investment properties measured at cost

| Item | Land use rights | Buildings and structures | Total |
|---|-----------------|--------------------------|------------------|
| I. Cost | | | |
| 1. As at 1 January 2024 | 136,657,995.75 | 6,191,446,084.83 | 6,328,104,080.58 |
| 2. Effect of changes in the scope of consolidation | - | - | - |
| 3. Increase for the year | - | 1,137,419.00 | 1,137,419.00 |
| (1) Other increase | - | 1,137,419.00 | 1,137,419.00 |
| 4. Decrease for the year | - | 1,873,167,331.64 | 1,873,167,331.64 |
| (1) Transfer from investment properties to fixed assets | - | 1,863,087,962.64 | 1,863,087,962.64 |
| (2) Other decreases | - | 10,079,369.00 | 10,079,369.00 |
| 5. As at 31 December 2024 | 136,657,995.75 | 4,319,416,172.19 | 4,456,074,167.94 |
| II. Accumulated depreciation and amortization | | | |
| 1. As at 1 January 2024 | 47,569,315.68 | 1,322,159,796.11 | 1,369,729,111.79 |
| 2. Effect of changes in the scope of consolidation | - | - | - |
| 3. Increase for the year | 2,566,349.89 | 178,953,157.85 | 181,519,507.74 |
| (1) Provision for the year | 2,566,349.89 | 178,953,157.85 | 181,519,507.74 |
| 4. Decrease for the year | - | 383,864,522.19 | 383,864,522.19 |
| (1) Transfer from investment properties to fixed assets | - | 381,104,046.36 | 381,104,046.36 |
| (2) Other decreases | - | 2,760,475.83 | 2,760,475.83 |
| 5. As at 31 December 2024 | 50,135,665.57 | 1,117,248,431.77 | 1,167,384,097.34 |
| III. Impairment provision | | | |
| 1. As at 1 January 2024 | - | - | - |
| 2. Increase for the year | - | - | - |
| 3. Decrease for the year | - | - | - |
| 4. As at 31 December 2024 | - | - | - |
| IV. Carrying amount | | | |
| 1. As at 31 December 2024 | 86,522,330.18 | 3,202,167,740.42 | 3,288,690,070.60 |
| 2. As 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 | Book value | Reasons for not obtaining certificate of title | Expected time of completion |
|--|---------------|---|--------------------------------------|
| Buildings, structures, and land use rights | 20,459,485.82 | 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 | 31/12/2024 | 31/12/2023 |
|--------------------------|-------------------|-------------------|
| Fixed assets | 30,688,591,344.25 | 28,986,501,937.59 |
| Disposal of fixed assets | 626,447.20 | 36,388.76 |
| Total | 30,689,217,791.45 | 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. As 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. Effect of changes in the scope of consolidation | - | 8,639,804.61 | 337,301,964.42 | 11,601,319.63 | 357,543,088.66 |
| 3. Increase for the year | 1,819,513,356.73 | 1,863,192,506.98 | 651,257,110.88 | 31,339,741.71 | 4,365,302,716.30 |
| (1) Purchase | 69,273,432.67 | - | 162,300,871.17 | 22,615,228.17 | 254,189,532.01 |
| (2) Transfer from development costs | 16,350,441.53 | - | 9,176,677.03 | - | 25,527,118.56 |
| (3) Transfer from construction in progress | 876,465,768.13 | 104,544.34 | 401,214,617.20 | 8,724,513.54 | 1,286,509,443.21 |
| (4) Transfer from right-of-use assets | 851,877,385.80 | - | 78,484,945.48 | - | 930,362,331.28 |
| (5) Transfer in of investment properties | - | 1,863,087,962.64 | - | - | 1,863,087,962.64 |
| (6) Others | 5,546,328.60 | - | 80,000.00 | - | 5,626,328.60 |
| 4. Decrease for the year | 84,446,135.59 | 5,002,422.15 | 152,929,989.08 | 49,408,822.15 | 291,787,368.97 |
| (1) Disposal or retirement | 84,446,135.59 | 5,002,422.15 | 152,929,989.08 | 49,408,822.15 | 291,787,368.97 |
| 5. Settlement variance adjustments | -855,245.85 | 11,201.40 | -543,798.26 | - | -1,387,842.71 |
| 6. Reclassification | -4,640,077.36 | - | 4,738,134.70 | -98,057.34 | - |
| 7. Effect of translation of financial statements denominated in foreign currencies | -401,109,413.87 | 1,599,222.35 | -195,755,119.86 | 10,393,920.98 | -584,871,390.40 |
| 8. As at 31 December 2024 | 32,465,773,556.56 | 3,694,135,032.52 | 17,385,378,609.69 | 2,287,212,824.87 | 55,832,500,023.64 |
| II. Accumulated depreciation | | | | | |
| 1. As 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. Effect of changes in the scope of consolidation | - | 4,951,847.68 | 68,925,007.36 | 6,835,917.07 | 80,712,772.11 |
| 3. Increase for the year | 1,085,270,466.66 | 449,608,915.42 | 871,505,149.71 | 109,479,231.38 | 2,515,863,763.17 |
| (1) Provision | 941,913,500.61 | 68,504,869.06 | 833,441,200.38 | 109,479,231.38 | 1,953,338,801.43 |
| (2) Transfer from right-of-use assets | 140,546,194.41 | - | 37,998,573.33 | - | 178,544,767.74 |
| (3) Transfer in of investment properties | - | 381,104,046.36 | - | - | 381,104,046.36 |
| (4) Others | 2,810,771.64 | - | 65,376.00 | - | 2,876,147.64 |
| 4. Decrease for the year | 56,020,787.44 | 3,411,645.42 | 137,603,093.42 | 46,975,191.60 | 244,010,717.88 |
| (1) Disposal or retirement | 56,020,787.44 | 3,411,645.42 | 137,603,093.42 | 46,975,191.60 | 244,010,717.88 |
| 5. Reclassification | 3,274,013.70 | - | -3,178,033.81 | -95,979.89 | - |
| 6. Effect of translation of financial statements denominated in foreign currencies | -99,996,965.86 | 1,871,516.96 | -115,014,678.02 | 3,498,205.76 | -209,641,921.16 |
| 7. As at 31 December 2024 | 11,530,007,770.51 | 1,078,040,229.08 | 11,097,200,518.48 | 1,225,369,778.26 | 24,930,618,296.33 |
| III. Impairment provision | | | | | |
| 1. As at 1 January 2024 | 196,464,146.22 | 9,414,527.47 | 7,625,809.39 | - | 213,504,483.08 |
| 2. Increase for the year | - | - | - | - | - |
| 3. Disposal or retirement for the year | - | - | - | - | - |
| 4. Effect of translation of financial statements denominated in foreign currencies | - | - | -214,100.02 | - | -214,100.02 |
| 5. As at 31 December 2024 | 196,464,146.22 | 9,414,527.47 | 7,411,709.37 | - | 213,290,383.06 |
| IV. Carrying amount | | | | | |
| 1. As at 31 December 2024 | 20,739,301,639.83 | 2,606,680,275.97 | 6,280,766,381.84 | 1,061,843,046.61 | 30,688,591,344.25 |
| 2. As 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 |
| Including: Carrying amount of pledged assets at the end of the year | 304,310,074.26 | 2,003,228.60 | 160,343,193.99 | 875,324.93 | 467,531,821.78 |

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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 31 December 2024.

(3) Fixed assets leased out under operating leases

| Item | Carrying amount as at 31/12/2024 | Carrying amount as at 31/12/2023 |
|---|----------------------------------|----------------------------------|
| Buildings and structures | 185,465,560.82 | 190,979,949.85 |
| Port and terminal facilities | 41,979,439.95 | 35,709,105.32 |
| Machinery and equipment, furniture, fixture and other equipment | 10,203,232.09 | 5,012,091.76 |
| Total | 237,648,232.86 | 231,701,146.93 |

(4) Details of fixed assets depreciated but still in use and temporarily idle at the end of the year, and fixed assets disposed and retired in the year:

| Item | Amount | Remark |
|---|------------------|--------|
| I. Cost of fixed assets fully depreciated but still in use at the end of the year | 5,396,775,614.66 | |
| II. Cost of fixed assets temporarily idle at the end of the year | - | |
| III. Fixed assets disposed and retired in the year: | | |
| Including: Cost of fixed assets disposed and retired in the year | 291,787,368.97 | |
| Net book value of fixed assets disposed and retired in the year | 47,776,651.09 | |
| Loss on disposal or retirement of fixed assets in the year | 1,482,080.79 | |

(5) Fixed assets without ownership certificates

| Item | Carrying amount as at 31/12/2024 | Carrying amount as at 31/12/2023 | Remark |
|---|----------------------------------|----------------------------------|---|
| Buildings, structures, port and terminal facilities | 1,357,929,730.13 | 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. |

(6) The details of the Group's fixed assets with restricted ownership as at 31 December 2024 are set out in Note (VIII) 64.

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

16. Fixed assets - continued

16.3 Disposal of fixed assets

| Item | 31/12/2024 | 31/12/2023 |
|---|------------|------------|
| Machinery and equipment, furniture, fixture and other equipment | 626,447.20 | 36,388.76 |
| Total | 626,447.20 | 36,388.76 |

17. Construction in progress

(1) Presentation of construction in progress

| Item | 31/12/2024 | 31/12/2023 |
|--|------------------|------------------|
| Construction in progress | 3,296,562,213.14 | 2,907,014,186.24 |
| Materials for construction of fixed assets | 14,547,783.45 | 2,803,095.22 |
| Total | 3,311,109,996.59 | 2,909,817,281.46 |

(2) Details of construction in progress

| Item | 31/12/2024 | | | 31/12/2023 | | |
|--------------------------------|------------------|--------------------------|------------------|------------------|--------------------------|------------------|
| | Book value | Provision for impairment | Carrying amount | Book value | Provision for impairment | Carrying amount |
| Port and terminal facilities | 1,950,072,409.34 | - | 1,950,072,409.34 | 2,380,800,758.33 | - | 2,380,800,758.33 |
| Infrastructure | 608,560,125.43 | - | 608,560,125.43 | 252,638,193.22 | - | 252,638,193.22 |
| Berths and yards | 475,884,349.47 | - | 475,884,349.47 | 178,174,354.90 | - | 178,174,354.90 |
| Cargo ships under construction | 21,073,474.73 | - | 21,073,474.73 | 1,726,548.68 | - | 1,726,548.68 |
| Others | 241,750,332.70 | 778,478.53 | 240,971,854.17 | 93,674,331.11 | - | 93,674,331.11 |
| Total | 3,297,340,691.67 | 778,478.53 | 3,296,562,213.14 | 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) Changes of significant construction in progress

| Item | Budget amount | 31/12/2023 | Increase for the year | Transfer to fixed assets | Other decreases for the year | Effect of translation of financial statements denominated in foreign currencies | 31/12/2024 | Proportion of accumulated construction investment in budget (%) | Construction progress (%) | Amount of accumulated capitalized interest | Including: Capitalized interest for the year | Interest capitalization rate for the current year (%) | Capital source |
|---|-------------------|------------------|-----------------------|--------------------------|------------------------------|---|------------------|---|---------------------------|--|--|---|---------------------|
| Reconstruction project of HIPG container, oil terminal and tank area | 2,908,022,151.89 | 831,225,294.06 | 49,353.60 | - | - | 12,405,408.74 | 843,680,056.40 | 49.97 | 49.97 | - | - | - | Own funds |
| Zhanjiang Port Baoman Port Area Container Terminal Phase I Expansion Project | 2,342,775,800.00 | 228,565,139.35 | 369,216,050.96 | - | - | - | 597,781,190.31 | 25.52 | 25.52 | 4,153,870.60 | 3,142,500.00 | 2.70 | Own funds and loans |
| Zhanjiang Port Donghai Island Port Area Grocery Wharf Project | 905,348,400.00 | 448,945,219.84 | 31,056,095.20 | - | - | - | 480,001,315.04 | 53.02 | 53.02 | 44,364,372.49 | - | - | Own funds and loans |
| Subsequent construction in progress of HIPG wharf | 1,148,229,729.08 | 64,518,356.73 | 360,009,390.82 | 80,457,743.98 | - | 3,581,852.63 | 347,651,856.20 | 31.65 | 31.65 | - | - | - | Own funds |
| Phase I of the second phase of the wharf project in the local operation area of Goshan Port Area is controlled in sequence | 746,878,600.00 | 173,229,108.75 | 158,479,740.24 | - | - | - | 331,708,848.99 | 77.60 | 77.60 | 21,475,814.58 | 9,469,073.60 | 3.41 | Own funds and loans |
| Phase II of the second phase project of the wharf in the local operation area of the port area of Goshan Port is controlled in sequence | 512,745,400.00 | 2,335,611.25 | 134,392,773.36 | - | - | - | 136,728,384.61 | 26.67 | 26.67 | - | - | - | Own funds |
| Dachanwan phase II project | 6,201,904,300.00 | 49,989,488.44 | 44,156,751.37 | 35,618.58 | - | - | 94,110,621.23 | 1.52 | 1.52 | - | - | - | Own funds and loans |
| Phase II warehouse of Djibouti Free Trade Zone Bonded Logistics Park | 82,825,980.92 | - | 72,431,197.06 | - | - | 678,577.17 | 73,109,774.23 | 87.45 | 87.45 | - | - | - | 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 | 1,674,220.80 | - | - | - | 63,924,781.40 | 78.00 | 78.00 | - | - | - | Own funds |
| Phase III Expansion Project of Bulk Grain Warehouse at 2 # and 3 # Berths in Xinshanan Operation Area of Machong Port | 1,070,060,466.80 | - | 55,590,989.31 | - | - | - | 55,590,989.31 | 5.20 | 5.20 | 495,141.01 | 495,141.01 | 2.40 | Own funds and loans |
| TCP tyre container crane project | 167,813,680.92 | 154,353,640.05 | 16,042,118.68 | 155,362,726.60 | - | -14,935,279.82 | 97,752.31 | 81.38 | 81.38 | - | - | - | Own funds |
| Total | 16,169,004,509.61 | 2,015,412,419.07 | 1,243,098,681.40 | 235,856,089.16 | - | 1,730,558.72 | 3,024,385,570.03 | — | — | 70,489,198.68 | 13,106,714.61 | — | — |

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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 | 31/12/2024 | | | 31/12/2023 | | |
|--|---------------|--------------------------|-----------------|--------------|--------------------------|-----------------|
| | Book value | Provision for impairment | Carrying amount | Book value | Provision for impairment | Carrying amount |
| Materials for construction of fixed assets | 14,547,783.45 | - | 14,547,783.45 | 2,803,095.22 | - | 2,803,095.22 |

(5) Impairment testing of construction in progress

The recoverable amount is determined at the present value of expected future cash flows.

| Item | Carrying amount | Recoverable amount | Amount of impairment | Projection period | Key parameters for projection period | Key parameters for steady period | Basis to determine the key parameters for steady period |
|------------------|------------------|--------------------|----------------------|-------------------|--------------------------------------|----------------------------------|---|
| HIPG Asset Group | 9,252,208,236.39 | 59,264,649,095.70 | - | 5 years | Pre-tax discount rate, 7.55% | Perpetual growth rate, 7% | Refer to the expected growth rate of the industry |
| Total | 9,252,208,236.39 | 59,264,649,095.70 | - | | | | |

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. As 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. Effect of changes in the scope of consolidation | - | - | - | 438,590,768.78 | - | 438,590,768.78 |
| 3. Increase for the year | 17,134,584.91 | 9,058,200.59 | - | 24,820,389.02 | - | 51,013,174.52 |
| (1) Increase | 17,134,584.91 | 9,058,200.59 | - | 24,820,389.02 | - | 51,013,174.52 |
| 4. Decrease for the year | 1,178,966,833.33 | 66,417,257.76 | 83,675,896.45 | - | 6,146,986.54 | 1,335,206,974.08 |
| (1) Termination of lease | 327,089,447.53 | 66,417,257.76 | 5,190,950.97 | - | 6,146,986.54 | 404,844,642.80 |
| (2) Transfer to fixed assets | 851,877,385.80 | - | 78,484,945.48 | - | - | 930,362,331.28 |
| 5. Effect of translation of financial statements denominated in foreign currencies | 94,334,911.72 | 2,053,416.77 | -1,330,029.37 | 58,586,942.87 | - | 153,645,241.99 |
| 6. As at 31 December 2024 | 6,494,856,616.10 | 154,067,861.90 | 5,409,429.14 | 3,718,797,951.13 | 6,177,384.73 | 10,379,309,243.00 |
| II. Accumulated depreciation | | | | | | |
| 1. As 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. Effect of changes in the scope of consolidation | - | - | - | 4,385,907.55 | - | 4,385,907.55 |
| 3. Increase for the year | 250,849,727.02 | 22,059,985.39 | 7,269,237.42 | 59,689,890.66 | 3,755,059.14 | 343,623,899.63 |
| (1) Provision | 250,849,727.02 | 22,059,985.39 | 7,269,237.42 | 59,689,890.66 | 3,755,059.14 | 343,623,899.63 |
| 4. Decrease for the year | 467,635,641.93 | 55,479,245.30 | 43,057,128.13 | - | 6,146,986.54 | 572,319,001.90 |
| (1) Termination of lease | 327,089,447.52 | 55,479,245.30 | 5,058,554.80 | - | 6,146,986.54 | 393,774,234.16 |
| (2) Transfer to fixed assets | 140,546,194.41 | - | 37,998,573.33 | - | - | 178,544,767.74 |
| 5. Effect of translation of financial statements denominated in foreign currencies | 11,433,680.67 | 545,267.40 | -1,336,714.46 | 6,025,420.00 | - | 16,667,653.61 |
| 6. As at 31 December 2024 | 928,160,476.79 | 37,043,873.94 | 4,164,300.68 | 448,828,617.90 | 3,759,910.15 | 1,421,957,179.46 |
| III. Impairment provision | | | | | | |
| 1. As at 1 January 2024 | - | - | - | - | - | - |
| 2. Increase for the year | - | - | - | - | - | - |
| 3. Decrease for the year | - | - | - | - | - | - |
| 4. As at 31 December 2024 | - | - | - | - | - | - |
| IV. Carrying amount | | | | | | |
| 1. As at 31 December 2024 | 5,566,696,139.31 | 117,023,987.96 | 1,245,128.46 | 3,269,969,333.23 | 2,417,474.58 | 8,957,352,063.54 |
| 2. As 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 management rights | Data resources | Others | Total |
|--|-------------------|----------------------------|----------------|------------------|-------------------|
| I. Cost | | | | | |
| 1. As 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. Effect of changes in the scope of consolidation | 3,475,149.95 | 482,033,493.04 | - | - | 485,508,642.99 |
| 3. Increase for the year | 208,609,912.90 | 103,107,263.27 | 6,339,622.62 | 55,518,365.92 | 373,575,164.71 |
| (1) Purchase | 208,609,912.90 | 103,107,263.27 | - | 49,014,833.85 | 360,732,010.02 |
| (2) Transfer from development costs | - | - | 6,339,622.62 | 4,082,980.32 | 10,422,602.94 |
| (3) Other increase | - | - | - | 2,420,551.75 | 2,420,551.75 |
| 4. Decrease for the year | 85,264,264.69 | - | - | 11,500,767.04 | 96,765,031.73 |
| (1) Disposal | 85,264,264.69 | - | - | 11,500,767.04 | 96,765,031.73 |
| 5. Effect of translation of financial statements denominated in foreign currencies | 5,055,363.79 | -984,689,931.49 | - | -131,175,661.86 | -1,110,810,229.56 |
| 6. As at 31 December 2024 | 14,063,421,368.77 | 9,319,595,026.35 | 6,339,622.62 | 1,581,490,047.40 | 24,970,846,065.14 |
| II. Accumulated amortization | | | | | |
| 1. As at 1 January 2024 | 4,298,634,686.00 | 2,294,738,077.51 | - | 595,892,300.43 | 7,189,265,063.94 |
| 2. Effect of changes in the scope of consolidation | 3,203,850.98 | 32,544,723.40 | - | - | 35,748,574.38 |
| 3. Increase for the year | 325,634,621.59 | 283,628,119.67 | 88,502.35 | 79,005,661.70 | 688,356,905.31 |
| (1) Provision | 325,634,621.59 | 283,628,119.67 | 88,502.35 | 79,005,661.70 | 688,356,905.31 |
| 4. Decrease for the year | 23,972,681.75 | - | - | 9,812,220.89 | 33,784,902.64 |
| (1) Disposal | 23,972,681.75 | - | - | 9,812,220.89 | 33,784,902.64 |
| 5. Effect of translation of financial statements denominated in foreign currencies | 2,459,217.19 | -254,480,639.52 | - | -48,810,846.43 | -300,832,268.76 |
| 6. As at 31 December 2024 | 4,605,959,694.01 | 2,356,430,281.06 | 88,502.35 | 616,274,894.81 | 7,578,753,372.23 |
| III. Impairment provision | | | | | |
| 1. As at 1 January 2024 | 44,199,381.24 | - | - | 12,810,888.83 | 57,010,270.07 |
| 2. Increase for the year | - | - | - | - | - |
| 3. Decrease for the year | - | - | - | - | - |
| 4. As at 31 December 2024 | 44,199,381.24 | - | - | 12,810,888.83 | 57,010,270.07 |
| IV. Carrying amount | | | | | |
| 1. As at 31 December 2024 | 9,413,262,293.52 | 6,963,164,745.29 | 6,251,120.27 | 952,404,263.76 | 17,335,082,422.84 |
| 2. As 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 31 December 2024:

| Item | Carrying amount as at 31/12/2024 | Carrying amount as at 31/12/2023 |
|------------------------|----------------------------------|----------------------------------|
| Land use rights (Note) | 1,889,916,568.77 | 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 31 December 2024: - continued

Note: As at 31 December 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 Port Warehousing Services (Shenzhen) Co., Ltd. (hereinafter referred to as "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 | 31/12/2023 | Increase this year | | Decrease | Effect of translation of financial statements denominated in foreign currencies | 31/12/2024 |
|---|-----------------------|------------------|-----------------------------|----------------|----------|---|------------------|
| | | | Business combination (Note) | Other increase | | | |
| TCP | Acquisition of equity | 2,986,472,072.14 | - | - | - | -616,757,814.90 | 2,369,714,257.24 |
| Mega Shekou Container Terminals Limited (hereinafter referred to as "Mega SCT") | Acquisition of equity | 1,815,509,322.42 | - | - | - | - | 1,815,509,322.42 |
| CM Port | Acquisition of equity | 993,992,000.00 | - | - | - | - | 993,992,000.00 |
| Shantou Port | Acquisition of equity | 552,317,736.65 | - | - | - | - | 552,317,736.65 |
| Zhanjiang Port | Acquisition of equity | 418,345,307.68 | - | - | - | - | 418,345,307.68 |
| Shenzhen Mawan Project | Acquisition of equity | 408,773,001.00 | - | - | - | - | 408,773,001.00 |
| Others | Acquisition of equity | 288,255,850.88 | 55,719,132.86 | - | - | 1,347,364.94 | 345,322,348.68 |
| Sub-total | --- | 7,463,665,290.77 | 55,719,132.86 | - | - | -615,410,449.96 | 6,903,973,973.67 |
| Provision for impairment of goodwill | --- | 970,663,044.33 | - | - | - | - | 970,663,044.33 |
| Total | --- | 6,493,002,246.44 | 55,719,132.86 | - | - | -615,410,449.96 | 5,933,310,929.34 |

Note: See Note X, 1 (2) for details

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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 | Effect of changes in the scope of consolidation | Provision | Effect of translation of financial statements denominated in foreign currencies | Decrease | 31/12/2024 |
|----------------|----------------|---|-----------|---|----------|----------------|
| 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, and the unified decision-making on use or disposal of assets. | Yes |
| Mega SCT | | Yes |
| CM Port | | Yes |
| Shantou Port | | Yes |
| Zhanjiang Port | | Yes |
| Shenzhen Mawan Project | | Yes |
| Others | | Yes |

When testing the goodwill for impairment, the Group compares the carrying amount of related asset groups and portfolio of asset groups (including goodwill) with the recoverable amount. If the recoverable amount is less than the carrying amount, the difference is included in profit or loss for the period. The Group determines the recoverable amount of the asset groups and portfolio of asset groups that generate goodwill at fair value less cost of disposal or at present value of expected future cash flows. The fair value is determined using market approach. The present value of cash flows is estimated based on the forecast of cash flows for the projection period between 5 years to 25 years and steady period. The estimated future cash flows for the projection period are based on the business plan established by the management; the expected future cash flows for the steady period are determined in conjunction with the level of the final year of the projection period, combined with the Group's business plans, industry trends and inflation rates. The growth rate adopted will not exceed the long-term average growth rate of the country where the asset groups and portfolio of asset groups are located. The key assumptions used by the Group in estimating the present value of future cash flows include growth rate and discount rate etc. The pre-tax discount rate and the growth rate adopted are 9.55%-23.55% and 2.00% respectively. The parameters of key assumptions determined by the Group's management are in line with the Group's historical experience or external source of information.

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(Unless otherwise specified, the monetary unit shall be RMB)

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

20. Goodwill - continued

(4) Specific method for determination of recoverable amount

The recoverable amount is determined at the present value of expected future cash flows

| Item | Projection period | Key parameters for projection period | Basis to determine the key parameters for projection period | Key parameters for steady period | Basis to determine the key parameters for steady period |
|----------|-------------------|---|--|--|---|
| Mega SCT | 5 years | 1. Pre-tax discount rate: 10.07% 2. Average revenue growth rate for projection period: 1.57% 3. Average profit margin for projection period: 37.27% | 1. The discount rate is a pre-tax discount rate that reflects the specific risks of the underlying asset group or combination of asset groups. 2. Average revenue growth rate for projection period and average profit margin for projection period: Taking into account comprehensive factors such as each company's business operations, performance, key financial indicators and market environment | 1. Pre-tax discount rate: 10.07% 2. Average revenue growth rate for steady period: 2.00% 3. Average profit margin for steady period: 37.34% | 1. The discount rate is a pre-tax discount rate that reflects the specific risks of the underlying asset group or combination of asset groups 2. Average revenue growth rate for steady period: China's forward inflation rate published by the World Bank 3. Profit margin for steady period: Taking into account comprehensive factors such as each company's business operations, performance, key financial indicators and market environment |
| TCP | 24 years (Note) | 1. Pre-tax discount rate: 23.55% 2. Average revenue growth rate for projection period: 5.00% 3. Average profit margin for projection period: 53.54% | | 1. Pre-tax discount rate: Not applicable 2. Average revenue growth rate for steady period: Not applicable 3. Average profit margin for steady period: Not applicable | |

Note: The franchise right of TCP, a subsidiary of the Group, to Paranagua Port will expire in October 2048. TCP predicts the future cash flow based on the remaining years of the franchise right.

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

21. Long-term deferred expenses

Presentation of long-term deferred expenses:

| Item | 31/12/2023 | Effect of changes in the scope of consolidation | Increase for the year | Amortization in the year | Other decreases | 31/12/2024 | Reason for other decreases |
|---|----------------|---|-----------------------|--------------------------|-----------------|----------------|----------------------------|
| Tonggu channel widening project (Note 1) | 440,997,664.99 | - | 52,318.30 | 14,595,534.66 | 95,991.44 | 426,358,457.19 | Settlement Variance |
| West public channel widening project at West port area (Note 2) | 237,979,944.19 | - | 43,673.14 | 6,603,626.16 | 1,742,829.21 | 229,677,161.96 | Settlement Variance |
| Dredging project | 79,289,435.04 | - | 11,113,590.34 | 24,529,084.50 | 90,886.94 | 65,783,053.94 | Settlement Variance |
| Relocation project of Nanhai Rescue Bureau | 36,446,743.10 | - | - | 1,107,368.40 | - | 35,339,374.70 | --- |
| Expenditures for the improvement of leased fixed assets | 22,094,914.45 | - | 1,038,592.73 | 2,716,709.30 | - | 20,416,797.88 | --- |
| Others | 176,984,803.52 | - | 36,750,598.83 | 50,881,199.77 | 24,568.31 | 162,829,634.27 | Settlement Variance |
| Total | 993,793,505.29 | - | 48,998,773.34 | 100,433,522.79 | 1,954,275.90 | 940,404,479.94 | --- |

Note 1: This represents the Group's actual expenses on Shenzhen Western Port Area Tonggu Channel 210-270M Widening Project. According to relevant resolutions of Shenzhen Municipal Government, the enterprise and government shall bear 60% and 40% of the expenses incurred for the 210-240M widening project, and 50% and 50% of the expenses incurred for the 240-270M widening project respectively. The Company's subsidiary has included the expenses on deepening the channel in the item of " long-term deferred expenses ", and 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 deferred 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 | 31/12/2024 | | 31/12/2023 | |
|------------------------------------|----------------------------------|---------------------|----------------------------------|---------------------|
| | Deductible temporary differences | Deferred tax assets | Deductible temporary differences | Deferred tax assets |
| Lease liabilities | 666,428,741.59 | 163,857,577.86 | 812,240,581.51 | 218,145,932.73 |
| Unrealized profit | 742,725,529.54 | 181,536,190.45 | 749,254,178.80 | 183,009,204.87 |
| Terminal operating right | 725,211,723.54 | 217,563,517.06 | 714,547,999.18 | 214,364,399.78 |
| Depreciation of fixed assets | 180,532,470.26 | 38,716,737.33 | 162,352,087.79 | 40,588,021.95 |
| Provision for bad debts | 84,382,905.10 | 18,830,890.39 | 151,277,238.51 | 32,071,347.97 |
| Accrued and unpaid wages | 104,332,100.77 | 21,864,895.76 | 126,623,677.19 | 27,883,418.55 |
| Estimated liabilities | 72,335,644.41 | 24,250,379.90 | 85,590,059.41 | 29,100,620.20 |
| Deductible losses | 35,370,822.19 | 5,384,926.28 | 43,785,085.09 | 10,946,271.43 |
| Deferred income | 36,119,190.53 | 8,571,871.40 | 39,203,663.56 | 9,101,072.49 |
| Amortization of computer software | 6,236,548.44 | 1,226,964.34 | 7,345,031.20 | 1,836,257.80 |
| Provision for impairment of assets | 3,477,996.67 | 690,206.29 | 6,698,523.93 | 1,555,485.91 |
| Organization costs | - | - | 1,028,867.64 | 257,216.91 |
| Others | 98,150,808.94 | 22,429,487.85 | 70,987,022.41 | 18,570,226.51 |
| Total | 2,755,304,481.98 | 704,923,644.91 | 2,970,934,016.22 | 787,429,477.10 |

(2) Deferred tax liabilities before offsetting

| Item | 31/12/2024 | | 31/12/2023 | |
|--|-------------------------------|--------------------------|-------------------------------|--------------------------|
| | Taxable temporary differences | Deferred tax liabilities | Taxable temporary differences | Deferred tax liabilities |
| Withholding dividend income tax | 45,628,599,622.34 | 3,127,746,150.78 | 41,551,214,196.81 | 2,840,377,397.22 |
| Right-of-use assets | 972,527,705.73 | 257,345,925.13 | 1,017,854,192.39 | 282,003,933.26 |
| Terminal operating right | 273,655,040.04 | 82,096,512.01 | 307,617,857.01 | 92,285,357.10 |
| Fair value adjustment of assets acquired from business combination | 4,861,662,497.66 | 1,254,384,068.52 | 4,880,293,882.18 | 1,292,552,086.64 |
| Depreciation of fixed assets | 934,419,445.82 | 257,210,035.67 | 975,166,842.96 | 272,103,476.86 |
| Changes in fair value of other non-current financial assets | - | - | 408,104,042.76 | 99,604,068.18 |
| Changes in fair value of investments in other equity instruments | 116,216,519.64 | 29,054,129.91 | 134,179,164.24 | 33,544,791.03 |
| Valuation of financial assets held for trading | 3,019,863.08 | 754,965.77 | 2,161,643.84 | 540,410.96 |
| Others | 1,026,333,384.24 | 126,835,982.94 | 1,045,132,765.59 | 118,992,583.19 |
| Total | 53,816,434,078.55 | 5,135,427,770.73 | 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 year | Balance of deferred tax assets or liabilities after offsetting at the end of the current year | Offset amount of deferred tax assets and liabilities at the end of the prior year | Balance of deferred tax assets or liabilities after offsetting at the end of the prior year |
|--------------------------|---|---|---|---|
| Deferred tax assets | -339,442,437.14 | 365,481,207.77 | -372,366,000.07 | 415,063,477.03 |
| Deferred tax liabilities | -339,442,437.14 | 4,795,985,333.59 | -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 | 31/12/2024 | 31/12/2023 |
|----------------------------------|------------------|------------------|
| Deductible temporary differences | 1,126,951,677.30 | 966,126,806.19 |
| Deductible losses | 1,637,807,708.04 | 2,334,799,700.50 |
| Total | 2,764,759,385.34 | 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 | 31/12/2024 | 31/12/2023 |
|-------|------------------|------------------|
| 2024 | - | 483,200,212.68 |
| 2025 | 375,181,018.80 | 375,189,307.19 |
| 2026 | 105,089,811.43 | 110,765,532.94 |
| 2027 | 332,432,966.78 | 612,819,518.30 |
| 2028 | 753,239,633.32 | 752,825,129.39 |
| 2029 | 71,864,277.71 | - |
| Total | 1,637,807,708.04 | 2,334,799,700.50 |

23. Other non-current assets

| Item | 31/12/2024 | 31/12/2023 |
|---|------------------|------------------|
| Advances for the channel project (Note 1) | 1,037,329,218.89 | 1,013,508,448.79 |
| Prepayments for fixed assets | 117,351,349.97 | 144,896,516.09 |
| Prepayments for terminal operating right | 28,542,865.38 | 29,807,737.16 |
| Others | 14,325,919.01 | 5,943,287.58 |
| Sub-total | 1,197,549,353.25 | 1,194,155,989.62 |
| Less: provision for impairment (Note 2) | 88,524,171.44 | - |
| total | 1,109,025,181.81 | 1,194,155,989.62 |

Note 1: This represents that the Company's subsidiary Zhanjiang Port, upon its reorganization into a joint stock company in 2007, signed the Channel Arrangement Agreement with State-owned Assets Supervision and Administration Commission of Zhanjiang (hereinafter referred to as "Zhanjiang SASAC") and China Merchants International Terminal (Zhanjiang) Co., Ltd. According to the agreement, the channel belongs to Zhanjiang SASAC, therefore, the Group presented the advances of channel project that should be repaid by Zhanjiang SASAC as other non-current assets.

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(Unless otherwise specified, the monetary unit shall be RMB)

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

23. Other non-current assets - continued

Note 2: In this year, based on the credit risk rating results, the Group accrued the corresponding credit impairment of RMB 88,524,171.44 for the advances for the channel project.

24. Short-term borrowings

(1) Classification of short-term borrowings

| Item | 31/12/2024 | 31/12/2023 |
|--------------------------------|-------------------|-------------------|
| Credit borrowings | 12,771,225,106.96 | 15,593,937,427.86 |
| Guaranteed borrowings (Note 1) | - | 110,096,708.33 |
| Mortgage borrowings (Note 2) | 20,017,034.73 | 10,011,152.78 |
| Total | 12,791,242,141.69 | 15,714,045,288.97 |

Note 1: The borrowings are guaranteed by Guangdong Zhanjiang Port Logistics Co., Ltd. (hereinafter referred to as "Zhanjiang Port Logistics"), a subsidiary of the Company, the loan has been repaid within this year.

Note 2: It represents the short-term borrowings obtained by China Merchants Port (Zhoushan) Ro/Ro Terminal Co., Ltd. (hereinafter referred to as "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 31 December 2024, the Group has no short-term borrowings that are overdue.

25. Bills payable

| Category | 31/12/2024 | 31/12/2023 |
|-----------------------|--------------|---------------|
| Bank acceptance | 1,536,194.00 | 64,280,925.21 |
| Commercial acceptance | - | 9,180,240.61 |
| Total | 1,536,194.00 | 73,461,165.82 |

Note: As at 31 December 2024, the Group has no bills payable due and unpaid.

26. Accounts payable

| Item | 31/12/2024 | 31/12/2023 |
|-----------------------|----------------|----------------|
| Service fee | 177,881,786.24 | 246,400,717.07 |
| Material purchase fee | 147,233,743.30 | 117,170,447.10 |
| Construction fee | 97,723,911.20 | 100,672,753.10 |
| Equipment payments | 79,246,916.34 | 52,762,565.74 |
| Rental fee | 19,621,514.17 | 13,591,518.23 |
| Others | 264,122,661.08 | 161,167,136.01 |
| Total | 785,830,532.33 | 691,765,137.25 |

CHINA MERCHANTS PORT GROUP CO., LTD.

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

26. Accounts payable - continued

(1) Aging of accounts payable

| Aging | 31/12/2024 | | 31/12/2023 | |
|----------------------------------|----------------|----------------|----------------|----------------|
| | Amount | Proportion (%) | Amount | Proportion (%) |
| Within 1 year (Including 1 year) | 694,992,359.27 | 88.44 | 617,528,837.76 | 89.27 |
| 1-2 years (Including 2 years) | 46,762,212.21 | 5.95 | 26,506,267.62 | 3.83 |
| 2-3 years (Including 3 years) | 11,450,482.24 | 1.46 | 30,254,034.46 | 4.37 |
| More than 3 years | 32,625,478.61 | 4.15 | 17,475,997.41 | 2.53 |
| Total | 785,830,532.33 | 100.00 | 691,765,137.25 | 100.00 |

(2) Significant accounts payable aged more than 1 year

| Name of entity | 31/12/2024 | Aging | Reason for outstanding |
|-------------------------------------|---------------|------------------------------|---|
| Quanzhou Antong Logistics Co., Ltd. | 17,869,057.61 | 1-2 years, more than 3 years | To be paid upon confirmation by both parties. |
| Knor Ambado FZCO | 14,376,800.00 | 1-2 years | To be paid after acceptance |

27. Advance payments received

| Item | 31/12/2024 | 31/12/2023 |
|--------------------------------|---------------|---------------|
| Rental fee received in advance | 14,371,546.45 | 8,993,727.31 |
| Others | 204,691.39 | 8,393,810.05 |
| Total | 14,576,237.84 | 17,387,537.36 |

(1) Aging of advance payments received

| Aging | 31/12/2024 | | 31/12/2023 | |
|----------------------------------|---------------|----------------|---------------|----------------|
| | Amount | Proportion (%) | Amount | Proportion (%) |
| Within 1 year (Including 1 year) | 13,621,118.48 | 93.45 | 17,387,537.36 | 100.00 |
| 1-2 years (Including 2 years) | 955,119.36 | 6.55 | - | - |
| Total | 14,576,237.84 | 100.00 | 17,387,537.36 | 100.00 |

(2) As at 31 December 2024, the Group has no significant advance payments received aged more than one year.

(3) For the year ended 31 December 2024, the Group has no advance payments received with significant changes in carrying amount.

28 Contract liabilities

(1) Details of contract liabilities

| Item | 31/12/2024 | 31/12/2023 |
|--|----------------|----------------|
| Unused sales discounts | 123,329,461.62 | - |
| Port and service fees collected in advance | 123,282,437.42 | 111,067,746.52 |
| Storage fees collected in advance | 5,407,746.76 | 3,204,091.87 |
| Others | 15,868,626.82 | 27,808,262.61 |
| Total | 267,888,272.62 | 142,080,101.00 |

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

28 Contract liabilities - continued

- (2) Revenue recognized in the current year, including the book value of contract liabilities at the beginning of the year

At the beginning of this year, the book value of contract liabilities was RMB 104,820,766.77, which was recognized as revenue in this year, including contract liabilities arising from settled and uncompleted accounts formed by contracts for advance collection of port and service fees, advance collection of storage fees and other contracts.

- (3) As at 31 December 2024, the Group has no significant contract liabilities aged more than one year.
- (4) Qualitative analysis of contract liabilities

Contract liabilities mainly refer to unused sales discounts and fees collected by the Group for providing port services to customers. Unused sales discount refers to the sales discount withdrawn by the Group on the date of financial statements for the sales contract that has fulfilled the performance obligation and is used to deduct future service fees. Advance port and service fees shall be collected according to the payment time agreed in the contract. The Group recognizes contract revenue according to the performance schedule, and contract liabilities will be recognized as revenue after the Group performs its performance obligations.

- (5) For the year ended 31 December 2024, the Group has no contract liabilities with significant changes in book value.

29. Employee benefits payable

- (1) Presentation of employee benefits payable

| Item | 31/12/2023 | Effect of changes in the scope of consolidation | Increase for the year | Decrease for the year | 31/12/2024 |
|---|----------------|---|-----------------------|-----------------------|------------------|
| 1. Short-term benefits | 910,273,177.19 | 1,487,945.64 | 3,384,161,755.19 | 3,136,351,095.99 | 1,159,571,782.03 |
| 2. Post-employment benefits - defined contribution plan | 8,354,000.03 | - | 356,453,583.76 | 356,287,016.67 | 8,520,567.12 |
| 3. Termination benefits | - | - | 7,655,610.84 | 7,155,610.84 | 500,000.00 |
| 4. Other benefits due within 1 year | - | - | 3,593,576.49 | 3,593,576.49 | - |
| 5. Others | -662,570.57 | - | 10,620,384.63 | 9,957,814.06 | - |
| Total | 917,964,606.65 | 1,487,945.64 | 3,762,484,910.91 | 3,513,345,114.05 | 1,168,592,349.15 |

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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 | 31/12/2023 | Effect of changes in the scope of consolidation | Increase for the year | Decrease for the year | 31/12/2024 |
|--|----------------|---|-----------------------|-----------------------|------------------|
| 1. Wages and salaries, bonuses, allowances and subsidies | 883,913,277.13 | 1,487,945.64 | 2,782,654,165.62 | 2,541,373,012.19 | 1,126,682,376.20 |
| 2. Staff welfare | - | - | 155,464,313.47 | 155,464,313.47 | - |
| 3. Social insurance contributions | 13,812,824.03 | - | 195,154,885.95 | 187,684,047.17 | 21,283,662.81 |
| Including: Medical insurance | 11,207,480.67 | - | 154,437,632.30 | 147,973,246.31 | 17,671,866.66 |
| Work injury insurance | - | - | 22,615,691.07 | 22,615,691.07 | - |
| Others | 2,605,343.36 | - | 18,101,562.58 | 17,095,109.79 | 3,611,796.15 |
| 4. Housing funds | -96,673.85 | - | 190,594,356.35 | 190,497,682.49 | 0.01 |
| 5. Labour union and employee education funds | 12,735,219.61 | - | 46,979,164.16 | 48,108,640.76 | 11,605,743.01 |
| 6. Other short-term benefits | -91,469.73 | - | 13,314,869.64 | 13,223,399.91 | - |
| Total | 910,273,177.19 | 1,487,945.64 | 3,384,161,755.19 | 3,136,351,095.99 | 1,159,571,782.03 |

(3) Presentation of defined benefit plans

| Item | 31/12/2023 | Effect of changes in the scope of consolidation | Increase for the year | Decrease for the year | 31/12/2024 |
|---------------------------|--------------|---|-----------------------|-----------------------|--------------|
| 1. Basic pension | 8,238,945.13 | - | 260,578,322.21 | 261,357,613.12 | 7,459,654.22 |
| 2. Unemployment insurance | - | - | 11,291,732.66 | 11,291,732.66 | - |
| 3. Enterprise annuity | 115,054.90 | - | 84,583,528.89 | 83,637,670.89 | 1,060,912.90 |
| Total | 8,354,000.03 | - | 356,453,583.76 | 356,287,016.67 | 8,520,567.12 |

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 | 31/12/2024 | 31/12/2023 |
|-----------------------|----------------|----------------|
| Enterprise income tax | 576,840,455.26 | 819,694,805.83 |
| VAT | 33,120,467.83 | 20,221,806.46 |
| Other taxes | 115,204,803.23 | 83,136,960.21 |
| Total | 725,165,726.32 | 923,053,572.50 |

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

31. Other payables

(1) Presentation of other payables

| Item | 31/12/2024 | 31/12/2023 |
|-------------------|------------------|------------------|
| Dividends payable | 132,334,744.28 | 111,897,214.27 |
| Other payables | 1,791,645,568.70 | 1,542,724,955.75 |
| Total | 1,923,980,312.98 | 1,654,622,170.02 |

(2) Dividends payable

| Item | 31/12/2024 | 31/12/2023 |
|--|----------------|----------------|
| Ordinary share dividends | 132,334,744.28 | 111,897,214.27 |
| Including: China Merchants Zhangzhou Development Zone Co., Ltd. | 79,792,513.04 | 77,734,806.46 |
| Zhanjiang Infrastructure Construction Investment Group Co., Ltd. | 52,542,231.24 | - |
| Dalian Port Container Development Co., Ltd. (hereinafter referred to as "Dalian Port Container") | - | 16,160,696.61 |
| Dalian Port Jifa Logistics Co., Ltd. | - | 9,575,104.42 |
| Yingkou Port Group Co., Ltd. (hereinafter referred to as "Jifa Logistics") | - | 5,372,456.78 |
| Yiu Lian Dockyards Limited | - | 2,334,150.00 |
| Qingdao Port (Group) Co., Ltd. | - | 720,000.00 |

Note: As at 31 December 2024, The Group has a total of RMB 57,734,806.46 of important dividends payable with an aging of more than one year, all of which are dividends payable to China Merchants Zhangzhou Development Zone Co., Ltd. The reason for the non-disbursement is that the funding plan has not yet been arranged.

(3) Other payables

(a) Disclosure of other payables by nature

| Item | 31/12/2024 | 31/12/2023 |
|--|------------------|------------------|
| Amount payable for construction and quality warranty | 769,762,433.76 | 575,941,472.21 |
| Guarantees and deposits | 271,312,443.95 | 246,316,308.32 |
| Accrued expenses | 164,709,813.36 | 139,920,340.25 |
| Customer discount | 125,850,513.80 | 129,780,042.30 |
| Port construction and security fee | 26,454,133.47 | 27,939,655.23 |
| Others | 433,556,230.36 | 422,827,137.44 |
| Total | 1,791,645,568.70 | 1,542,724,955.75 |

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

31. Other payables - continued

(3) Other payables - continued

(b) Aging analysis of other payables

| Aging | 31/12/2024 | | 31/12/2023 | |
|----------------------------------|------------------|----------------|------------------|----------------|
| | Amount | Proportion (%) | Amount | Proportion (%) |
| Within 1 year (including 1 year) | 1,181,359,579.96 | 65.94 | 912,855,441.64 | 59.17 |
| 1-2 years (including 2 years) | 100,163,555.98 | 5.59 | 191,337,063.63 | 12.40 |
| 2-3 years (including 3 years) | 144,116,749.00 | 8.04 | 92,243,658.72 | 5.98 |
| More than 3 years | 366,005,683.76 | 20.43 | 346,288,791.76 | 22.45 |
| Total | 1,791,645,568.70 | 100.00 | 1,542,724,955.75 | 100.00 |

(c) 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) | 79,679,187.04 | 2-3 years and more than 3 years | To be paid upon confirmation by both parties |
| Lac Assal Investment Holding Company Limited | 65,270,708.51 | 1-2 years and 2-3 years | To be paid upon confirmation by both parties |
| Shanghai Zhenhua Heavy Industries Co., Ltd. | 37,859,359.19 | 1-2 years、2-3 years and more than 3 years | The contracted settlement condition has not been reached |
| Shantou Finance Bureau | 10,334,278.29 | 1-2 years and more than 3 years | To be paid upon confirmation by both parties |
| Guangdong New Guotong Group Co., Ltd. (formerly known as Guangdong Hengtai Guotong Industrial Co., Ltd.) | 10,000,000.00 | More than 3 years | To be paid upon confirmation by both parties |
| Total | 203,143,533.03 | — | — |

32. Non-current liabilities due within one year

| Item | 31/12/2024 | 31/12/2023 |
|---|-------------------|------------------|
| Long-term borrowings due within one year (Note VIII, 34) | 3,271,899,155.70 | 1,033,008,184.01 |
| Including: Credit borrowings | 3,083,776,769.64 | 532,282,391.00 |
| Guaranteed borrowings | - | 410,725,775.58 |
| Mortgage borrowings | 110,904,933.53 | 30,352,589.61 |
| Guaranteed and mortgage borrowings | 77,217,452.53 | 59,647,427.82 |
| Bonds payable due within one year (Note VIII, 35) | 6,866,623,467.03 | 5,267,490,749.32 |
| Lease liabilities due within one year (Note VIII, 36) | 101,402,045.53 | 248,634,286.86 |
| Long-term payables due within one year (Note VIII, 37) | 206,012,716.21 | 184,534,373.50 |
| Long-term employee benefits payable due within one year (Note VIII, 38) | 44,885,411.13 | 49,730,825.21 |
| Other non-current liabilities due within one year (Note VIII, 41) | 15,860,000.00 | 34,005,870.35 |
| Total | 10,506,682,795.60 | 6,817,404,289.25 |

33. Other current liabilities

(1) Details of other current liabilities

| Item | 31/12/2024 | 31/12/2023 |
|--------------------------|------------------|------------------|
| Short-term bonds payable | 4,020,214,246.58 | 2,007,190,136.98 |
| Others | 40,987,514.14 | 136,652,397.55 |
| Total | 4,061,201,760.72 | 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 | 31/12/2023 | Amount issued in the current year | Interest accrued based on par value | Amortization of premiums or discounts | Repayment in the current year | 31/12/2024 | Is it in breach of contract? |
|---|------------------|-------------|---------------|------------------|------------------|------------------|-----------------------------------|-------------------------------------|---------------------------------------|-------------------------------|------------------|------------------------------|
| 1.95% RMB 2 billion Super & Short-term Commercial Paper | 2,000,000,000.00 | 1.95% | 2024-07-31 | 270 days | 2,000,000,000.00 | - | 2,000,000,000.00 | 16,347,945.21 | - | - | 2,016,347,945.21 | No |
| 1.96% RMB 2 billion Super & Short-term Commercial Paper | 2,000,000,000.00 | 1.96% | 2024-11-25 | 180 days | 2,000,000,000.00 | - | 2,000,000,000.00 | 3,866,301.37 | - | - | 2,003,866,301.37 | No |
| 2.43% RMB 2 billion Super & Short-term Commercial Paper | 2,000,000,000.00 | 2.43% | 2023-11-07 | 90 days | 2,000,000,000.00 | 2,007,190,136.98 | - | 4,760,682.69 | - | 2,011,950,819.67 | - | No |
| 1.95% RMB 2 billion Super & Short-term Commercial Paper | 2,000,000,000.00 | 1.95% | 2024-05-06 | 90 days | 2,000,000,000.00 | - | 2,000,000,000.00 | 9,616,438.36 | - | 2,009,616,438.36 | - | No |
| Total | 8,000,000,000.00 | | | | 8,000,000,000.00 | 2,007,190,136.98 | 6,000,000,000.00 | 34,591,367.63 | - | 4,021,567,258.03 | 4,020,214,246.58 | |

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

34. Long-term borrowings

| Category | 31/12/2024 | 31/12/2023 | Range of year-end interest rate |
|--|-------------------|-------------------|---------------------------------|
| Credit borrowings | 16,987,277,281.49 | 16,857,281,855.60 | 1.20%-3.80% |
| Guaranteed borrowings (Note 1) | - | 845,725,775.58 | / |
| Mortgage borrowings (Note 2) | 683,224,190.76 | 314,794,387.22 | 3.15%-8.50% |
| Guaranteed and mortgage borrowings (Note 3) | 1,183,990,939.10 | 1,242,750,120.32 | 2.95% |
| Total | 18,854,492,411.35 | 19,260,552,138.72 | — |
| Less: Long-term borrowings due within one year | 3,271,899,155.70 | 1,033,008,184.01 | — |
| Including: Credit borrowings | 3,083,776,769.64 | 532,282,391.00 | — |
| Guaranteed borrowings | - | 410,725,775.58 | — |
| Mortgage borrowings | 110,904,933.53 | 30,352,589.61 | — |
| Guaranteed and mortgage borrowings | 77,217,452.53 | 59,647,427.82 | — |
| Long-term borrowings due after one year | 15,582,593,255.65 | 18,227,543,954.71 | — |

Note 1: The borrowings are guaranteed by Shenzhen Magang Godown & Wharf Co., Ltd., China Merchants Port (Shenzhen) Co., Ltd. and CM Port.

Note 2: On 31 December 2024, the Group obtained long-term loans of RMB 499,583,188.96 (31 December 2023: RMB 314,794,387.22) with the land and fixed assets held by Guangdong Yide Port Co., Ltd. (hereinafter referred to as "Yide Port") and the land held by Guangdong Shunkong Lingang Development and Construction Co., Ltd. (hereinafter referred to as "Shunkong Port") as collateral; Zhoushan RoRo, a subsidiary of the Company, obtained a long-term loan of RMB 124,053,435.96 (31 December 2023: none) with its land use right and mortgage of above ground buildings; PT Nusantara Pelabuhan Handal Tbk (hereinafter referred to as "NPH") obtained a long-term loan of RMB 59,587,565.84 (31 December 2023: none) with fixed assets as collateral.

Note 3: On 31 December 2024, Shenzhen Haixing Port Development Co., Ltd. (hereinafter referred to as "Shenzhen Haixing") obtained a long-term loan of RMB 1,183,990,939.10 (31 December 2023: RMB 1,242,750,120.32) with the land holding property rights as collateral and guaranteed by China Merchants Port Holdings and Sinotrans South China Co., Ltd.

Details of mortgage and pledged borrowings are as follows:

| Company name | 31/12/2024 | 31/12/2023 | Collateral and pledge |
|---|------------------|------------------|---|
| Bank of China Qianhai Shekou Branch | 1,183,990,939.10 | 1,242,750,120.32 | Land use rights of Shenzhen Haixing |
| China Construction Bank Shunde Branch | 176,172,088.91 | 206,239,867.27 | Land use rights and fixed assets of Yide Port |
| Bank of Communications Co., Ltd. Guangdong Branch、 Shenzhen Branch of China Merchants Group Finance Co., Ltd. | 323,411,100.05 | 108,554,519.95 | Land use rights (Phase II) of Shunkong Port |
| China Merchants Group Finance Co., Ltd. | 124,053,435.96 | - | Zhoushan RoRo Land Use Right and Ground Buildings |
| PT Bank Mandiri (Persero) Tbk | 59,587,565.84 | - | NPH fixed assets |
| Total | 1,867,215,129.86 | 1,557,544,507.54 | |

Note: See Note (VIII) 64 for the above mortgages and pledges.

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

35. Bonds payable

(1) Bonds payable

| Item | 31/12/2024 | 31/12/2023 |
|---|-------------------|-------------------|
| 5.000% USD 600 million corporate bond | 4,374,939,570.06 | 4,304,565,371.23 |
| 4.750% USD 500 million corporate bond | 3,661,941,770.15 | 3,605,285,143.36 |
| 4.000% USD 500 million corporate bond | 3,599,756,588.81 | 3,544,024,689.32 |
| 2.690% RMB 3 billion corporate bond | 3,027,415,890.40 | 3,027,415,890.40 |
| 2.450% RMB 3 billion corporate bond | - | 3,023,560,273.97 |
| 3.520% RMB 2 billion medium term notes | - | 2,050,147,945.19 |
| 2.180% RMB 2 billion corporate bond | 2,015,648,219.17 | - |
| 2.800% RMB 1500 million medium term notes | 1,531,413,698.63 | - |
| 2.300% RMB 1200 million medium term notes | 1,213,081,643.84 | - |
| 2.100% RMB 800 million medium term notes | 807,962,739.75 | - |
| 2.680% RMB 500 million medium term notes | 510,022,465.74 | - |
| Total | 20,742,182,586.55 | 19,554,999,313.47 |
| Less: Bonds payable due within one year | 6,866,623,467.03 | 5,267,490,749.32 |
| Bonds payable due after one year | 13,875,559,119.52 | 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 year | Interest accrued based on par value | Amortization of premiums or discounts | Repayment in current year | Effect of translation of financial statements denominated in foreign currencies | 31/12/2024 | Is it in breach of contract? |
|---|--------------------|-------------|---------------|------------------|--------------------|-------------------|-----------------------------------|-------------------------------------|---------------------------------------|---------------------------|---|-------------------|------------------------------|
| 5.000% USD 600 million corporate bond | USD 600,000,000.00 | 5.0000% | 2018-08-06 | 10 years | USD 600,000,000.00 | 4,304,565,371.23 | - | 213,665,731.69 | 6,074,078.89 | 213,931,257.75 | 64,565,646.00 | 4,374,939,570.06 | No |
| 4.750% USD 500 million corporate bond | USD 500,000,000.00 | 4.7500% | 2015-08-03 | 10 years | USD 500,000,000.00 | 3,605,285,143.36 | - | 169,139,831.43 | 2,823,615.22 | 169,139,831.36 | 53,833,011.50 | 3,661,941,770.15 | No |
| 4.000% USD 500 million corporate bond | USD 500,000,000.00 | 4.0000% | 2022-06-01 | 5 years | USD 500,000,000.00 | 3,544,024,689.32 | - | 142,462,742.67 | 2,813,183.22 | 142,424,049.60 | 52,880,023.20 | 3,599,756,588.81 | No |
| 2.690% RMB 3 billion corporate bond | 3,000,000,000.00 | 2.6900% | 2022-08-29 | 3 years | 3,000,000,000.00 | 3,027,415,890.40 | - | 80,700,000.00 | - | 80,700,000.00 | - | 3,027,415,890.40 | No |
| 2.450% RMB 3 billion corporate bond | 3,000,000,000.00 | 2.4500% | 2022-09-05 | 2 years | 3,000,000,000.00 | 3,023,560,273.97 | - | 49,939,726.03 | - | 3,073,500,000.00 | - | - | No |
| 3.520% RMB 2 billion medium term notes | 2,000,000,000.00 | 3.5200% | 2021-04-14 | 3 years | 2,000,000,000.00 | 2,050,147,945.19 | - | 20,252,054.81 | - | 2,070,400,000.00 | - | - | No |
| 2.180% RMB 2 billion corporate bond | 2,000,000,000.00 | 2.1800% | 2024-08-22 | 5 years | 2,000,000,000.00 | - | 2,000,000,000.00 | 15,648,219.17 | - | - | - | 2,015,648,219.17 | No |
| 2.800% RMB 1500 million medium term notes | 1,500,000,000.00 | 2.8000% | 2024-04-01 | 10 years | 1,500,000,000.00 | - | 1,500,000,000.00 | 31,413,698.63 | - | - | - | 1,531,413,698.63 | No |
| 2.300% RMB 1200 million medium term notes | 1,200,000,000.00 | 2.3000% | 2024-07-10 | 5 years | 1,200,000,000.00 | - | 1,200,000,000.00 | 13,081,643.84 | - | - | - | 1,213,081,643.84 | No |
| 2.100% RMB 800 million medium term notes | 800,000,000.00 | 2.1000% | 2024-07-10 | 3 years | 800,000,000.00 | - | 800,000,000.00 | 7,962,739.75 | - | - | - | 807,962,739.75 | No |
| 2.680% RMB 500 million medium term notes | 500,000,000.00 | 2.6800% | 2024-04-01 | 5 years | 500,000,000.00 | - | 500,000,000.00 | 10,022,465.74 | - | - | - | 510,022,465.74 | No |
| Total | — | — | — | — | — | 19,554,999,313.47 | 6,000,000,000.00 | 754,288,853.76 | 11,710,877.33 | 5,750,095,138.71 | 171,278,680.70 | 20,742,182,586.55 | — |
| Less: Bonds payable due within one year | — | — | — | — | — | 5,267,490,749.32 | — | — | — | — | — | 6,866,623,467.03 | — |
| Bonds payable due after one year | — | — | — | — | — | 14,287,508,564.15 | — | — | — | — | — | 13,875,559,119.52 | — |

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

36. Lease liabilities

(1) Lease liabilities

| Category | 31/12/2024 | 31/12/2023 |
|---|------------------|------------------|
| Lease payment | 3,388,957,333.56 | 2,782,133,802.80 |
| Less: Unrecognized financing cost | 1,900,348,297.52 | 1,532,327,309.02 |
| Total | 1,488,609,036.04 | 1,249,806,493.78 |
| Less: Lease liabilities due within one year | 101,402,045.53 | 248,634,286.86 |
| Net leases liabilities | 1,387,206,990.51 | 1,001,172,206.92 |

(2) Maturity of lease liabilities

| Item | 31/12/2024 |
|---|------------------|
| Minimum lease payments under non-cancellable leases: | |
| 1 st year subsequent to the balance sheet date | 181,534,294.23 |
| 2 nd year subsequent to the balance sheet date | 159,023,726.17 |
| 3 rd year subsequent to the balance sheet date | 121,189,155.66 |
| Subsequent years | 2,927,210,157.50 |
| Total | 3,388,957,333.56 |

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 | 31/12/2024 | 31/12/2023 |
|--|------------------|------------------|
| Long-term payables | 3,404,462,444.72 | 4,001,789,922.65 |
| Special payables | 6,132,944.24 | 5,606,653.02 |
| Total | 3,410,595,388.96 | 4,007,396,575.67 |
| Less: Long-term payables due within one year | 206,012,716.21 | 184,534,373.50 |
| Long-term payables due after one year | 3,204,582,672.75 | 3,822,862,202.17 |

(2) Long-term payables

| Item | 31/12/2024 | 31/12/2023 |
|--|------------------|------------------|
| Terminal management rights (Note) | 3,330,284,743.90 | 3,958,393,516.47 |
| Others | 74,177,700.82 | 43,396,406.18 |
| Total | 3,404,462,444.72 | 4,001,789,922.65 |
| Less: Long-term payables due within one year | 206,012,716.21 | 184,534,373.50 |
| Long-term payables due after one year | 3,198,449,728.51 | 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 management rights purchased. On 12 August 2011, the Group reached a 35-year building, operation and transfer agreement through the subsidiary CICT and Sri Lanka Port Authority on the building, operation, management and development of Colombo Port South Container Terminal (hereinafter referred to as "BOT"). The above-mentioned amount payable for the acquisition of terminal management rights is determined by discounting the amount to be paid in the future using the prevailing market interest rate according to the BOT agreement. As at 31 December 2024, the amount payable for the acquisition of terminal management rights is RMB 881,495,098.11.

TCP, a subsidiary of the Company, entered into a franchise agreement on the Port of Paranaguá with the Administration of the Ports of Paranaguá and Antonina- APPA (hereinafter referred to as "APPA"). The agreement provides for an initial term of 25 years for the franchising rights. In April 2016, TCP and APPA entered into the Supplemental Agreement, which extends the term to 50 years and will be expired in October 2048. As at 31 December 2024, the amount of franchising rights payable was RMB 2,448,789,645.79.

(3) Special payables

| Item | 31/12/2023 | Effect of changes in the scope of consolidation | Increase for the year | Decrease for the year | 31/12/2024 | Reason |
|-----------------------|--------------|---|-----------------------|-----------------------|--------------|--------|
| Employee housing fund | 5,606,653.02 | - | 526,291.22 | - | 6,132,944.24 | Note |
| Total | 5,606,653.02 | - | 526,291.22 | - | 6,132,944.24 | |

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.

(4) Top four long-term payables at the end of the year

| Item | 31/12/2024 | 31/12/2023 |
|---|------------------|------------------|
| APPA Port Authority | 2,448,789,645.79 | 3,081,892,948.91 |
| Sri Lanka Ports Authority | 883,466,471.81 | 878,442,953.70 |
| China Merchants Finance Leasing (Tianjin) Co., Ltd. | 72,206,327.12 | 41,454,020.04 |
| Staff housing fund | 6,132,944.24 | 5,606,653.02 |
| Total | 3,410,595,388.96 | 4,007,396,575.67 |

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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 | 31/12/2023 | Effect of changes in the scope of consolidation | Increase for the year | Payment in current year | Actuarial adjustment | Interest adjustment | Effect of translation of financial statements denominated in foreign currencies | 31/12/2024 |
|---|------------|---|-----------------------|-------------------------|----------------------|---------------------|---|------------|
| Post-employment benefits - net liabilities of defined benefit plans | 5963715 | 16454603 | 126284 | 25655 | (64536) | 136193 | -1,016,674.04 | 5876088 |
| Termination benefits | 38522 | | 1329 | 12475 | | 13600 | - | 49226 |
| Other long-term benefit (note) | 83645 | | | 2194 | | 51885 | - | 52786 |
| Total | 624942 | 16454603 | 147503 | 56125 | (64536) | 122508 | -1,016,674.04 | 705851 |
| Less: Long-term employee benefits payable due within one year | 48851 | --- | --- | --- | --- | --- | --- | 488413 |
| Long-term employee benefits payable due after one year | 609291 | --- | --- | --- | --- | --- | --- | 657018 |

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

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

38. Long-term employee benefits payable - continued

(2) Changes in defined benefit plans

Present value of defined benefit plan obligations:

| Item | 2024 | 2023 |
|--|----------------|----------------|
| I. Opening balance | 509,605,071.25 | 516,950,669.03 |
| II. Defined benefit cost included in profit or loss for the period | 26,128,322.32 | 31,630,084.71 |
| 1. Current service cost | 12,161,218.04 | 14,097,094.50 |
| 2. Past service cost | - | 2,420,000.00 |
| 3. Interest adjustment | 13,967,104.28 | 15,112,990.21 |
| III. Defined benefit cost included in other comprehensive income | 65,169,223.46 | -22,975,434.75 |
| 1. Actuarial gains | 66,185,897.50 | -23,856,287.15 |
| 2. Effect of exchange rate changes | -1,016,674.04 | 880,852.40 |
| IV. Other changes | -7,140,578.73 | -16,000,247.74 |
| 1. Benefits paid | -23,576,039.76 | -16,000,247.74 |
| 2. Changes in the scope of consolidation | 16,435,461.03 | - |
| V. At the end of the year | 593,762,038.30 | 509,605,071.25 |

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 | 31/12/2023 | Increase for the year | Decrease for the year | Effect of translation of financial statements denominated in foreign currencies | 31/12/2024 | Reason |
|--------------------|---------------|-----------------------|-----------------------|---|----------------|--------|
| Pending litigation | 85,590,059.41 | 95,114,382.34 | 3,230,773.42 | -18,037,872.83 | 159,435,795.50 | Note |
| Total | 85,590,059.41 | 95,114,382.34 | 3,230,773.42 | -18,037,872.83 | 159,435,795.50 | |

Note: This represents the estimated compensation amount RMB 70,526,490.72 that the Company's subsidiary TCP may need to pay due to the pending litigation and the estimated possible compensation amount of Zhanjiang Port, a subsidiary of the Company, due to pending litigation is RMB 88,909,304.78.

40. Deferred income

| Item | 31/12/2023 | Effect of changes in the scope of consolidation | Increase for the year | Decrease for the year | 31/12/2024 |
|-------------------|------------------|---|-----------------------|-----------------------|------------------|
| Government grants | 1,024,776,557.73 | - | 295,701,250.00 | 51,502,491.12 | 1,268,975,316.61 |
| Total | 1,024,776,557.73 | - | 295,701,250.00 | 51,502,491.12 | 1,268,975,316.61 |

(1) Government grants included in deferred income

| Category of government grants | 31/12/2024 | Amount included in current profit and loss | Amount refunded this year | Reason for return |
|-------------------------------|------------------|--|---------------------------|-------------------|
| Government grants | 1,268,975,316.61 | 51,502,491.12 | - | Not applicable |
| Total | 1,268,975,316.61 | 51,502,491.12 | - | Not applicable |

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

41. Other non-current liabilities

| Item | 31/12/2023 | Increase due to change of consolidation scope | Increase for the year | Decrease for the year | Effect of translation of financial statements denominated in foreign currencies | 31/12/2024 |
|---|------------|---|-----------------------|-----------------------|---|------------|
| Actuarial cost for the calculation of pension benefit difference for the public security bureau staff (Note 1) | 1962767 | | 1130000 | 1323400 | | 19475867 |
| Related party borrowings (Note 2) | 194905 | | 265 | 123350 | | |
| Others | 33266 | | 18800 | 400 | | 30267 |
| Total | 2190138 | | 1149065 | 259690 | | 19810584 |
| Less: Other non-current liabilities due within one year | 340905 | | - | - | | 1560000 |
| Including: Actuarial cost for the calculation of pension benefits difference for the public security bureau staff | 2160000 | | - | - | | 1560000 |
| Related party borrowings | 194905 | | - | - | | |
| Other non-current liabilities due after one year | 1764328 | | - | - | | 18270584 |

Note 1: It represents the transfer of Zhanjiang Port Public Security Bureau to the People's Government of Zhanjiang Municipality by Zhanjiang Port, a subsidiary of the Company, in 2020 in accordance with the Notice on the *Issuance of the Program on Deepening the Management System Reform of Ganghang Public Security Organs* (Zhong Yang Bian Ban Fa No. 327 (2017)) and the Notice on the Issuance of the Implementation Plan for Deepening the Management System Reform of Ganghang Public Security Organs in Guangdong Province (Yue Ji Bian Ban Fa No. 221 (2018)). The former in-service police officers of Zhanjiang Port Public Security Bureau were transferred as civil servants in accordance with state regulations, the retired police officers were included in the scope of pension insurance of the government departments and public institutions in Zhanjiang, and the difference between the pension benefits under the original standard and the retirement benefits of Zhanjiang municipal police officers (hereinafter referred to as the "pension benefit difference") was borne by Zhanjiang Port.

Shantou Port, a subsidiary of the Company, transferred Shantou Municipal Public Security Bureau Ganghang Branch (formerly, the Shantou Port Public Security Bureau) to Shantou Municipal Government, and Shantou Municipal Public Security Bureau Ganghang Branch was fully taken over by Shantou Municipal Public Security Bureau. The in-service police officers were transferred as civil servants in accordance with state regulations, the retired police officers were included in the scope of pension insurance of the government departments and public institutions in Shantou, and the pension benefit difference was borne by Shantou Port.

Note 2: It represents the principal and interest on borrowings of the subsidiary of the Company Shunkong Port from its non-controlling shareholder Guangdong Shunkong City Investment Real Estate Co., Ltd. and its related party Guangdong Shunkong Transportation Investment Co., Ltd., repaid in the current year.

CHINA MERCHANTS PORT GROUP CO., LTD.

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

42. Share capital

| Name of investor | 31/12/2023 | | Increase for the year | Decrease for the year | 31/12/2024 | |
|--|-------------------|----------------|-----------------------|-----------------------|-------------------|----------------|
| | Investment amount | Proportion (%) | | | Investment amount | Proportion (%) |
| China Merchants Port Investment Development Company Limited | 1,148,648,648.00 | 45.96 | - | - | 1,148,648,648.00 | 45.92 |
| Zhejiang Seaport Investment and Operation Group Co., Ltd. | 576,709,537.00 | 23.08 | - | - | 576,709,537.00 | 23.06 |
| China Merchants Gangtong Development (Shenzhen) Co., Ltd. | 370,878,000.00 | 14.84 | - | - | 370,878,000.00 | 14.83 |
| Infrastructure Investment Fund Management Co., Ltd. – infrastructure Investment Fund Partnership (Limited Partnership) | 64,850,182.00 | 2.59 | - | - | 64,850,182.00 | 2.59 |
| Broadford International Limited | 55,314,208.00 | 2.21 | - | - | 55,314,208.00 | 2.21 |
| China Africa Development Fund Co., Ltd. | 42,190,151.00 | 1.69 | - | 26,579,783.00 | 15,610,368.00 | 0.62 |
| Others | 240,483,935.00 | 9.63 | 28,813,603.00 | - | 269,297,538.00 | 10.77 |
| 合计 | 2,499,074,661.00 | 100.00 | 28,813,603.00 | 26,579,783.00 | 2,501,308,481.00 | 100.00 |

43. Capital Reserve

| Item | Amount at the beginning of the year | Increase | Decrease | Amount at the end of the year |
|--|-------------------------------------|------------------|---------------|-------------------------------|
| 2024 | | | | |
| I. Capital premium | 36,453,130,588.72 | 256,397,774.72 | - | 36,709,528,363.44 |
| Including: Capital contributed by investors | 17,068,816,277.34 | 39,515,503.24 | - | 17,108,331,780.58 |
| Differences arising from business combination involving enterprises under common control | 13,302,937,205.73 | - | - | 13,302,937,205.73 |
| Differences arising from acquisition non-controlling interests (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 | 36,140,304.89 | 6,403,051.00 | 653,453,468.23 |
| Including: Transfer from capital reserve under the previous accounting rules | -2,781,133.00 | - | - | -2,781,133.00 |
| Unexercised share-based payment (Note 2) | 6,644,590.36 | 264,766.44 | 6,403,051.00 | 506,305.80 |
| 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 | 35,875,538.45 | - | 655,728,295.43 |
| Total | 37,076,846,803.06 | 292,538,079.61 | 6,403,051.00 | 37,362,981,831.67 |
| 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 non-controlling 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 rules | -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 change in this year is mainly because the Company and its subsidiary Port Development (Hong Kong) Co., Ltd. increased their holding of ordinary shares of China Merchants Group Port Holdings, and the capital reserve increased by RMB 216,882,271.48 in this period. See Note (XI) 2 for details

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

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

44. Other comprehensive income

| Item | Amount at the beginning of the year | 2024 | | | | | | Other changes | Amount at the end of the year |
|---|-------------------------------------|-----------------------------|---|--|---------------------------|---|--|---------------|-------------------------------|
| | | Pre-tax amount for the year | 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 non-controlling shareholders, net of tax | | |
| 2024 | | | | | | | | | |
| I. Other comprehensive income that will not be reclassified subsequently to profit or loss | -22,859,768.83 | -221,412,074.80 | - | - | -4,502,591.44 | -102,848,966.14 | -114,060,517.22 | - | -125,708,734.97 |
| Including: Changes arising from remeasurement of defined benefit plans | -2,709,609.54 | -70,324,586.90 | - | - | -11,930.28 | -24,453,072.38 | -45,859,584.24 | - | -27,162,681.92 |
| Other comprehensive income that can't be reclassified to profit or loss under equity method | -92,749,398.41 | -133,077,726.79 | - | - | - | -64,909,867.66 | -68,167,859.13 | - | -157,659,266.07 |
| Changes in fair value of other equity instruments | 72,599,239.12 | -18,009,761.11 | - | - | -4,490,661.16 | -13,486,026.10 | -33,073.85 | - | 59,113,213.02 |
| II. Other comprehensive income that will be reclassified subsequently to profit or loss | -880,766,825.52 | -1,312,433,197.04 | - | - | - | -551,905,676.96 | -760,527,520.08 | - | -1,432,672,502.48 |
| Including: Other comprehensive income recognised under the equity method | -426,790,507.27 | 23,077,622.64 | - | - | - | 25,113,263.42 | -2,035,640.78 | - | -401,677,243.85 |
| Translation differences of financial statements denominated in foreign currencies | -453,976,318.25 | -1,335,510,819.68 | - | - | - | -577,018,940.38 | -758,491,879.30 | - | -1,030,995,258.63 |
| Total other comprehensive income | -903,626,594.35 | -1,533,845,271.84 | - | - | -4,502,591.44 | -654,754,643.10 | -874,588,037.30 | - | -1,558,381,237.45 |
| 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 recognised under the 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. Specific reserve

| Item | 31/12/2023 | Increase | Decrease | 31/12/2024 |
|------------------------|---------------|---------------|---------------|---------------|
| Safety production cost | 34,003,994.41 | 59,210,779.71 | 53,140,126.85 | 40,074,647.27 |

46. Surplus reserve

2024

| Item | 31/12/2023 | Increase | Decrease | 31/12/2024 |
|---------------------------|------------------|----------------|----------|------------------|
| Statutory surplus reserve | 1,095,980,563.68 | 153,556,766.82 | - | 1,249,537,330.50 |

2023

| Item | 31/12/2022 | Increase | Decrease | 31/12/2023 |
|---------------------------|------------------|---------------|----------|------------------|
| Statutory surplus reserve | 1,001,917,449.15 | 94,063,114.53 | - | 1,095,980,563.68 |

Note 1: According to the *Company Law of the People's Republic of China* and the Articles of the Company, the Company withdraws the statutory surplus reserve at 10% of the annual net profit. When the accumulated amount of the statutory surplus reserve reaches more than 50% of the registered capital, it can no longer be withdrawn. The statutory surplus reserve can be used to cover losses or increase share capital after approval. According to the resolution of the Board of Directors, the Company appropriated the statutory surplus reserve of about RMB 153,556,766.82 for the year ended 31 December 2024, and the cumulative amount reached 50% of the registered capital on 31 December 2024 (2023: 10% of net profit, totalling about RMB 94,063,114.53)

47. Retained earnings

| Item | Amount | Proportion of appropriation or allocation |
|---|-------------------|---|
| 2024 | | |
| Retained earnings at the beginning of the year before adjustment | 19,045,313,519.75 | |
| Add: Adjustment to Retained earnings at beginning of the year | - | |
| Including: Changes in accounting policies | - | |
| Retained earnings at the beginning of the year after adjustment | 19,045,313,519.75 | |
| Add: Net profit of the year attributable to shareholders of the Company | 4,516,301,317.16 | |
| Retained earnings carried forward from other comprehensive income | - | |
| Less: Transfer to statutory surplus reserve in the current year | 153,556,766.82 | |
| Transfer to discretionary surplus reserve in the current year | - | |
| Ordinary shares' dividends payable | 1,450,279,490.98 | Note 1 |
| 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 | - | |
| Retained earnings at the end of the year | 21,957,778,579.11 | |

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

47. Retained earnings - continued

| Item | Amount | Proportion of appropriation or allocation |
|---|-------------------|---|
| 2023 | | |
| Retained earnings at the beginning of the year before adjustment | 16,679,688,347.09 | |
| Add: Adjustment to Retained earnings at beginning of the year | 22,299,954.05 | |
| Including: Changes in accounting policies | 22,299,954.05 | |
| Retained earnings 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 | |
| Retained earnings 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 National Council of Social Security Fund | - | |
| Distribution to holders of other equity instruments | - | |
| Others | 1,883,909.97 | |
| Retained earnings at the end of the year | 19,045,313,519.75 | |

Note 1: According to the resolution of shareholders' meeting on 31 May 2024, the Company distributes cash dividends of RMB 5.80 (inclusive of tax) for every 10 shares, totalling RMB 1,450,279,490.98 on the basis of the total shares of 2,500,481,881.

48. Operating income and operating costs

(1) Details of operating income and operating costs

| Item | 2024 | | 2023 | |
|---------------------|-------------------|------------------|-------------------|------------------|
| | Income | Costs | Income | Costs |
| Principal operation | 15,943,748,346.43 | 8,972,147,936.19 | 15,568,944,030.70 | 9,085,897,544.06 |
| Other operations | 187,029,681.81 | 223,868,756.16 | 181,531,749.52 | 232,289,163.69 |
| Total | 16,130,778,028.24 | 9,196,016,692.35 | 15,750,475,780.22 | 9,318,186,707.75 |

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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 | 9,912,051,601.27 | 6,223,113,881.90 | 522,133,599.68 | 278,539,419.65 | 187,029,681.81 | 223,868,756.16 | 10,621,214,882.76 | 6,725,522,057.71 |
| - Pearl River Delta | 6,431,616,103.24 | 3,643,704,953.94 | 370,565,003.19 | 204,025,842.87 | 187,029,681.81 | 223,868,756.16 | 6,989,210,788.24 | 4,071,599,552.97 |
| - Yangtze River Delta | 1,244,488.00 | 7,879,940.23 | - | - | - | - | 1,244,488.00 | 7,879,940.23 |
| - Bohai Rim | 35,429,691.48 | 21,554,240.31 | 151,568,596.49 | 74,513,576.78 | - | - | 186,998,287.97 | 96,067,817.09 |
| - Other areas | 3,443,761,318.55 | 2,549,974,747.42 | - | - | - | - | 3,443,761,318.55 | 2,549,974,747.42 |
| Other countries | 5,450,560,759.22 | 2,427,214,953.44 | 59,002,386.26 | 43,279,681.20 | - | - | 5,509,563,145.48 | 2,470,494,634.64 |
| Total | 15,362,612,360.49 | 8,650,328,835.34 | 581,135,985.94 | 321,819,100.85 | 187,029,681.81 | 223,868,756.16 | 16,130,778,028.24 | 9,196,016,692.35 |

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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 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 year, as the business volume finally realized within the contract period is uncertain, the contract consideration is subject to variable factors. The management includes this part of discount in other payables and provisions. At the end of the year, the variable considerations arising from sales discount are set out in Note (VIII) 28、 Note (VIII) 33 and Note (VIII) 39.

(4) Descriptions on allocation to remaining performance obligations

At the end of the year, the amount of revenue corresponding to the performance obligations which the Group has entered into a contract for but has not fulfilled or completely fulfilled mainly included the contract liabilities of RMB 267,888,272.62, of which RMB 186,851,357.51 is expected to be recognized as revenue in 2025; and RMB 81,036,915.11 is expected to be recognized as revenue in 2026 and subsequent years.

49. Taxes and surcharges

| Item | 2024 | 2023 |
|---|----------------|----------------|
| Property tax | 79,101,136.67 | 75,912,651.85 |
| Land use tax | 36,984,937.58 | 37,809,190.33 |
| City construction and maintenance tax | 10,881,226.12 | 7,891,945.97 |
| Education surcharges and local education surcharges | 8,081,655.86 | 5,953,401.79 |
| Stamp duty | 3,673,318.12 | 5,057,465.35 |
| Others (Note) | 193,611,488.80 | 180,373,370.90 |
| Total | 332,333,763.15 | 312,998,026.19 |

Note: Others mainly represent the social contribution tax and tax on services borne by TCP, a subsidiary of the Company, totalled BRL 137,112,284.14 (equivalent to RMB 181,212,315.70) for the year.

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

50. General and administrative expenses

| Item | 2024 | 2023 |
|-----------------------------------|------------------|------------------|
| Employee benefits | 1,352,143,332.57 | 1,297,690,387.03 |
| Depreciation expenses | 69,734,482.97 | 75,710,865.79 |
| Fees paid to agencies | 76,667,277.58 | 63,693,285.42 |
| Amortization of intangible assets | 57,062,967.74 | 56,233,463.25 |
| Others | 265,936,221.32 | 283,313,153.89 |
| Total | 1,821,544,282.18 | 1,776,641,155.38 |

51. Research and development expenses

| Item | 2024 | 2023 |
|-------------------------------------|----------------|----------------|
| Employee benefits | 127,706,303.07 | 163,593,250.77 |
| Direct materials and outsourced R&D | 67,418,187.58 | 41,115,107.10 |
| Depreciation and amortization | 4,454,711.92 | 11,500,358.17 |
| Others | 2,175,863.79 | 7,530,356.03 |
| Total | 201,755,066.36 | 223,739,072.07 |

52. Financial expenses

| Item | 2024 | 2023 |
|--|------------------|------------------|
| Interest expenses | 2,255,372,593.38 | 2,283,293,756.05 |
| Including: Bank and other borrowings | 1,084,714,767.25 | 894,778,564.54 |
| Bond interest and bill discount | 800,626,160.05 | 1,027,690,554.55 |
| Interest expenses of terminal management right(Note) | 203,047,018.99 | 206,277,567.64 |
| Interest expenses of lease liabilities | 70,660,449.69 | 60,834,329.16 |
| Other interest expenses | 56,170,722.54 | 48,571,780.77 |
| Less: Capitalized interest expenses | 40,153,474.86 | 45,140,959.39 |
| Less: Interest income | 477,430,320.41 | 497,593,921.36 |
| Net exchange loss | 109,256,513.08 | 85,519,920.28 |
| Others | 10,320,325.68 | 13,034,532.56 |
| Total | 1,857,365,636.87 | 1,839,113,328.14 |

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

53. Other income

| Item | 2024 | 2023 | Whether it is government subsidy |
|---|----------------|----------------|----------------------------------|
| Business development subsidy | 75,662,052.93 | 113,983,657.91 | Yes |
| Transfer from deferred income (Note VIII 40) | 51,502,491.12 | 47,704,466.26 | Yes |
| Subsidy for general and administrative expenses of bonded port area | 45,939,617.40 | - | Yes |
| Others | 12,306,141.84 | 62,701,136.60 | --- |
| Total | 185,410,303.29 | 224,389,260.77 | --- |
| Including: Government grants | 183,382,851.80 | 196,942,969.60 | --- |

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

54. Investment income

(1) Details of investment income:

| Item | 2024 | 2023 |
|---|------------------|------------------|
| Income from long-term equity investments under equity method | 6,441,005,613.25 | 5,979,007,585.96 |
| Including: Income from long-term equity investments of associates under equity method | 6,073,558,615.46 | 5,582,402,904.90 |
| Income from long-term equity investments of joint ventures under equity method | 367,446,997.79 | 396,604,681.06 |
| Investment income from disposal of subsidiaries | - | 216,949,902.47 |
| Income from disposal of long-term equity investments | - | 77,647.56 |
| Investment income from financial assets held for trading | 59,078,998.12 | 91,219,728.19 |
| Investment income from other non-current financial assets | 36,181,898.66 | 41,365,576.62 |
| Dividend income from investments in other equity instruments | 10,815,000.00 | 20,056,500.00 |
| Others | -84,978.53 | - |
| Total | 6,546,996,531.50 | 6,348,676,940.80 |

55. Gains from changes in fair value

| Item | 2024 | 2023 |
|--|----------------|---------------|
| Financial assets held for trading | 40,176,493.90 | 49,197,662.35 |
| Other non-current financial assets | 350,055,871.25 | 24,155,138.17 |
| Including: Financial assets at fair value through profit or loss | 350,055,871.25 | 24,155,138.17 |
| Total | 390,232,365.15 | 73,352,800.52 |

56. Reversal of credit impairment

| Item | 2024 | 2023 |
|--|----------------|---------------|
| I. Credit impairment of accounts receivable | -1,772,048.18 | -9,285,389.19 |
| II. Reversal of impairment of other receivables | 363,283,803.95 | 43,872,200.88 |
| III. Reversal of impairment of long-term receivables | 6,724.75 | 2,697,229.49 |
| IV. Credit impairment of other non-current assets | -88,524,171.44 | - |
| Total | 272,994,309.08 | 37,284,041.18 |

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

57. Impairment losses

| Item | 2024 | 2023 |
|---|---------------|-----------------|
| Impairment losses of fixed assets | - | -149,923,619.44 |
| Impairment losses of intangible assets | - | -41,473,147.97 |
| Reversal of impairment losses of inventories | - | 99,456.13 |
| Impairment losses of long-term equity investments | -8,113,482.64 | - |
| Impairment losses of construction in progress | -767,306.24 | - |
| Total | -8,880,788.88 | -191,297,311.28 |

58. Gains from asset disposals

| Item | 2024 | 2023 | Amount included in non-recurring profit or loss for the current year |
|---|---------------|---------------|--|
| Gains from disposal of non-current assets | 34,062,395.75 | 36,759,532.61 | 34,062 |
| Including: Gains from disposal of intangible assets | 18,456,558.06 | 35,051,791.80 | 18,456 |
| Gains from disposal of fixed assets | 15,323,446.42 | 1,713,921.04 | 15,323 |
| Others (“-” for losses) | 282,391.27 | -6,180.23 | 282 |
| Total | 34,062,395.75 | 36,759,532.61 | 34,062 |

59. Non-operating income

| Item | 2024 | 2023 | Amount included in non-recurring profit or loss for the current year |
|--|---------------|---------------|--|
| Compensation received for violation of contracts | 25,233,458.06 | 55,396,338.32 | 25,233 |
| Income from relocation compensation | 9,072,904.37 | 5,558,730.17 | 9,072 |
| Gains from retirement or damage of non-current assets | 4,433,441.49 | 1,966,904.66 | 4,433 |
| Including: Gains from retirement or damage of fixed assets | 4,433,441.49 | 1,765,984.40 | 4,433 |
| Exempted current accounts | 2,087,824.66 | 197,118.09 | 2,087 |
| Others | 18,191,026.74 | 24,182,932.88 | 18,191 |
| Total | 59,018,655.32 | 87,302,024.12 | 59,018 |

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

60. Non-operating expenses

| Item | 2024 | 2023 | Amount included in non-recurring profit or loss for the current year |
|---|----------------------|----------------------|--|
| Litigation loss | 8,725,469.87 | 42,689,603.93 | |
| Losses on retirement of non-current assets | 18,274,807.12 | 24,548,001.45 | |
| Including: Losses on retirement or damage of fixed assets | 18,274,807.12 | 22,356,701.04 | |
| Expenditure on public welfare donations | 11,881,883.05 | 11,153,329.51 | |
| Compensation and liquidated damages | 689,548.54 | 1,819,985.90 | |
| Others | 30,680,393.15 | 16,861,919.93 | |
| Total | 70,252,101.73 | 97,072,840.72 | |

61. Borrowing costs

| Item | Capitalization rate | Amount capitalized |
|--|---------------------|--------------------|
| Construction in progress | — — | — — |
| Phase I of the second phase of the wharf project in the local operation area of Goshan Port Area is controlled in sequence | 3.41% | 9,469,073.60 |
| Phase I project for the stuffing and destuffing service area of Baoman Port Area, Zhanjiang Port | 3.50% | 3,225,990.15 |
| Zhanjiang Port Baoman Port Area Container Terminal Phase I Expansion Project | 2.70% | 3,142,500.00 |
| Dongguan Machong Port Area Berth 2 # and 3 # Project Bulk Grain Warehouse Phase III Expansion Project | 2.40% | 495,141.01 |
| Other non-current assets | — — | — — |
| Advances for channels | 4.35% | 23,820,770.10 |
| Sub-total | — — | 40,153,474.86 |
| Interest expenses included in profit or loss for the period (Excludes interest expense on terminal operating rights and lease liabilities) | — — | 1,941,511,649.84 |
| Total | — — | 1,981,665,124.70 |

Note: The capitalization rate is calculated and determined according to the weighted average interest rate of general borrowings

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

62. Translation of foreign currencies

| Item | 2024 |
|--|-----------------------|
| Exchange differences included in profit or loss for the period | 109,256,513.08 |
| Total | 109,256,513.08 |

63. Income tax expenses

| Item | 2024 | 2023 |
|------------------------------|-------------------------|-------------------------|
| Current income tax expenses | 1,056,743,121.95 | 1,129,424,872.77 |
| Deferred income tax expenses | 196,094,824.95 | 174,154,980.16 |
| Total | 1,252,837,946.90 | 1,303,579,852.93 |

Reconciliation between income tax expense and accounting profit is as follows:

| Item | 2024 |
|---|-------------------------|
| Total profit | 10,131,344,256.81 |
| Income tax expenses calculated at 25% | 2,532,836,064.20 |
| Effect of non-deductible costs, expenses and losses | 288,893,402.02 |
| Accrued income tax | 421,257,432.43 |
| Effect of deductible temporary differences and deductible losses for which deferred tax assets are not recognized in the year | 67,370,194.91 |
| Effect of tax-free income (Note) | -1,055,413,260.46 |
| Effect of tax incentives and changes in tax rate | -602,787,139.81 |
| Effect of different tax rates of subsidiaries operating in other jurisdictions | -224,973,706.80 |
| Effect of utilizing deductible losses for which deferred tax assets were not recognized in prior period | -84,152,877.73 |
| Effect of adjustments to income tax of prior year | -110,274,785.32 |
| Others | 20,082,623.46 |
| Income tax expenses | 1,252,837,946.90 |

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 | 31/12/2024 | | | | 31/12/2023 | | | |
|------------------------------------|------------------|------------------|--|--|----------------|-----------------|-----------------------|--|
| | Book value | Carrying amount | Type of restriction | Status of restriction | Book value | Carrying amount | Type of restriction | Status of restriction |
| Cash and bank balances (Note 1) | 115,331,146.22 | 115,331,146.22 | Restricted margin, interest receivable not actually received | Interest receivable, performance bond, frozen funds, etc | 61,032,547.14 | 61,032,547.14 | Restricted guarantees | Performance bond, frozen funds, etc |
| Fixed assets (Note 2) | 551,053,503.71 | 467,531,821.78 | Mortgage | Mortgage borrowings | 330,222,332.58 | 291,001,239.59 | Mortgage | Mortgage borrowings |
| Intangible assets (Note 3) | 624,297,693.92 | 624,297,693.92 | Mortgage | Mortgage borrowings | 457,654,685.65 | 457,654,685.65 | Mortgage | Mortgage borrowings |
| Total | 1,290,682,343.85 | 1,207,160,661.92 | — — | — — | 848,909,565.37 | 809,688,472.38 | — — | — — |

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 bad debts

| Item | 31/12/2023 | Effect of changes in the scope of consolidation | Provision for the year | Reversal for the year | Write-off and charge-off for the year | Transfer-out due to sale in the current year | Other increases for the year | Other decreases for the year | Effect of translation of financial statements denominated in foreign currencies | 31/12/2024 |
|--|-------------------------|---|------------------------|------------------------|---------------------------------------|--|------------------------------|------------------------------|---|-------------------------|
| Provision for bad debts of accounts receivable | 91,022,363.09 | 788,447.74 | 8,974,855.96 | -7,202,807.78 | -57,892.46 | - | - | - | -4,561,521.46 | 88,963,445.09 |
| Provision for bad debts of other receivables | 957,081,730.86 | - | 16,639,764.39 | -379,923,568.34 | - | - | - | - | -28,204,288.01 | 565,593,638.90 |
| Provision for decline in value of inventories | 1,234,628.38 | - | - | - | -92,227.23 | - | - | - | 11,035.57 | 1,153,436.72 |
| Provision for bad debts of long-term receivables | 1,178,166.70 | - | 45,771.75 | -52,496.50 | - | - | - | - | - | 1,171,441.95 |
| Provision for impairment of long-term equity investments | 362,334,075.76 | - | 8,113,482.64 | - | - | - | - | - | -35,025,295.78 | 335,422,262.62 |
| Provision for impairment of fixed assets | 213,504,483.08 | - | - | - | - | - | - | - | -214,100.02 | 213,290,383.06 |
| Provision for impairment of construction in progress | - | - | 767,306.24 | - | - | - | - | - | 11,172.29 | 778,478.53 |
| 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 |
| Other non-current assets | - | - | 88,524,171.44 | - | - | - | - | - | - | 88,524,171.44 |
| Total | 2,654,028,762.27 | 788,447.74 | 123,065,352.42 | -387,178,872.62 | -150,119.69 | - | - | - | -67,982,997.41 | 2,322,570,572.71 |

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

66. Items in cash flow statement

(1) Cash relating to operating activities

Proceeds from other operating activities

| Item | 2024 | 2023 |
|---------------------------------|------------------|----------------|
| Interest income | 307,426,299.38 | 316,807,536.02 |
| Government grants | 420,033,639.31 | 163,169,407.30 |
| Guarantees and deposits | 49,702,895.76 | 59,967,562.07 |
| Insurance indemnities | 5,913,248.16 | 11,868,450.00 |
| Rentals | 35,992,263.90 | 11,677,109.86 |
| Operation compensation received | 337,185,774.00 | - |
| Others | 256,914,973.60 | 364,073,953.84 |
| Total | 1,413,169,094.11 | 927,564,019.09 |

Payment for other operating activities

| Item | 2024 | 2023 |
|---|----------------|----------------|
| Advance payment | 123,589,342.34 | 191,928,420.03 |
| Payment of operating costs and management expenses and other daily operating related expenditures | 129,352,215.13 | 167,200,604.70 |
| Guarantees and deposits | 34,887,031.26 | 59,616,680.63 |
| Others | 488,214,418.74 | 434,481,353.85 |
| Total | 776,043,007.47 | 853,227,059.21 |

(2) Cash relating to investing activities

Cash receipts relating to significant investing activities

| Item | 2024 | 2023 |
|---|-------------------|-------------------|
| Recovered structured deposits | 26,450,000,000.00 | 28,397,000,000.00 |
| Proceeds from lending | 162,606,261.00 | 2,965,681,743.10 |
| Dividends received | 2,843,360,904.43 | 2,186,696,975.69 |
| Proceeds from disposal of investments (Note 1) | 1,113,331,868.18 | |
| Proceeds from disposal of subsidiaries (Note 2) | | 1,683,385,533.43 |
| Total | 30,422,953,398.71 | 35,232,764,252.22 |

Note 1: The proceeds from disposal of investments are mainly the proceeds from disposal of the shares of Qingdao Port International Co., Ltd.

Note 2: The proceeds received from disposal of subsidiaries last year represent the amount received for disposal of Ningbo Daxie Container Terminal Co., Ltd.

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

66. Items in cash flow statement - continued

(2) Cash relating to investing activities - continued

Cash payments relating to significant investing activities

| Item | 2024 | 2023 |
|---------------------------------|-------------------|-------------------|
| Purchase of structured deposits | 27,450,000,000.00 | 29,967,000,000.00 |
| Total | 27,450,000,000.00 | 29,967,000,000.00 |

Proceeds from other investing activities

| Item | 2024 | 2023 |
|---|---------------|------------------|
| Proceeds from lending by Assal Lake Investment Holding Co.,Ltd. | 16,260,626.10 | - |
| Proceeds from lending by Terminal Link SAS | - | 2,965,681,743.10 |
| Proceeds from interest on advances for projects | - | 177,940,904.60 |
| Others | - | 21,332,655.57 |
| Total | 16,260,626.10 | 3,164,955,303.27 |

Payment for other investing activities

| Item | 2024 | 2023 |
|--|----------------|---------------|
| Payment of taxes on land acquisition | 259,533,828.27 | - |
| Payments for performance guarantees | - | 39,087,797.69 |
| Proceeds from disposal of subsidiaries | - | 35,267,442.35 |
| Others | 1,606,719.07 | 8,308,063.29 |
| Total | 261,140,547.34 | 82,663,303.33 |

(3) Cash relating to financing activities

Proceeds from other financing activities

| Item | 2024 | 2023 |
|-----------------------------|---------------|----------------|
| Sale and leaseback proceeds | 40,000,000.00 | 328,026,212.50 |
| Others | 15,862,550.05 | 6,728,017.13 |
| Total | 55,862,550.05 | 334,754,229.63 |

CHINA MERCHANTS PORT GROUP CO., LTD.

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

66. Items in cash flow statement - continued

(3) Cash relating to financing activities - continued

Payment for other financing activities

| Item | 2024 | 2023 |
|---|----------------|------------------|
| Repayment of perpetual bonds | - | 4,222,148,460.84 |
| Payment for the Company's acquisition of non-controlling interests of CM Port | 148,276,411.09 | 872,848,916.41 |
| Payment for lease | 316,100,576.04 | 829,455,300.35 |
| Repurchase shares of China Merchants Harbor Group Co., Ltd. | 50,559,789.14 | - |
| Payment for the Company's acquisition of non-controlling interests of Oasis King International Limited | - | 818,659,106.04 |
| Payment for the Company's acquisition of non-controlling interests of China Merchants International Technology Co., Ltd. (hereinafter referred to as "CM International Tech") | - | 109,901,500.00 |
| Others | 24,987,752.08 | 14,080,546.68 |
| Total | 539,924,528.35 | 6,867,093,830.32 |

Changes in liabilities arising from financing activities

| Item | 31/12/2023 | Increase for the year | | Decrease for the year | | 31/12/2024 |
|---|-------------------|-----------------------|-------------------|-----------------------|-------------------|-------------------|
| | | Cash changes | Non-cash changes | Cash changes | Non-cash changes | |
| Short-term borrowings | 15,714,045,288.97 | 9,797,576,997.55 | 944,766,153.00 | 12,943,190,318.63 | 721,955,979.20 | 12,791,242,141.69 |
| Long-term borrowings | 18,227,543,954.71 | 4,967,267,977.29 | 439,339,278.38 | 5,135,247,147.85 | 2,916,310,806.88 | 15,582,593,255.65 |
| Non-current liabilities due within one year | 6,817,404,289.25 | - | 11,411,848,839.19 | 7,474,762,370.57 | 247,807,962.27 | 10,506,682,795.60 |
| Bonds payable | 14,287,508,564.15 | 6,000,000,000.00 | 180,279,787.37 | - | 6,592,229,232.00 | 13,875,559,119.52 |
| Lease liabilities | 1,001,172,206.92 | - | 609,931,951.60 | - | 223,897,168.01 | 1,387,206,990.51 |
| Dividends payable | 111,897,214.27 | - | 4,971,101,800.37 | 4,950,664,270.36 | - | 132,334,744.28 |
| Other current liabilities | 2,007,190,136.98 | 6,000,000,000.00 | 34,591,367.63 | 4,021,567,258.03 | - | 4,020,214,246.58 |
| Total | 58,166,761,655.25 | 26,764,844,974.84 | 18,591,859,177.54 | 34,525,431,365.44 | 10,702,201,148.36 | 58,295,833,293.83 |

(4) The Group has no significant cash flows presented on a net basis.

(5) The Group has no significant activities that do not involve cash receipts and payment for the current 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

67. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

| Supplementary information | 2024 | 2023 |
|--|-------------------|-------------------|
| 1. Reconciliation of net profit to cash flows from operating activities: | | |
| Net profit | 8,878,506,309.91 | 7,495,612,085.76 |
| Add: Impairment losses | 8,880,788.88 | 191,297,311.28 |
| Reversal of credit impairment | -272,994,309.08 | -37,284,041.18 |
| Depreciation of fixed assets | 1,953,338,801.43 | 1,983,548,731.36 |
| Depreciation of investment properties | 181,519,507.74 | 182,833,076.22 |
| Depreciation of right-of-use assets | 343,623,899.63 | 357,502,960.45 |
| Amortization of intangible assets | 688,356,905.31 | 686,879,674.72 |
| Amortization of long-term deferred expenses | 100,433,522.79 | 92,971,461.67 |
| Gains from disposal of fixed assets, intangible assets and other long-term assets | -34,062,395.75 | -36,759,532.61 |
| Losses on retirement of fixed assets, intangible assets and other long-term assets | 13,841,365.63 | 22,581,096.79 |
| Losses rising from changes in fair value ("-" for gains) | -390,232,365.15 | -73,352,800.52 |
| Financial expenses | 2,311,915,401.98 | 2,185,350,735.70 |
| Investment loss (income) ("-" for income) | -6,546,996,531.50 | -6,348,676,940.80 |
| Decrease in deferred tax assets | 49,582,269.26 | 19,435,343.92 |
| Increase in deferred tax liabilities | 146,512,555.69 | 154,719,636.24 |
| Decrease (Increase) in inventories ("-" for increase) | -50,978,635.81 | 6,316,130.87 |
| Decrease (Increase) in operating receivables ("-" for increase) | 146,070,761.75 | -132,511,582.62 |
| Increase (Decrease) in operating payables ("-" for decrease) | 485,894,971.69 | -170,856,712.08 |
| Net cash inflow from operating activities | 8,013,212,824.40 | 6,579,606,635.17 |
| 2. Significant investing and financing activities that do not involve cash receipts and payments: | | |
| Conversion of debt into capital | - | - |
| Convertible bonds due within one year | - | - |
| 3. Net changes in cash and cash equivalents: | | |
| Cash at the end of the year | 16,515,069,554.91 | 16,018,613,631.10 |
| Less: Opening balance of cash | 16,018,613,631.10 | 13,567,309,471.62 |
| Add: Cash equivalents at the end of the year | - | - |
| Less: Opening balance of cash equivalents | - | - |
| Net increase in cash and cash equivalents | 496,455,923.81 | 2,451,304,159.48 |

(2) Cash and cash equivalents at the end of the year

| Item | 31/12/2024 | 31/12/2023 |
|--|-------------------|-------------------|
| I. Cash | 16,515,069,554.91 | 16,018,613,631.10 |
| Including: Cash on hand | 457,486.90 | 974,692.93 |
| Bank deposits available for payment at any time | 16,444,638,576.67 | 16,009,954,475.85 |
| Other monetary funds available for payment at any time | 69,973,491.34 | 7,684,462.32 |
| II. Cash equivalents | - | - |
| III. Balance of cash and cash equivalents at the end of the year | 16,515,069,554.91 | 16,018,613,631.10 |

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

67. Supplementary information to the cash flow statement - continued

(3) Net payment for acquisition of subsidiaries

| Item | Amount |
|--|----------------|
| Cash or cash equivalents received in the current year from acquisition of subsidiaries in the current year | 428,196,206.32 |
| Less: Cash and cash equivalents held by subsidiaries on the purchase date | 120,511,752.33 |
| Less: Payable equity purchase funds | 14,325,890.39 |
| Add: Cash or cash equivalents received in the current year for business combinations in previous periods | - |
| Net cash paid to acquire subsidiaries | 293,358,563.60 |
| Net assets obtained from subsidiaries | 372,477,073.46 |

(4) Payment for dividends, profit distributions or interest

| Item | 2024 | 2023 |
|--|------------------|------------------|
| Dividends and profits paid to non-controlling shareholders of subsidiaries | 3,553,580,816.50 | 1,955,677,172.68 |
| Cash paid for interest repayment | 1,955,539,593.93 | 2,085,251,461.30 |
| Profit distributions | 1,452,793,553.86 | 1,126,766,912.03 |
| Total | 6,961,913,964.29 | 5,167,695,546.01 |

(5) The Group has no limited scope of use but is still listed as cash and cash equivalents.

(6) See Note VIII, 1 (3) for details of cash at bank and on hand not belonging to cash and cash equivalents.

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

68. Foreign currency monetary items

| Item | Foreign currency at the end of the year | Exchange rate | RMB at the end of the year |
|---|---|---------------|----------------------------|
| Cash and bank balances | | | 2,912,640,425.51 |
| Including: HKD | 22,599,852.41 | 0.9260 | 20,927,463.33 |
| USD | 210,719,518.34 | 7.1884 | 1,514,736,185.64 |
| RMB | 1,124,472,916.40 | 1.0000 | 1,124,472,916.40 |
| EUR | 30,807,502.80 | 7.5257 | 231,848,023.82 |
| AUD | 4,583,056.65 | 4.5070 | 20,655,836.32 |
| Accounts receivable | | | 202,376,754.52 |
| Including: HKD | 89,996.31 | 0.9260 | 83,336.58 |
| USD | 1,395,811.63 | 7.1884 | 10,033,652.32 |
| EUR | 25,547,094.04 | 7.5257 | 192,259,765.62 |
| Other receivables | | | 761,290,697.14 |
| Including: HKD | 1,005,827.69 | 0.9260 | 931,396.44 |
| USD | 74,817,750.03 | 7.1884 | 537,819,914.32 |
| EUR | 5,479,143.73 | 7.5257 | 41,234,391.97 |
| RMB | 181,256,685.00 | 1.0000 | 181,256,685.00 |
| AUD | 10,718.75 | 4.5070 | 48,309.41 |
| Long-term receivables | | | 1,097,372,535.36 |
| Including: EUR | 25,995,028.12 | 7.5257 | 195,630,783.12 |
| AUD | 200,075,826.99 | 4.5070 | 901,741,752.24 |
| Short-term borrowings | | | 2,480,000,000.00 |
| Including: RMB | 2,480,000,000.00 | 1.0000 | 2,480,000,000.00 |
| Accounts payable | | | 37,715,519.96 |
| Including: HKD | 1,343,915.75 | 0.9260 | 1,244,465.98 |
| USD | 340,726.28 | 7.1884 | 2,449,276.79 |
| EUR | 4,520,745.87 | 7.5257 | 34,021,777.19 |
| Other payables | | | 833,584,685.87 |
| Including: HKD | 38,048,963.19 | 0.9260 | 35,233,339.91 |
| USD | 59,229,016.40 | 7.1884 | 425,761,861.49 |
| EUR | 45,596,922.20 | 7.5257 | 343,148,757.40 |
| RMB | 29,440,727.07 | 1.0000 | 29,440,727.07 |
| Non-current liabilities due within one year | | | 5,759,766,301.11 |
| Including: USD | 523,215,014.39 | 7.1884 | 3,761,078,809.42 |
| RMB | 1,998,687,491.69 | 1.0000 | 1,998,687,491.69 |
| Long-term borrowings | | | 2,350,000,000.00 |
| Including: RMB | 2,350,000,000.00 | 1.0000 | 2,350,000,000.00 |
| Bonds payable | | | 7,875,559,119.55 |
| Including: USD | 1,095,592,777.19 | 7.1884 | 7,875,559,119.55 |

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

69. Leases

(1) Lessor under operating lease

| Item | Amount |
|--|----------------|
| I. Operating income | — — |
| Lease income | 317,717,398.85 |
| Including: Income related to variable lease payments that are not included in lease receipts | - |
| II. Undiscounted lease receipts received after the balance sheet date | 623,166,122.47 |
| 1 st year | 200,957,788.17 |
| 2 nd year | 123,484,871.98 |
| 3 rd year | 101,760,390.99 |
| 4 th year | 68,366,980.15 |
| 5 th year | 42,448,803.16 |
| Over 5 years | 86,147,288.02 |

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 0.6 years to 50 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 | 70,660,449.69 |
| 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 | 63,996,021.37 |
| 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 | 14,578,101.47 |
| Total cash outflows relating to leases | 380,096,597.41 |
| Losses from sale and leaseback transactions | 3,337,879.11 |
| Cash inflows from sale and leaseback transactions | 40,000,000.00 |
| Cash outflows from sale and leaseback transactions | 98,454,482.39 |
| Others | - |

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

69. Leases - continued

(2) Lessee - continued

Sale and leaseback transactions and basis for determination:

For the purpose of raising funds and leasing back for use, the Company carries out sale and leaseback transaction with the legally owned terminal assets as the subject of the transfer and the leased assets, for a term of three years. As the Company is entitled to repurchase at the expiry of the lease term and the repurchase price is not lower than the original selling price, it is considered as a financing transaction and is 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 | 2024 | 2023 |
|---|----------------|----------------|
| Employee benefits | 130,912,466.55 | 166,273,348.83 |
| Direct materials and outsourced R&D | 82,743,846.15 | 78,769,899.84 |
| Depreciation and amortisation | 4,568,822.85 | 11,654,856.90 |
| Others | 31,884,552.82 | 15,963,664.54 |
| Total | 250,109,688.37 | 272,661,770.11 |
| Including: R&D expenditure recorded as expenses | 201,755,066.36 | 223,739,072.07 |
| R&D expenditure capitalised | 48,354,622.01 | 48,922,698.04 |

CHINA MERCHANTS PORT GROUP CO., LTD.

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(IX) R&D EXPENDITURE - continued

2. Expenditures on R&D projects which are eligible for capitalisation

| Item | 31/12/2023 | Increase | Decrease | | | 31/12/2024 |
|--------------------------------------|---------------|----------------------------|----------------------------|---------------------------------|--|---------------|
| | | Internal development costs | Recognised as fixed assets | Recognised as intangible assets | Transferred to profit or loss for the period | |
| ePort comprehensive service platform | 30,150,532.71 | 13,655,121.15 | - | - | - | 43,805,653.86 |
| Other R&D projects | 20,839,620.47 | 39,717,905.17 | 25,527,118.56 | 10,422,602.94 | 5,018,404.31 | 19,589,399.83 |
| Total | 50,990,153.18 | 53,373,026.32 | 25,527,118.56 | 10,422,602.94 | 5,018,404.31 | 63,395,053.69 |

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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

| No | Name of the purchase party | Date of acquisition | Determination basis of purchase date | Proportion of equity held by the acquiree before the purchase date (%) | Equity acquisition ratio(Excluding the increase or decrease of equity after merger (%)) | Total book net assets of the acquiree on the purchase date | Total fair value of identifiable net assets of the acquiree on the acquisition date | | Transaction consideration | Goodwill | Revenue of the acquiree from the purchase date to the end of the year | Net profit of the acquiree from the purchase date to the end of the year | Cash flow of the acquiree from the purchase date to the end of the year |
|----|----------------------------|---------------------|--------------------------------------|--|---|--|---|----------------------------------|---------------------------|---------------|---|--|---|
| | | | | | | | Amount | Method | | | | | |
| 1 | NPH | 28 June 2024 | Transfer of actual control | - | 51.00 | 416,919,421.83 | 730,347,202.86 | Multi-term Excess Surplus Method | 428,196,206.32 | 55,719,132.86 | 207,359,466.75 | 28,980,451.83 | 142,293,175.74 |

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 Invest asi. On 20 November 2023, China Merchants Port Holdings, a subsidiary of the Company, 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, 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.

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(X) CHANGES IN SCOPE OF CONSOLIDATION - continued

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

(2) Consolidated cost and goodwill

| Consolidation costs | NPH |
|---|----------------|
| Consolidation costs | 428,196,206.32 |
| —Cash | 413,870,315.93 |
| —Payable equity purchase funds | 14,325,890.39 |
| Total consolidated costs | 428,196,206.32 |
| Less: Share of fair value of identifiable net assets acquired | 372,477,073.46 |
| Goodwill | 55,719,132.86 |

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(X) **CHANGES IN SCOPE OF CONSOLIDATION** - continued

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

(3) Identifiable assets and liabilities of the acquiree on the acquisition date

| Consolidation costs | Fair value on the purchase date | Book value on the purchase date |
|--|---------------------------------|---------------------------------|
| Assets: | | |
| Current assets | 228,095,320.00 | 228,095,320.00 |
| Fixed assets | 276,830,316.55 | 233,575,346.96 |
| Right-of-use assets | 434,204,861.23 | 434,204,861.23 |
| Intangible assets | 449,760,068.61 | 44,255,725.09 |
| Goodwill | - | 12,641,544.20 |
| Deferred tax assets | 6,496,130.00 | 6,496,130.00 |
| Other non-current assets | 12,645,464.35 | 12,645,464.35 |
| Liabilities: | | |
| Current liabilities | 98,088,290.00 | 98,088,290.00 |
| Long term borrowings | 40,488,900.00 | 40,488,900.00 |
| Lease liabilities | 399,000,160.00 | 399,000,160.00 |
| Deferred tax liabilities | 100,345,568.88 | 1,618,520.00 |
| Other non-current liabilities | 15,799,100.00 | 15,799,100.00 |
| Net assets | 754,310,141.86 | 416,919,421.83 |
| Less: non-controlling shareholders' equity | 23,962,939.00 | 23,962,939.00 |
| Net assets attributable to the parent company | 730,347,202.86 | 392,956,482.83 |
| Less: Goodwill | - | 12,641,544.20 |
| Identifiable net assets attributable to the parent company | 730,347,202.86 | 380,314,938.63 |
| Net assets acquired | 372,477,073.46 | 193,960,618.70 |

If there is an active market for the above identifiable assets, their fair values shall be determined according to the quoted prices in the active market; if there is no active market, but there is an active market for the same or similar assets, the fair value shall be determined by referring to the market price of the same or similar assets; if there is no active market for the same or similar assets, valuation techniques shall be used to determine their fair values.

The fair value of the above identifiable liabilities shall be the amount payable or the present value of the amount payable.

2. Business combination under the same control

There is no business combination under the same control of the Group this year.

3. Reverse purchase

The Group has no reverse purchase this year.

4. Disposal of subsidiaries

The Group did not lose control over the disposal of investment in subsidiaries this year.

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(X) CHANGES IN SCOPE OF CONSOLIDATION - continued

5. Change in consolidation scope for other reasons

The Group has not changed the consolidation scope for other reasons this year.

(XI) EQUITY IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the Group - Major subsidiaries

| Name of the subsidiary | Principal place of business | Place of incorporation | Nature of business | Registered capital (RMB'0000, unless otherwise specified) | Shareholding ratio of the Company (%) | | Acquisition method |
|---|-----------------------------|------------------------|---|---|---------------------------------------|----------|---|
| | | | | | Direct | Indirect | |
| Shenzhen Chiwan International Freight Agency Co., Ltd. | Shenzhen China | Shenzhen China | Logistics support services | 550.00 | 100.00 | - | Established through investment |
| Chiwan Port and Shipping (Hong Kong) Co., Ltd. (hereinafter referred to as "Wharf Holdings Hong Kong") | HK China | HK China | Investment holding | HKD 1,000,000 | 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 | 49.67 | 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 |
| 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) Co., Ltd. | 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 |
| Antonje Wharf Storage Service (Shenzhen) Co., Ltd. | 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 |
| 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. (hereinafter referred to as "Xiamenwan Port Affairs") (Note 2) | Zhangzhou China | Zhangzhou China | Logistics support services | 44,450.00 | - | 31.00 | Business combination involving enterprises under common control |
| Shekou Container Terminals 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 | - | 100.00 | 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 | Asset acquisition |
| Shenzhen Merchants Qianhaiwan Real Estate Co., Ltd. | Shenzhen China | Shenzhen China | Property lease, etc. | 20,000.00 | - | 100.00 | Asset acquisition |
| Juzhongzhi Investment (Shenzhen) Co., Ltd. | Shenzhen China | Shenzhen China | Investment consulting | 4,000.00 | - | 75.00 | Business combination involving enterprises under common control |
| 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 |
| China Merchants Harbor Modern Logistics Technology (Shenzhen) Co., Ltd. (Original name: China Division of Malai Warehousing (Shenzhen) Co., Ltd.) | Shenzhen China | Shenzhen China | Owning China Qianhai property | HKD 1,600,000,000 | - | 100.00 | Business combination involving enterprises under common control |
| Ports Development (Hong Kong) Limited | Hong Kong China | Hong Kong China | Investment holding | 2,768,291.56 | 100.00 | - | Established through investment |
| Shunkong Port | Foshan China | Foshan China | Property development and management | 27,997.59 | 51.00 | - | Asset acquisition |
| South Asia Trade and Logistics Center Co., Ltd. | Sri Lanka | Sri Lanka | Logistics support services | USD 37,140,000 | - | 70.00 | Established through investment |
| NPH (Note 5) | Indonesia | Indonesia | Logistics support services | IDR 281,394,199,000 | 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: For the year ended 31 December 2024, Port Development (Hong Kong) Co., Ltd. purchased 16,364,000.00 ordinary shares of China Merchants Port Holdings through the secondary market. After the completion of the aforementioned purchase transaction, the proportion of the ordinary shares held by the Group in the total issued ordinary shares of China Merchants Port Holdings has changed from 49.28% to 49.67%.

China Merchants Group (Hong Kong) Co., Ltd. (hereinafter referred to as "CMHK") accounts for 21.85% of the total issued ordinary shares of China Merchants Port Holdings. On 19 June 2018, the Company signed the *Agreement on Concerted Action of China Merchants Port Holdings Limited with CMHK*. According to the agreement, CMHK has the voting right of China Merchants Port Holdings entrusted to exercise, when voting on the matters to be considered at the General Meeting of Port Holding Shareholders of China Merchants Group, they are unconditionally consistent with the Company, and the opinions of the Company shall prevail. In March 2022, the Company transferred 43.00% of the shares held by China Merchants Group Port Holdings to its Hong Kong wholly-owned subsidiary Port Development (Hong Kong) Co., Ltd. Therefore, the Group holds 71.52% of the voting rights of China Merchants Group Port Holdings in total, and can control them.

Note 2: The Group signed the *Equity Custody Agreement* with China Merchants Zhangzhou Development Zone Co., Ltd., which agreed that China Merchants Zhangzhou Development Zone Co., Ltd. entrusted its 29% equity of Xiamenwan Port Affairs to the Group for operation and management. Therefore, the Group has 60% of the voting rights in Xiamenwan Port Affairs, which can be controlled and included in the consolidation scope of the Group's consolidated financial statements.

Note 3: The Group has the right to control Lome Container Terminal S.A. by appointing most members of the Executive Committee, so the Group includes the company into the consolidation scope of the consolidated financial statements.

Note 4: The Group holds 50% equity interest in Zhanjiang Port Petrochemical Terminal Co., Ltd. According to the agreement, the Group has control over Zhanjiang Port Petrochemical Terminal Co., Ltd., and therefore includes it in the scope of consolidation of the consolidated financial statements.

Note 5: The Group completed the acquisition of 51% shares of NPH on 28 June 2024. See Note (X) for details.

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(XI) EQUITY IN OTHER ENTITIES - continued

1. Interests in subsidiaries - continued

(2) Significant non-wholly-owned subsidiaries

Year 2024

| Name of the subsidiary | Proportion of ownership interest held by the non-controlling shareholders (%) | Profit or loss attributable to non-controlling shareholders in the current year | Dividends distributed to non-controlling shareholders in the current year | Balance of non-controlling interests at the end of the year |
|------------------------|---|---|---|---|
| CM Port | 50.33 | 4,277,480,912.41 | 1,774,966,740.92 | 61,825,440,800.08 |

Year 2023

| Name of the subsidiary | Proportion of ownership interest held by the non-controlling shareholders (%) | Profit or loss attributable to non-controlling shareholders in the current year | Dividends distributed to non-controlling shareholders in the current year | Balance of non-controlling interests at the end of the year |
|------------------------|---|---|---|---|
| CM Port | 50.72 | 3,790,168,766.29 | 1,716,130,041.14 | 61,593,070,426.41 |

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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 | 31/12/2024 | | | | | | 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 | 15,225,606,631.78 | 135,382,012,965.53 | 150,607,619,597.31 | 22,281,042,457.07 | 21,803,874,037.96 | 44,084,916,495.03 | 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 | 2024 | | | | 2023 | | | |
|------------------------|-------------------|------------------|----------------------------|--------------------------------------|-------------------|------------------|----------------------------|--------------------------------------|
| | 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 | 10,990,023,251.60 | 7,477,357,716.48 | 6,371,332,629.59 | 5,708,869,820.55 | 10,503,277,811.44 | 6,466,697,575.11 | 7,608,794,449.88 | 4,852,710,141.52 |

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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 year, 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 non-controlling interests and equity attributable to owners of the Company

| | CM Port |
|---|-----------------|
| Acquisition cost | |
| - Cash | 147,607,116.30 |
| - Fair value of 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 Retained earnings | - |

3. Interests in joint ventures and associates

(1) Significant joint ventures or associates

| Investee | Principal place of business | Place of registration | Nature of business | Proportion of ownership interests held by the Group (%) | | Proportion of voting rights (%) | Accounting treatment of investments in associates |
|-----------------|-----------------------------|-----------------------|--------------------------------------|---|----------|---------------------------------|---|
| | | | | Direct | Indirect | | |
| Associate | | | | | | | |
| SIPG | Shanghai, PRC | Shanghai, PRC | Port and container terminal business | - | 28.05 | 28.05 | Equity method |
| Ningbo Zhoushan | Ningbo, PRC | Ningbo, PRC | Port and container terminal business | 20.98 | 2.10 | 23.08 | Equity method |

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(XI) EQUITY IN OTHER ENTITIES - continued

4. Key financial information of significant associate

| Item | SIPG | |
|--|----------------------|---------------------|
| | 31/12/2024 / 2024 | 31/12/2023/ 2023 |
| Current assets | 48,744,038,847.45 | 53,049,570,240.87 |
| Including: Cash and cash equivalents | 32,830,782,585.55 | 35,721,676,040.14 |
| Non-current assets | 163,311,502,225.58 | 150,525,944,932.10 |
| Total assets | 212,055,541,073.03 | 203,575,515,172.97 |
| Current liabilities | 23,068,287,468.52 | 22,835,359,505.98 |
| Non-current liabilities | 41,578,448,514.91 | 44,553,743,360.00 |
| Total liabilities | 64,646,735,983.43 | 67,389,102,865.98 |
| Net assets | 147,408,805,089.60 | 136,186,412,306.99 |
| Non-controlling interests | 14,101,913,028.59 | 13,010,972,126.11 |
| Net assets attributable to owners of the Company | 133,306,892,061.01 | 123,175,440,180.88 |
| Share of net assets calculated based on the proportion of ownership interests | 37,392,583,223.11 | 34,550,710,970.74 |
| Adjustments | | |
| - Goodwill | 2,427,508,397.27 | 2,427,508,397.27 |
| - Others | 222,282,154.18 | 234,665,770.76 |
| Carrying amount of equity investments in associates | 40,042,373,774.56 | 37,212,885,138.77 |
| Fair value of publicly quoted equity investments in associates | 39,971,634,611.40 | 32,003,432,940.50 |
| Operating income | 38,116,972,285.82 | 37,551,570,005.56 |
| Net profit | 16,063,786,892.13 | 14,007,787,452.35 |
| Net profit attributable to the owner of the parent company of the investee in the current year | 14,954,353,821.25 | 13,203,137,528.87 |
| Other comprehensive income | 281,406,740.21 | -58,126,233.99 |
| Total comprehensive income | 16,345,193,632.34 | 13,949,661,218.36 |
| Dividends received from associates in the current year | 1,449,951,451.59 | 914,383,798.30 |

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(XI) EQUITY IN OTHER ENTITIES - continued

4. Key financial information of significant associate - continued

| Item | Ningbo Zhoushan | |
|--|----------------------|---------------------|
| | 31/12/2024 / 2024 | 31/12/2023/ 2023 |
| Current assets | 15,453,223,000.00 | 19,223,549,000.00 |
| Including: Cash and cash equivalents | 4,586,107,000.00 | 9,635,337,000.00 |
| Non-current assets | 97,445,761,000.00 | 93,105,852,000.00 |
| Total assets | 112,898,984,000.00 | 112,329,401,000.00 |
| Current liabilities | 17,449,594,000.00 | 22,201,633,000.00 |
| Non-current liabilities | 9,899,823,000.00 | 9,429,720,000.00 |
| Total liabilities | 27,349,417,000.00 | 31,631,353,000.00 |
| Net assets | 85,549,567,000.00 | 80,698,048,000.00 |
| non-controlling interests | 7,256,126,000.00 | 5,828,457,000.00 |
| Net assets attributable to owners of the Company | 78,293,441,000.00 | 74,869,591,000.00 |
| Share of net assets calculated based on the proportion of ownership interests | 18,070,126,182.80 | 17,279,901,602.80 |
| Adjustments | | |
| - Goodwill | 1,231,115,756.87 | 1,231,115,756.87 |
| - Others | 120,244,072.03 | 120,136,754.64 |
| Carrying amount of equity investments in associates | 19,421,486,011.70 | 18,631,154,114.31 |
| Fair value of publicly quoted equity investments in associates | 17,284,475,843.25 | 15,982,528,312.20 |
| Operating income | 28,702,311,000.00 | 25,993,200,000.00 |
| Net profit | 5,408,738,000.00 | 5,156,174,000.00 |
| Net profit attributable to the owner of the parent company of the investee in the current year | 4,897,513,000.00 | 4,653,615,000.00 |
| Other comprehensive income | 110,866,000.00 | 76,072,000.00 |
| Total comprehensive income | 5,519,604,000.00 | 5,232,246,000.00 |
| Dividends received from associates in the current year | 408,578,523.82 | 390,875,794.33 |

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(XI) EQUITY IN OTHER ENTITIES - continued

4. Key financial information of significant associate - continued

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 | 31/12/2024 /2024 | 31/12/2023 / 2023 |
|---|---------------------|----------------------|
| Joint ventures: | | |
| Total carrying amount of investments | 9,307,873,045.30 | 8,957,993,335.22 |
| Aggregate of following items calculated based on the proportion of ownership interest | | |
| - Net profit | 367,446,997.79 | 396,604,681.06 |
| - Other comprehensive income | 161,730,408.57 | -879,272,391.47 |
| - Total comprehensive income | 529,177,406.36 | -482,667,710.41 |
| Associates: | | |
| Total carrying amount of investments | 31,246,297,063.40 | 31,864,085,187.97 |
| Aggregate of following items calculated based on the proportion of ownership interest | | |
| - Net profit | 757,730,103.41 | 831,571,993.78 |
| - Other comprehensive losses (Income) ("-" for losses) | -375,707,391.94 | 138,977,006.59 |
| - Total comprehensive income | 382,022,711.47 | 970,549,000.37 |

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

(XII) GOVERNMENT GRANTS

1. Government grants recognised as receivables at the end of current year

| | |
|---|---|
| Balance of receivables at the end of current year | - |
|---|---|

2. Liabilities involving government grants

| Item | 31/12/2023 | New government grants | Amount included in non-operating income | Amount included in other income | Other changes | 31/12/2024 | Related to assets/income |
|-----------------|------------------|-----------------------|---|---------------------------------|---------------|------------------|--------------------------|
| Deferred income | 1,024,776,557.73 | 295,701,250.00 | - | 51,502,491.12 | - | 1,268,975,316.61 | Related to assets |
| Total | 1,024,776,557.73 | 295,701,250.00 | - | 51,502,491.12 | - | 1,268,975,316.61 | — — |

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(XII) GOVERNMENT GRANTS - continued

3. Government grants included in profit or loss

| Item | 2024 | 2023 |
|--|----------------|----------------|
| Business development subsidy | 75,662,052.93 | 113,983,657.91 |
| Subsidy fund for Qianhai Comprehensive Bonded Zone | 45,939,617.40 | - |
| Special operation subsidy | 3,184,128.00 | 18,439,586.22 |
| Others | 7,094,562.35 | 16,815,259.21 |
| Total | 131,880,360.68 | 149,238,503.34 |

(XIII) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

The Group's major financial instruments include cash and bank balances, financial assets held for trading, bills receivable, accounts receivable, receivables under financing, other receivables, long-term receivables, other non-current financial assets, borrowings, bills payable, accounts payable, other payables, other current liabilities, non-current liabilities due within one year, bonds payable, long-term payables, other non-current liabilities, etc. Details of these financial instruments are disclosed in Note (VIII). The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management of the Group manages and monitors these exposures to ensure the risks are monitored at a certain level.

The Group adopts sensitivity analysis technique to analyse how the profit 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, EUR and AUS. Except for part of the purchases and sales, the Group's other principal activities are denominated and settled in RMB. As at 31 December 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 | 31/12/2024 | 31/12/2023 |
|---|------------------|------------------|
| Cash and bank balances | 1,234,472,138.05 | 523,517,515.06 |
| Accounts receivable | 10,116,992.50 | 10,544,159.14 |
| Other receivables | 697,525,377.19 | 339,133,935.79 |
| Long-term receivables | 1,097,372,535.36 | 1,109,592,094.82 |
| Short-term borrowings | 2,480,000,000.00 | 2,990,000,000.00 |
| Accounts payable | 3,693,796.53 | 1,379,762.77 |
| Other payables | 282,056,319.78 | 300,187,007.82 |
| Non-current liabilities due within one year | 1,998,687,491.69 | 9,339,586.11 |
| Long-term borrowings | 2,350,000,000.00 | 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 | 2024 | | 2023 | |
|------------------------|--|------------------|--------------------------------|------------------|--------------------------------|
| | | Effect on profit | Effect on shareholders' equity | Effect on profit | Effect on shareholders' equity |
| All foreign currencies | 5% increase against RMB | -277,619,930.87 | -277,619,930.87 | -362,713,439.88 | -362,713,439.88 |
| All foreign currencies | 5% decrease against RMB | 277,619,930.87 | 277,619,930.87 | 362,713,439.88 | 362,713,439.88 |
| All foreign currencies | 5% increase against USD | -7,224,341.41 | -7,224,341.41 | -18,083,083.38 | -18,083,083.38 |
| All foreign currencies | 5% decrease against USD | 7,224,341.41 | 7,224,341.41 | 18,083,083.38 | 18,083,083.38 |
| All foreign currencies | 5% increase against HKD | 23,518,592.02 | 23,518,592.02 | 23,046,933.58 | 23,046,933.58 |
| All foreign currencies | 5% decrease against HKD | -23,518,592.02 | -23,518,592.02 | -23,046,933.58 | -23,046,933.58 |
| All foreign currencies | 5% increase against EUR (including FCFA) | 11,455,857.12 | 11,455,857.12 | 11,592,634.53 | 11,592,634.53 |
| All foreign currencies | 5% decrease against EUR (including FCFA) | -11,455,857.12 | -11,455,857.12 | -11,592,634.53 | -11,592,634.53 |
| All foreign currencies | 5% increase against AUD | 46,122,294.90 | 46,122,294.90 | 47,096,082.98 | 47,096,082.98 |
| All foreign currencies | 5% decrease against AUD | -46,122,294.90 | -46,122,294.90 | -47,096,082.98 | -47,096,082.98 |

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 | 2024 | | 2023 | |
|--|--------------------------|------------------|--------------------------------|------------------|--------------------------------|
| | | Effect on profit | Effect on shareholders' equity | Effect on profit | Effect on shareholders' equity |
| Short-term borrowings and long-term borrowings | 1% increase | -286,274,021.36 | -286,274,021.36 | -342,406,182.88 | -342,406,182.88 |
| Short-term borrowings and long-term borrowings | 1% decrease | 286,274,021.36 | 286,274,021.36 | 342,406,182.88 | 342,406,182.88 |

1.2 Credit risk

As at 31 December 2024, the Group's maximum exposure to credit risk which may cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees issued by the Group (without considering the available collateral or other credit enhancements) is arising from cash and bank balances (Note (VIII), 1), bills receivable (Note (VIII), 3), accounts receivable (Note (VIII), 4), other receivables (Note (VIII), 7), long-term receivables (Note (VIII), 11), etc. At the balance sheet date, the carrying amounts of the Group's financial assets represent its maximum exposure to credit risk. In addition, the Group's maximum credit risk exposure to credit losses includes the amount of financial guarantee contract as disclosed in Note (XVII), 2 "Contingencies". For financial instruments measured at fair value, the book value reflects its risk exposure, but not the maximum risk exposure, and its maximum risk exposure will change with the change of future fair value.

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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 bad debts is made for relevant financial assets. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

The credit risk on cash and bank balances is limited because they are deposited with financial institutions with high credit ratings.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

The Group has adopted a policy to ensure that all sales customers have good credit records.

1.3 Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

As at 31 December 2024, the Group had total current liabilities in excess of total current assets of RMB 6,685,293,596.39. As at 31 December 2024, the Group had available and unused line of credit and bonds amounting to RMB 40,616,331,020.58, 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 | Within 1 year | 1 to 5 years | Over 5 years | Total |
|---|-------------------|-------------------|-------------------|------------------|-------------------|
| Short-term borrowings | 12,791,242,141.69 | 13,278,299,013.64 | - | - | 13,278,299,013.64 |
| Bills payable | 1,536,194.00 | 1,536,194.00 | - | - | 1,536,194.00 |
| Accounts payable | 785,830,532.33 | 785,830,532.33 | - | - | 785,830,532.33 |
| Other payables | 1,923,980,312.98 | 1,923,980,312.98 | - | - | 1,923,980,312.98 |
| Non-current liabilities due within one year | 10,445,937,384.47 | 11,641,752,954.44 | - | - | 11,641,752,954.44 |
| Other current liabilities | 4,061,201,760.72 | 4,089,382,582.64 | - | - | 4,089,382,582.64 |
| Long-term borrowings | 15,582,593,255.65 | - | 14,250,559,751.05 | 2,039,917,590.76 | 16,290,477,341.81 |
| Bonds payable | 13,875,559,119.52 | - | 13,227,779,162.74 | 1,678,701,369.86 | 14,906,480,532.60 |
| Lease liabilities | 1,387,206,990.51 | - | 580,490,205.45 | 2,626,932,833.88 | 3,207,423,039.33 |
| Long-term payables | 3,198,449,728.51 | - | 672,259,427.79 | 4,652,872,609.47 | 5,325,132,037.26 |

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(XIV) DISCLOSURE OF FAIR VALUE

1. Assets and liabilities measured at fair value at the end of the year

| Item | Fair value as at 31/12/2024 | | | Total |
|---|-----------------------------|------------------------|------------------------|------------------|
| | Level 1 | Level 2 | Level 3 | |
| | Fair value measurement | Fair value measurement | Fair value measurement | |
| Continuously measured at fair value | | | | |
| Financial assets held for trading | - | 5,685,135,472.01 | - | 5,685,135,472.01 |
| Investments in other equity instruments | - | - | 139,451,887.05 | 139,451,887.05 |
| Other non-current financial assets | - | - | 28,524,600.31 | 28,524,600.31 |
| Total assets continuously measured at fair value | - | 5,685,135,472.01 | 167,976,487.36 | 5,853,111,959.37 |

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

| Item | Fair value as at 31/12/2024 | Valuation techniques | Inputs |
|-----------------------------------|-----------------------------|-----------------------|-------------------------|
| Financial assets held for trading | 5,685,135,472.01 | Cash flow discounting | Expected rate of return |

The fair value of debt instruments at fair value through profit or loss is determined using the cash flow discounting approach. During the valuation, the Group adopts the expected return as the input.

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

| Item | Fair value as at 31/12/2024 | Valuation techniques | Inputs |
|---|-----------------------------|----------------------|-----------------|
| Investments in other equity instruments | 139,451,887.05 | Net Asset Method | Carrying amount |
| Other non-current financial assets | 28,524,600.31 | Net Asset Method | Carrying amount |

The fair value of non-listed equity instruments included in equity instruments at fair value through profit or loss or other comprehensive income is determined using the net asset method.

(XIV) DISCLOSURE OF FAIR VALUE - continued

4. Fair value of financial assets and financial liabilities not measured at fair value

The financial assets and liabilities not measured at fair value mainly include bills receivable, accounts receivable, other receivables, long-term receivables, short-term borrowings, bills 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 | 62.96 (Note) |

Note: Broadford International Co., Ltd. directly holds 2.21% of the Company's equity, and holds 14.83% of the Company's equity through its subsidiary China Merchants Gangtong Development (Shenzhen) Co., Ltd. For the year ended 31 December 2024, the controlling shareholder Broadford International Co., Ltd. transferred its 74.66% shares of Honghui (Hong Kong) Co., Ltd. to CMHK, and China Merchants Group Hong Kong entrusted the 74.66% shares of Honghui (Hong Kong) Co., Ltd. obtained from the above transfer to Broadford International Co., Ltd. for management. After the completion of this share transfer and share custody, the controlling shareholder of the company will still be Broadford International Co., Ltd., The ultimate controlling shareholder of the Company is China Merchants Group Co., Ltd..

2. Subsidiaries of the Company

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

CHINA MERCHANTS PORT GROUP CO., LTD.

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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 year, or formed balances of related party transactions with the Group in the prior year are as follows:

| Name of joint venture or associate | Relationship with the Company |
|---|--|
| Port of Newcastle and its subsidiaries | Joint venture |
| Qingdao Qianwan West Port United Wharf Co., Ltd. | Joint venture |
| Qingdao Qianwan 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 |
| Euro-Asia Oceangate S.a.r.l. | Joint venture |
| Great Horn Development Company FZCo | Associate |
| International Djibouti Industrial Parks Operation FZCo | Associate |
| Port de Djibouti S.A. | Associate |
| Terminal Link SAS | Associate |
| Tin-Can Island Container Terminal Ltd. | Associate |
| Guizhou Qiandongnan Continental Land Port Operation Co., Ltd. | Associate |
| Nanshan Group and its subsidiaries | Associate |
| Shanggang Group and its subsidiaries | Associate |
| Ningbo Zhoushan and its subsidiaries | Associate |
| Shenzhen Baohong Technology Co., Ltd. | Associate |
| Tianjin Haitian Bonded Logistics Co., Ltd. | Associate |
| Chu Kong River Trade Terminal Co., Ltd. | Associate |
| Shantou Zhonglian Tally Co., Ltd. | Associate |
| Shantou International Container Terminals Limited | Associate |
| Shenzhen Bay Electricity Industry Co., Ltd. | Associate |
| Lac Assal Investment Holding Company Limited | Associate |
| CM Port Chuangrong (Shenzhen) Technology 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 Co., Ltd. (hereinafter referred to as "Antong Holdings") and its subsidiaries | Associate |
| RED SEA WORLD S.A. | 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 |
|---|---|
| Dalian Port Logistics Technology Co., Ltd. | Controlled by the same ultimate controlling shareholder |
| Dalian Port Logistics Network 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 Foreign Forwarding International Freight 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 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 |
| China Merchants Port Investment Development Co., Ltd. | Controlled by the same ultimate controlling shareholder |
| China Merchants Group (Hong Kong) Co., 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 |
|---|--|
| Sinoway Shipping Ltd. | Controlled by the same ultimate controlling shareholder |
| 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 | 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 |
| Sinotrans Container Transportation Overseas Co., Ltd. | Controlled by the same ultimate controlling shareholder |
| China Merchants Haida Insurance Brokerage Co., Ltd. | Controlled by the same ultimate controlling shareholder |
| Sinotrans Guangxi Co., Ltd. | Controlled by the same ultimate controlling shareholder |
| Zhejiang Youlian Shipbuilding Repair Co., Ltd. | Controlled by the same ultimate controlling shareholder |
| China Merchants Xinzhi Technology Co., Ltd. | Controlled by the same ultimate controlling shareholder |
| China Merchants Surplus Property Management Co., Ltd. | Controlled by the same ultimate controlling shareholder |
| China Merchants Jinling Dingheng Ship (Yangzhou) Co., Ltd. | Controlled by the same ultimate controlling shareholder |
| China Merchants Industrial Intelligence Technology (Jiangsu) Co., Ltd. | Controlled by the same ultimate controlling shareholder |
| China Merchants Innovation Technology (Group) Co., Ltd. | Controlled by the same ultimate controlling shareholder |
| Hong Kong Haitong Co., Ltd. | Controlled by the same ultimate controlling shareholder |
| Sinotrans South China Co., Ltd. | Controlled by the same ultimate controlling shareholder |
| Dalian Jingang United Auto International Trade Co., Ltd. | Controlled by the same ultimate controlling shareholder |
| Sinotrans Container Transportation (Hainan) Co., Ltd. | Controlled by the same ultimate controlling shareholder |
| China Merchants Logistics Group (Tianjin) Co., Ltd. | Controlled by the same ultimate controlling shareholder |
| Haitong (Shenzhen) Trade Co., Ltd. | Controlled by the same ultimate controlling shareholder |
| CIAO International Limited | 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 |

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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 |
|---|--|
| 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 |
| Merchants Port City | Significantly influenced by the ultimate controlling shareholder |

5. Related party transactions

(1) Rendering and receipt of services

| Related party | Content of transaction | Pricing method and decision procedures of related transactions | 2024 | 2023 |
|--|---------------------------------|---|-----------------------|-------------------------|
| Rendering of services: | | | | |
| COSCO Logistics (Zhanjiang) Co., Ltd. | Service income | Negotiation | 225,947,824.45 | 243,101,038.82 |
| Anton Holdings and its subordinate companies | Service income | Negotiation | 176,859,159.34 | 108,978,140.94 |
| China Ocean Shipping Agency (Zhanjiang) Co., Ltd. | Service income | Negotiation | 79,233,370.18 | 75,114,485.59 |
| China Marine Shipping Agency Guangdong Co., Ltd. | Service income | Negotiation | 35,584,126.70 | 36,263,254.23 |
| Qingdao Qianwan New United Container Terminal Co., Ltd. | Service income | Negotiation | 24,252,170.73 | 69,319,211.87 |
| China Merchants International Shipping Agency (Shenzhen) Co., Ltd. | Service income | Negotiation | 21,010,835.23 | 26,223,978.84 |
| Sinotrans Container Lines Co., Ltd. | Service income | Negotiation | 17,893,748.17 | 11,703,055.83 |
| Yiu Lian Dockyards (Shekou) Limited | Service income | Negotiation | 11,901,121.11 | 12,403,540.05 |
| China Ocean Shipping Agency Shenzhen Co., Ltd. | Service income | Negotiation | 11,097,445.63 | 6,779,104.47 |
| Sinotrans Shenzhen Qianhai Supply Chain Management Ltd. | Service income | Negotiation | 10,909,073.38 | 10,684,159.25 |
| CM Port Chuangrong (Shenzhen) Technology Co., Ltd. | Service income | Negotiation | 8,885,773.90 | 8,632,714.51 |
| CIAO International Limited | Service income | Negotiation | 8,880,824.63 | - |
| China Merchants International Cold Chain (Shenzhen) Co., Ltd. | Service income | Negotiation | 7,292,368.68 | 7,196,978.46 |
| China Merchants Investment Development Co., Ltd. | Service income | Negotiation | 6,943,066.05 | 6,905,698.13 |
| Sinotrans Container Transportation (Hainan) Co., Ltd. | Service income | Negotiation | 6,131,576.11 | - |
| China Merchants Logistics Group (Tianjin) Co., Ltd. | Service income | Negotiation | 5,648,853.04 | - |
| Shenzhen Baohong Technology Co., Ltd. | Service income | Negotiation | 5,383,991.91 | 8,201,361.90 |
| Liaoning Port and its subsidiaries | Service income | Negotiation | 5,172,690.67 | 80,155,659.35 |
| New Land-Sea Corridor Operation (Zhanjiang) Co., Ltd. | Service income | Negotiation | 4,288,394.23 | 9,724,814.72 |
| China Marine Shipping Agency Shenzhen Co., Ltd. | Service income | Negotiation | 4,232,109.18 | 4,957,791.03 |
| Other related parties | Service income | Negotiation | 48,711,457.81 | 136,002,178.51 |
| Terminal Link SAS | Interest income | Negotiation | 12,543,736.17 | 138,262,807.50 |
| Port of Newcastle and its subsidiaries | Interest income | Negotiation | 74,581,122.68 | 55,424,394.92 |
| China Merchants Bank Co., Ltd. | Interest income | Negotiation | 42,250,797.70 | 51,248,973.95 |
| China Merchants Group Finance Company Limited | Interest income | Negotiation | 50,639,773.07 | 33,052,458.75 |
| Tianjin Haitian Bonded Logistics Co., Ltd. | Interest income | Negotiation | 1,137,311.05 | 1,210,342.38 |
| China Merchants Real Estate (Shenzhen) Co., Ltd. | Relocation compensation revenue | Negotiation | 7,000,000.00 | - |
| Total | — | — | 914,412,721.80 | 1,141,546,144.00 |

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(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(1) Rendering and receipt of services - continued

| Related party | Content of transaction | Pricing method and decision procedures of related transactions | 2024 | 2023 |
|---|---------------------------------|--|------------------|------------------|
| Receipt of services: | | | | |
| Shenzhen Bay Electricity Industry Co., Ltd. | Service expenditure | Negotiation | 60,383,382.87 | 56,553,895.23 |
| Shenzhen Nanyou (Holdings) Ltd. | Service expenditure | Negotiation | 36,049,247.11 | 37,373,052.06 |
| Qingdao Qianwan West Port United Wharf Co., Ltd. | Service expenditure | Negotiation | 20,836,557.33 | 18,954,315.25 |
| Hong Kong Haitong Co., Ltd. | Service expenditure | Negotiation | 15,893,828.70 | - |
| Shenzhen West Port Security Service Co., Ltd. | Service expenditure | Negotiation | 12,075,631.88 | 11,300,450.18 |
| Liaoning Port and its subsidiaries | Service expenditure | Negotiation | 11,984,893.16 | - |
| International Djibouti Industrial Parks Operation FZCo | Service expenditure | Negotiation | 10,914,744.17 | 6,264,666.66 |
| Sinotrans South China Co., Ltd. | Service expenditure | Negotiation | 9,245,283.03 | - |
| China Merchants (Shenzhen) Power Supply Co., Ltd. | Service expenditure | Negotiation | 8,934,659.73 | 19,085,551.42 |
| Yiu Lian Dockyards Limited | Service expenditure | Negotiation | 7,591,973.82 | 8,104,140.51 |
| Dalian Jingang United Auto International Trade Co., Ltd. | Service expenditure | Negotiation | 6,081,398.25 | - |
| China Merchants Commercial Property Investment (Shenzhen) Co., Ltd. | Service expenditure | Negotiation | 5,703,597.81 | 5,000,000.00 |
| Nanshan Group and its subsidiaries | Service expenditure | Negotiation | 5,572,556.91 | 12,922,553.88 |
| China Merchants Investment Development Company Limited | Service expenditure | Negotiation | 5,407,766.54 | 2,675,141.65 |
| China Merchants Zhangzhou Development Zone Power Supply Co., Ltd. | Service expenditure | Negotiation | 5,339,186.66 | 6,449,368.77 |
| Shenzhen Foreign Forwarding International Freight Co., Ltd. | Service expenditure | Negotiation | 4,471,086.56 | - |
| Hoi Tung (Shanghai) Company Limited | Service expenditure | Negotiation | 4,127,174.67 | 5,014,184.85 |
| Other related parties | Service expenditure | Negotiation | 42,819,598.21 | 69,625,465.22 |
| China Merchants Bank Co., Ltd. | Purchase of structured deposits | Negotiation | 7,260,000,000.00 | 3,180,000,000.00 |
| China Merchants Group Finance Company Limited | Interest expense | Negotiation | 36,451,832.93 | 26,303,900.66 |
| China Merchants Bank Co., Ltd. | Interest expense | Negotiation | 72,154,609.24 | 17,596,634.76 |
| China Merchants Finance Lease (Tianjin) Co., Ltd. | Interest expense | Negotiation | 3,483,279.42 | 2,117,332.10 |
| China Merchants Finance Lease (Shanghai) Co., Ltd. | Interest expense | Negotiation | 2,356,009.46 | - |
| Total | | | 7,647,878,298.46 | 3,485,340,653.20 |

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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 year | Lease income recognized in the prior year |
|---|--|--|---|---|
| Qingdao Qianwan West Port United Wharf Co., Ltd. | Port and terminal facilities | Negotiation | 14,351,518.19 | 14,311,677.72 |
| Qingdao Bonded Logistics Park Sinotrans Warehousing Logistics Co., Ltd. | Port and terminal facilities | Negotiation | 5,375,787.11 | 6,680,118.90 |
| China Traffic Import and Export Co., Ltd. | Buildings and structures | Negotiation | 5,179,670.76 | 5,473,072.56 |
| Qingdao Sinotrans Supply Chain Management Co., Ltd. | Port and terminal facilities | Negotiation | 4,811,101.79 | 3,438,231.48 |
| Qingdao Sinotrans Mining Technology Co., Ltd. | Port and terminal facilities | Negotiation | 4,750,557.12 | 4,750,557.12 |
| Qingdao Qianwan United Container Terminal Co., Ltd. | Buildings and structures | Negotiation | 3,332,269.56 | 3,323,938.08 |
| Haitong (Shenzhen) Trade Co., Ltd. | Buildings and structures | Negotiation | 2,811,192.84 | - |
| Qingdao Wutong Century Supply Chain Co., Ltd. | Port and terminal facilities | Negotiation | 2,713,039.19 | 2,705,626.50 |
| CM Port Chuangrong (Shenzhen) Technology Co., Ltd. | Port and terminal facilities | Negotiation | 2,577,426.36 | 2,719,625.46 |
| Qingdao Sinotrans Logistics Co., Ltd. | Buildings and structures | Negotiation | 2,477,668.56 | 2,064,723.80 |
| China Merchants Securities Co., Ltd. | Buildings and structures | Negotiation | 2,460,986.37 | 2,697,967.83 |
| Yiu Lian Dockyards (Shekou) Limited | Buildings and structures | Negotiation | 2,149,478.11 | 2,268,270.47 |
| Nanshan Group and its subsidiaries | Buildings and structures | Negotiation | 1,816,393.88 | 2,283,922.57 |
| China Merchants Food (China) Co., Ltd. | Buildings and structures | Negotiation | 1,806,760.02 | 5,964,675.96 |
| Other related parties | Buildings and structures, Port and terminal facilities | Negotiation | 6,659,722.39 | 5,928,324.10 |
| Total | — | — | 63,273,572.25 | 64,610,732.55 |

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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 | |
|---|--|--|---------------------|---|----------|-----------------------|-----------------------|--|----------------------|---------------------------------|-----------------------|
| | | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| China Merchants Finance Lease (Shanghai) Co., Ltd. | Machinery and equipment, Port and terminal facilities | - | - | - | - | 72,617,183.15 | 110,343,653.60 | 2,356,009.46 | 7,734,573.29 | - | - |
| Nanshan Group and its subsidiaries | Buildings and structures, Port and terminal facilities, Land use right, Others | 458,524.82 | 34,242.32 | - | - | 72,495,152.94 | 69,881,796.93 | 1,549,113.49 | 4,454,094.13 | - | - |
| China Merchants Shekou Industrial Zone Holdings Co., Ltd. | Port and terminal facilities, Land use right | - | - | - | - | 33,671,185.02 | 36,699,122.62 | 2,627,207.77 | 1,209,619.98 | 6,841,334.09 | 91,911,426.83 |
| China Merchants Finance Lease (Tianjin) Co., Ltd. | Port and terminal facilities | - | - | - | - | 25,037,299.24 | 41,997,224.42 | 3,627,216.64 | 4,035,780.92 | - | - |
| EuroAsia Dockyard Enterprise and Development Limited | Port and terminal facilities | - | - | - | - | 16,267,717.80 | 14,908,924.82 | 452,003.87 | 446,855.68 | - | 14,462,069.14 |
| Others | Buildings and structures, Port and terminal facilities, Land use right, Others | 9,931,864.47 | 9,885,580.01 | - | - | 25,353,081.02 | 67,503,750.43 | 351,374.20 | 1,855,436.70 | 5,583,342.98 | 12,628,928.22 |
| Total | | 10,390,389.29 | 9,919,822.33 | - | - | 245,441,619.17 | 341,334,472.82 | 10,962,925.43 | 19,736,360.70 | 12,424,677.07 | 119,002,424.19 |

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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 |
|----------------------------|----------------|-------------------|-------------------|----------|---|
| 2024 | | | | | |
| Terminal Link SAS (Note 1) | 58,245,642.59 | 58,245,642.59 | 11 June 2013 | 2033 | No |
| Khor Ambado FZCo (Note 3) | 207,025,920.00 | 167,923,750.92 | 24 May 2019 | 2032 | No |
| Terminal Link SAS (Note 2) | 237,217,200.00 | 116,236,428.00 | 25 Jan 2023 | 2030 | No |
| Total | 502,488,762.59 | 342,405,821.51 | — | — | — |
| 2023 | | | | | |
| Terminal Link SAS (Note 1) | 76,655,687.32 | 76,655,687.32 | 11 June 2013 | 2033 | No |
| Khor Ambado FZCo (Note 3) | 203,981,760.00 | 156,254,811.86 | 24 May 2019 | 2032 | No |
| Terminal Link SAS (Note 2) | 114,527,259.00 | 114,527,259.00 | 25 Jan 2023 | 2030 | No |
| Total | 395,164,706.32 | 347,437,758.18 | — | — | — |

Note 1: In previous years, CMA CGM S.A., another shareholder of Terminal Link SAS, an associate of the Group, provided 100% guarantee for the bank loan financing and other liabilities of Terminal Link SAS. The Group makes a commitment to CMA CGM S.A. to provide guarantee for the bank loan financing and other liabilities to Terminal Link SAS in accordance with the 49% equity ratio of Terminal Link SAS held by the Group. The actual guaranteed amount is RMB 58,245,642.59 as at 31 December 2024. If any guarantee liability occurs, the Group will compensate CMA CGM S.A..

Note 2: The Group and CMA CGM S.A. provide guarantee for bank loan financing and other liabilities of the associated company Terminal Link SAS according to their shareholding ratio. The actual guarantee amount on 31 December 2024 is RMB 116,236,428.00.

Note 3: Khor Ambado FZCo is a related party of the Group's ultimate controlling shareholder. The Group and other shareholders of Khor Ambado FZCo provide guarantee for its bank loans and other liabilities, the actual amount of which as at 31 December 2024 is RMB 167,923,750.92.

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(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(4) Borrowings and loans with related parties

| Related party | Amount | Commencement date | Maturity date | Description |
|---|------------------|-----------------------|-----------------------|---------------------------|
| 2024 | | | | |
| Borrowings | | | | |
| China Merchants Bank Co., Ltd. | 1,298,369,781.25 | Actual borrowing date | Agreed repayment date | Short-term borrowings |
| China Merchants Bank Co., Ltd. | 1,336,953,012.50 | Actual borrowing date | Agreed repayment date | Long-term borrowings |
| China Merchants Group Finance Company Limited | 268,456,381.95 | Actual borrowing date | Agreed repayment date | Short-term borrowings |
| China Merchants Group Finance Company Limited | 59,158,045.05 | Actual borrowing date | Agreed repayment date | Long-term borrowings |
| Total | 2,962,937,220.75 | — — | — — | — — |
| 2023 | | | | |
| Borrowings | | | | |
| China Merchants Bank Co., Ltd. | 1,150,941,725.01 | Actual borrowing date | Agreed repayment date | Short-term borrowings |
| China Merchants Group Finance Company Limited | 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 | — — | — — | — — |

Note 1: As at 31 December 2024, the total credit lines of the Group from the related parties China Merchants Bank Co., Ltd. and China Merchants Group Finance Co., Ltd. are RMB 4,463,300,000.00 and RMB10,000,000,000.00 respectively.

(5) Asset transfer from related parties

| Related party | Content of transaction | Pricing method and decision procedures of related transactions | 2024 | 2023 |
|--|-------------------------------|--|----------------|------------------|
| Shantou International Container Terminals Limited | Reduce of registered capital | Registered capital | 120,000,000.00 | - |
| RED SEA WORLD S.A. | Equity investment | Fair value | 160,855,674.82 | - |
| Dalian Port Container | Equity investment | Fair value | - | 57,083,400.00 |
| Jifa Logistics | Equity investment | Fair value | - | 33,815,300.00 |
| Yingkou Port Group | Equity investment | Fair value | - | 19,002,800.00 |
| Hoi Tung (Shanghai) Company Limited | Fixed assets | Negotiation | 2,876,106.19 | - |
| Dalian Jingang United Auto International Trade Co., Ltd. | Fixed assets | Negotiation | 2,454,981.76 | - |
| Hong Kong Haitong Co., Ltd. | Construction in progress | Negotiation | 15,893,828.70 | - |
| Other related parties | Construction in progress | Negotiation | 5,170,708.51 | - |
| Ningbo Zhoushan | Transfer of equity investment | Valuation | - | 1,845,000,000.00 |
| Liaoning Port | Transfer of equity investment | Valuation | - | 83,027,500.00 |
| Total | — — | — — | 307,251,299.98 | 2,037,929,000.00 |

CHINA MERCHANTS PORT GROUP CO., LTD.

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(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(6) Compensation for key management personnel

| Item | 2024 | 2023 |
|---|---------------|---------------|
| Compensation for key management personnel | 17,310,521.40 | 18,932,731.03 |

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

(1) Amounts due from related parties

| Item | Related party | 31/12/2024 | 31/12/2023 |
|------------------------|--|------------------|------------------|
| Cash and bank balances | China Merchants Bank Co., Ltd. | 3,404,002,420.98 | 3,778,553,414.06 |
| | China Merchants Group Finance Company Limited | 4,745,991,554.35 | 2,090,078,155.93 |
| | Total | 8,149,993,975.33 | 5,868,631,569.99 |
| Accounts receivable | COSCO Logistics (Zhanjiang) Co., Ltd. | 12,222,891.71 | 1,505,114.97 |
| | Antong Holdings and its subordinate companies | 9,901,450.77 | 8,919,131.23 |
| | Sinotrans Container Lines Co., Ltd. | 4,496,476.26 | 2,763,240.00 |
| | China Ocean Shipping Agency Shenzhen Co., Ltd. | 3,778,789.25 | 2,035,495.50 |
| | China Merchants Investment Development Company Limited | 3,439,600.00 | - |
| | China Merchants Logistics Group (Tianjin) Co., Ltd. | 3,109,502.50 | - |
| | Sinotrans Container Transportation (Hainan) Co., Ltd. | 2,350,603.78 | - |
| | Great Horn Development Company FZCo | 2,201,806.92 | 2,162,941.76 |
| | Dalian Container Terminal Co., Ltd. | 2,157,150.00 | 1,725,150.00 |
| | China Merchants International Shipping Agency (Shenzhen) Co., Ltd. | 1,860,650.90 | 1,750,277.36 |
| | China Marine Shipping Agency Guangdong Co., Ltd. | 1,641,276.39 | 2,765,338.38 |
| | Merchants Port City | 1,404,084.82 | - |
| | New Land-Sea Corridor Operation (Zhanjiang) Co., Ltd. | 1,328,516.60 | - |
| | Sinotrans (HK) Shipping Limited | 1,188,868.03 | 682,942.44 |
| | China Marine Shipping Agency Shenzhen Co., Ltd. | 1,124,282.95 | - |
| | Other related parties | 7,451,938.55 | 11,177,808.69 |
| | Total | 59,657,889.43 | 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 | 31/12/2024 | 31/12/2023 |
|--|---|-------------------|-------------------|
| Dividends receivable | Shanghai Port Group | 326,565,642.25 | - |
| | Nanshan Group and its subsidiaries | 148,056,000.00 | 203,577,000.00 |
| | Merchants Port City | 38,809,044.77 | 38,809,044.77 |
| | Euro-Asia Oceangate S.a.r.l. | 23,881,469.17 | - |
| | China Ocean Shipping Agency Shenzhen Co., Ltd. | 10,575,000.00 | 11,232,000.00 |
| | COSCO Logistics (Zhanjiang) Co., Ltd. | 5,649,001.16 | 13,449,001.16 |
| | Qingdao Wutong Century Supply Chain Co., Ltd. | 1,190,109.26 | - |
| | Tin-Can Island Container Terminal Ltd. | - | 21,960,680.22 |
| | Yingkou Gangxin Technology Co., Ltd. | - | 23,881,213.75 |
| | Dalian Port Logistics Network Co., Ltd. | - | 30,605,256.76 |
| Total | 554,726,266.61 | 343,514,196.66 | |
| Other receivables | Chu Kong River Trade Terminal Co., Ltd. | 37,374,974.40 | 36,575,039.20 |
| | Shenzhen Nanyou (Holdings) Ltd. | 30,639,652.92 | 30,639,652.92 |
| | Shenzhen Qianhai Shekou Free Trade Investment Development Co., Ltd. | 6,310,000.00 | 6,310,000.00 |
| | China Merchants Investment Development Company Limited | 3,837,775.52 | 2,830,188.69 |
| | China Merchants Group (Hong Kong) Co., Ltd. | 2,300,860.48 | - |
| | CM Port Chuangrong (Shenzhen) Technology Co., Ltd. | 1,929,055.32 | - |
| | EuroAsia Dockyard Enterprise and Development Limited | 1,565,400.24 | 1,531,896.04 |
| | China Merchants Commercial Property Investment (Shenzhen) Co., Ltd. | 1,166,408.40 | 1,166,408.40 |
| | Tin-Can Island Container Terminal Ltd. | 1,056,415.05 | 1,320,562.03 |
| | PORT DE DJIBOUTI S.A. | - | 24,966,517.50 |
| | Other related parties | 1,922,371.33 | 3,332,541.61 |
| Total | 88,102,913.66 | 108,672,806.39 | |
| Prepayments | Other related parties | 306,332.45 | 250,084.22 |
| Non-current assets due within one year | Tianjin Haitian Bonded Logistics Co., Ltd. | 34,300,000.00 | - |
| | China Merchants Finance Lease (Tianjin) Co., Ltd. | 733,025.11 | 3,800,000.00 |
| | Terminal Link SAS | - | 7,468,849.83 |
| | China Merchants Finance Lease (Shanghai) Co., Ltd. | - | 6,200,000.00 |
| | Total | 35,033,025.11 | 17,468,849.83 |
| Long-term receivables | Port of Newcastle and its subsidiaries | 920,674,796.27 | 921,402,438.00 |
| | Terminal Link SAS | 215,013,954.38 | 204,299,511.52 |
| | China Merchants Finance Lease (Tianjin) Co., Ltd. | 720,170.57 | 695,876.01 |
| | Zhoushan Blue Ocean Investment Co., Ltd. | 338,124.80 | 4,996,989.39 |
| | Tianjin Haitian Bonded Logistics Co., Ltd. | - | 34,300,000.00 |
| | Total | 1,136,747,046.02 | 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 | 31/12/2024 | 31/12/2023 |
|---------------------------|---|-------------------|-------------------|
| Short-term borrowings | China Merchants Bank Co., Ltd. | 1,298,369,781.25 | 1,150,880,891.67 |
| | China Merchants Group Finance Company Limited | 180,132,916.65 | 200,176,534.70 |
| | Total | 1,478,502,697.90 | 1,351,057,426.37 |
| Accounts payable | Antong Holdings and its subordinate companies | 17,869,057.61 | 20,360,897.30 |
| | Khor Ambado FZCo | 14,376,800.00 | 22,639,585.37 |
| | Nanshan Group and its subsidiaries | 7,757,550.49 | 5,968,662.37 |
| | Sinotrans South China Co., Ltd. | 7,731,300.00 | - |
| | China Merchants (Shenzhen) Power Supply Co., Ltd. | 7,491,614.83 | - |
| | Shenzhen Bay Electricity Industry Co., Ltd. | 5,886,136.82 | 5,394,353.74 |
| | China Merchants Port and Shipping Digital Technology (Liaoning) Co., Ltd. | 4,785,479.04 | 2,905,000.00 |
| | China Merchants Xinzhi Technology Co., Ltd. | 2,695,000.00 | - |
| | Qingdao Qianwan West Port United Wharf Co., Ltd. | 2,302,401.72 | 4,066,438.84 |
| | China Merchants Port Investment Development Company Limited | 1,916,766.44 | 1,649,069.28 |
| | Yiu Lian Dockyards Limited | 1,831,651.56 | 1,135,115.31 |
| | EuroAsia Dockyard Enterprise and Development Limited | 1,562,589.15 | 2,413,589.56 |
| | Dalian Port Logistics Technology Co., Ltd. | 1,665,213.32 | 17,607,121.00 |
| | Dalian Port Logistics Network Co., Ltd. | - | 8,355,644.80 |
| | Dalian Ganglong Technology Co., Ltd. | - | 2,739,450.00 |
| Other related parties | 3,535,354.94 | 4,803,051.61 | |
| Total | 79,908,223.92 | 100,037,979.18 | |
| Advance payments received | Other related parties | 1,020,627.96 | 196,301.30 |
| | China Merchants Investment Development Company Limited | - | 5,358,074.44 |
| | Total | 1,020,627.96 | 5,554,375.74 |
| Contract liabilities | Other related parties | 990,669.32 | 3,214,834.92 |
| | COSCO Logistics (Zhanjiang) Co., Ltd. | - | 4,552,313.24 |
| | Qingdao Sinotrans Supply Chain Management Co., Ltd. | - | 1,464,429.12 |
| | Total | 990,669.32 | 9,231,577.28 |
| Dividends payable | China Merchants Zhangzhou Development Zone Co., Ltd. | 79,792,513.04 | 77,734,806.46 |
| | Zhanjiang Infrastructure Construction Investment Group Co., Ltd. | 52,542,231.24 | - |
| | Dalian Port Container | - | 16,160,696.61 |
| | Jifa Logistics | - | 9,575,104.42 |
| | Yingkou Port Group | - | 5,372,456.78 |
| | Yiu Lian Dockyards Limited | - | 2,334,150.00 |
| Total | 132,334,744.28 | 111,177,214.27 | |
| Other payables | Lac Assal Investment Holding Company Limited | 81,768,095.74 | 64,310,900.95 |
| | China Merchants Shekou Industrial Zone Holdings Co., Ltd. | 6,930,409.58 | - |
| | Antong Holdings and its subordinate companies | 4,743,266.37 | 4,743,266.37 |
| | China Merchants Port Investment Development Company Limited | 3,559,625.15 | - |
| | Bayesian Computing (Tianjin) Information Technology Co., Ltd. | 3,458,400.00 | - |
| | CIAO International Limited | 2,999,920.00 | - |

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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 | 31/12/2024 | 31/12/2023 |
|---|---|-------------------------|-----------------------|
| Other payables | China Merchants Commercial Property Investment (Shenzhen) Co., Ltd. | 2,975,713.65 | 5,000,000.03 |
| | Sinotrans Shenzhen Qianhai Supply Chain Management Ltd. | 1,744,765.30 | 1,690,130.78 |
| | Nanshan Group and its subsidiaries | 1,487,524.53 | - |
| | Other related parties | 12,615,452.63 | 9,420,961.74 |
| | Terminal Link SAS | - | 10,423,425.44 |
| | China Merchants Real Estate (Shenzhen) Co., Ltd. | - | 10,079,369.00 |
| | China Merchant Food (China) Co., Ltd. | - | 1,069,017.00 |
| | China Traffic Import and Export Co., Ltd. | - | 1,055,975.76 |
| | Total | 122,283,172.95 | 107,793,047.07 |
| Non-current liabilities due within one year | China Merchants Group Finance Company Limited | 153,940,240.06 | 288,071,994.22 |
| | China Merchants Bank Co., Ltd. | 115,025,994.45 | 199,326,195.84 |
| | China Merchants Finance Lease (Tianjin) Co., Ltd. | 40,241,960.67 | 7,548,329.72 |
| | China Merchants Shekou Industrial Zone Holdings Co., Ltd. | 37,080,955.45 | 35,719,107.95 |
| | EuroAsia Dockyard Enterprise and Development Limited | 14,776,413.72 | - |
| | Baosteel Zhanjiang Iron&Steel Co.,Ltd. | 1,741,135.31 | - |
| | Other related parties | 843,949.71 | 375,528.56 |
| | Nanshan Group and its subsidiaries | - | 63,331,699.85 |
| | China Merchants Commercial Property Investment (Shenzhen) Co., Ltd. | - | 6,396,788.04 |
| | China Merchants Finance Lease (Shanghai) Co., Ltd. | - | 76,461,173.65 |
| | Total | 363,650,649.37 | 677,230,817.83 |
| Long-term borrowings | China Merchants Bank Co., Ltd. | 1,316,000,000.00 | 158,000,000.00 |
| | China Merchants Group Finance Company Limited | 658,012,389.53 | 721,624,592.13 |
| | Total | 1,974,012,389.53 | 879,624,592.13 |
| Lease liabilities | China Merchants Shekou Industrial Zone Holdings Co., Ltd. | 32,067,795.24 | 62,185,360.58 |
| | China Merchants International Cold Chain (Shenzhen) Company Limited | 1,182,801.92 | - |
| | Other related parties | - | 1,070,904.61 |
| | Total | 33,250,597.16 | 63,256,265.19 |
| Long-term payables | China Merchants Finance Lease (Tianjin) Co., Ltd. | 31,964,366.45 | 33,905,690.32 |

(XVI) SHARE-BASED PAYMENTS

1. Equity instruments

| Type of targets granted | Granted in the current year | | Exercised in the current year | | Unlocked in the current year | | Lapsed in the current year | |
|--------------------------------|------------------------------------|---------------|--------------------------------------|---------------|-------------------------------------|---------------|-----------------------------------|---------------|
| | Qty. | Amount | Qty. | Amount | Qty. | Amount | Qty. | Amount |
| Management | - | - | 2,233,820.00 | 7,276,001.00 | 3,797,080.00 | 12,401,407.00 | 49,200.00 | 159,900.00 |

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(XVI) SHARE-BASED PAYMENTS - continued

1. Equity instruments - continued

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

| Type of targets granted | Outstanding stock option at the end of current year | |
|-------------------------|---|----------------------------|
| | Range of exercise prices | Remaining term of contract |
| Management | RMB 13.25 to RMB 15.50 | 25 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 year and the estimates of prior year | Nothing |
| The aggregate amount of equity-settled share-based payments that is included in capital reserve | 506,305.80 |

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. Company uniformly adjusted the exercise price from RMB 16.53 per share to 16.08 per share in respect of the first batch of stock option granted under the stock option incentive plan (phase I), and the exercise price of the reserved portion of stock option from RMB 14.28 per share to 13.83 per share on 16 January 2024. Company uniformly adjusted the exercise price from RMB 16.08 per share to 15.50 per share in respect of the first batch of stock option granted under the stock option incentive plan (phase I), and the exercise price of the reserved portion of stock option from RMB 13.83 per share to 13.25 per share on 31 August 2024.

As at the date on which the financial statements are issued, as 2 of the incentive targets for the first batch of stock option granted under the stock option incentive plan (phase I) have lost the qualification to participate in the company's incentive plan, the board of directors of the Company decided to cancel in total of 49,200 shares of stock option granted but not yet exercised by such persons.

As at the date on which the financial statements are issued, 193 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) 188 incentive targets who met the designated grades in the performance assessment, holding 100% of the stock option (totalling 3,422,400 shares) for the third vesting period of the stock option (1st batch) under the stock option incentive plan (phase I) of the Company and satisfying the criteria of exercise; and (2) 5 incentive targets who met the designated grades in the performance assessment, holding 80% of the stock option (totalling 60,480 shares) for the third vesting period of the stock option (1st batch) under the stock option incentive plan (phase I) of the Company and satisfying the criteria of exercise. The second vesting period of the stock option (reserved portion) under the stock option incentive plan (phase I) targets to total 3 persons who can exercise the rights. The 3 incentive targets have met the designated grades in the performance assessment, and 100% of stock option for the second vesting period of the stock option (reserved portion) under the stock option incentive plan (phase I) of the Company held by them have satisfied the criteria of exercise, granting 265,000 shares of exercisable stock option for the second vesting period of the stock option (reserved portion) under the stock option incentive plan (phase I).

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(XVI) SHARE-BASED PAYMENTS - continued

3. Share-based payment expenses in the current year

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

(XVII) COMMITMENTS AND CONTINGENCIES

1. Significant commitments

| Item | 31/12/2024 | 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 | 68,882,165.47 | 467,604,906.76 |
| - Commitment to acquire and construct long-term assets | 2,891,660,439.17 | 2,407,538,867.35 |
| Total | 2,960,542,604.64 | 2,875,143,774.11 |

2. Contingencies

| Item | 31/12/2024 | 31/12/2023 |
|---|------------------|------------------|
| Contingent liabilities brought by external litigations (Note 1) | 804,570,710.82 | 946,218,359.48 |
| Guarantee for borrowings of related parties (Note 2) | 342,405,821.51 | 347,437,758.18 |
| Total | 1,146,976,532.33 | 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 at as the year end. The amount involved in the pending litigation is RMB 804,570,710.82. At the same time, for the pending litigation existing before the Group's acquisition of TCP, the counter compensation agreement in favour of the Group will be executed by the original TCP shareholders who sell shares. According to the counter compensation agreement, the original TCP shareholders need to compensate the Group for contingent liabilities, and the amount of compensation should not exceed the predetermined amount and the specified period. According to the latest estimates of the management of the Company, the above pending litigation is unlikely to lead to the outflow of economic benefits from the enterprise. Therefore, the Group has not recognized the estimated liabilities for the contingent liabilities caused by the above pending litigation.

(XVII) COMMITMENTS AND CONTINGENCIES - continued

2. Contingencies - continued

Note 2: As at 31 December 2024, the guarantees provided by the Group for related parties are detailed in Note (XV) 5.

As at 31 December 2024, the directors of the Company 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 low.

Except for the above-mentioned contingencies, as at 31 December 2024, the Group had no other major guarantees and other contingencies that need to be explained.

(XVIII) EVENTS AFTER THE BALANCE SHEET

According to the profit distribution plan for 2024 and as approved by the 4th meeting of the 11th board of directors on 1 April 2025, the Company, based on the total share capital after deducting the number of shares held in the special repurchase account of 2,490,229,307 as at 24 March 2025, distributes cash dividends at RMB 7.40 (inclusive of tax) for every 10 shares, totalling RMB 1,842,769,687.18. The above profit distribution plan has not yet been approved by shareholders' meeting.

(XIX) OTHER SIGNIFICANT EVENTS

1. Segment reporting

(1) Basis for determining reporting segments and accounting policies

The key management team of the Company is regarded as the CODM, who reviews the Group's internal reports in order to assess performance, allocate resources and determine the operating segments. The CODM considers the operation of the Group in terms of business and locations.

Individual operating segments for which discrete financial information is available are identified by the CODM and are operated by their respective management teams. These individual operating segments are aggregated in arriving at the reporting segments of the Group.

From business and location perspectives, the management assesses the performance of the Group's business operations including ports operation, bonded logistics operation and other operations.

Ports operation

Ports operation includes container terminal operation, bulk and general cargo terminal operation operated by the Group and its associates and joint ventures.

(XIX) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(1) Basis for determining reporting segments and accounting policies - continued

Ports operation - continued

The Group's ports operation is presented as follows:

(a) Mainland China, Hong Kong and Taiwan

- Pearl River Delta
- Yangtze River Delta
- Bohai Rim
- Others

(b) Other locations outside of Mainland China, Hong Kong and Taiwan

Bonded logistics operation

Bonded logistics operation includes logistics park operation, ports transportation and airport cargo handling operated by the Group and its associates and joint ventures.

Other operations

Other operations mainly include property development and investment and logistics business operated by the Group's associates, property investment operated by the Group and corporate function.

Each of the segments under ports operation includes the operations of a number of ports in various locations within one geographic location. For the purpose of segment reporting, these individual operating segments have been aggregated into reportable segments on geographic basis in order to present a more systematic and structured segment information. To give details of each of the operating segments, in the opinion of the directors of the Company, would result in particulars of excessive length.

Bonded logistics operation and other operations include a number of different operations, each of which is considered as a separate but insignificant operating segment by the CODM. For segment reporting, these individual operating segments have been aggregated according to the nature of their operations to give rise to more meaningful presentation.

There are no material sales or other transactions between the segments.

The revenue from a major customer of ports operation amounts to RMB 2,298,041,181.02, representing 14.25% (2023: 12.74%) of the Group's operating income for 2024.

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(XIX) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Financial information of reporting segments

Segment financial information for 2024 is as follows:

| Item | Ports operation | | | | | | Bonded logistics operation | Others | Unallocated amount | Total |
|---|--------------------------------------|---------------------|----------------|------------------|------------------|-------------------|----------------------------|-----------------|--------------------|-------------------|
| | Mainland China, Hong Kong and Taiwan | | | | Other locations | Sub-total | | | | |
| | Pearl River Delta | Yangtze River Delta | Bohai Rim | Others | | | | | | |
| Operating income | 6,431,616,103.24 | 1,244,488.00 | 35,429,691.48 | 3,443,761,318.55 | 5,450,560,759.22 | 15,362,612,360.49 | 581,135,985.94 | 187,029,681.81 | - | 16,130,778,028.24 |
| Operating costs | 3,643,704,953.94 | 7,879,940.23 | 21,554,240.31 | 2,549,974,747.42 | 2,427,214,953.44 | 8,650,328,835.34 | 321,819,100.85 | 223,868,756.16 | - | 9,196,016,692.35 |
| Segment operating profit ("-" for losses) | 2,787,911,149.30 | -6,635,452.23 | 13,875,451.17 | 893,786,571.13 | 3,023,345,805.78 | 6,712,283,525.15 | 259,316,885.09 | -36,839,074.35 | - | 6,934,761,335.89 |
| Taxes and surcharges | 36,099,143.56 | 1,108,732.05 | 1,142,301.89 | 53,246,818.52 | 188,035,503.59 | 279,632,499.61 | 26,824,541.00 | 24,354,678.99 | 1,522,043.55 | 332,333,763.15 |
| Administrative expense | 441,642,697.27 | 3,306,900.14 | 13,422,831.03 | 528,149,064.56 | 300,139,650.63 | 1,286,661,143.63 | 75,409,818.29 | 1,125,717.14 | 458,347,603.12 | 1,821,544,282.18 |
| R&D expenses | 175,109,423.61 | - | - | 26,645,642.75 | - | 201,755,066.36 | - | - | - | 201,755,066.36 |
| Financial expenses | 37,387,836.75 | 7,762,806.23 | -299,175.51 | 88,123,829.70 | 254,737,267.23 | 387,712,564.40 | -4,790,361.01 | 14,653,358.03 | 1,459,790,075.45 | 1,857,365,636.87 |
| Other income | 143,256,859.08 | 1,225,442.53 | 26,641.94 | 29,233,233.29 | - | 173,742,176.84 | 11,444,551.72 | 223,574.73 | - | 185,410,303.29 |
| Investment income ("-" for losses) | 132,466,129.59 | 5,278,531,361.17 | 344,928,827.95 | 449,467,610.73 | 592,968,393.40 | 6,798,362,322.84 | 99,910,880.05 | -374,726,770.23 | 23,450,098.84 | 6,546,996,531.50 |
| Including: Investment income from associates and joint ventures | 54,377,294.47 | 5,315,828,512.05 | 308,915,198.02 | 443,732,105.49 | 592,968,393.40 | 6,715,821,503.43 | 99,910,880.05 | -374,726,770.23 | - | 6,441,005,613.25 |
| Gains from changes in fair value ("-" for losses) | 36,202,805.35 | - | 348,884,984.49 | 1,166,382.24 | - | 386,254,172.08 | - | 2,172,987.58 | 1,805,205.49 | 390,232,365.15 |
| Reversal of/(Losses on) credit impairment | -2,173,136.38 | - | - | -96,866,918.68 | 309,219,962.77 | 210,179,907.71 | 63,614,401.37 | -800,000.00 | - | 272,994,309.08 |
| Impairment losses ("-" for losses) | -767,306.24 | - | - | - | - | -767,306.24 | - | -8,113,482.64 | - | -8,880,788.88 |
| Gains from asset disposals ("-" for losses) | 2,100,085.81 | - | -108,483.27 | 35,115,963.87 | -3,054,695.65 | 34,052,870.76 | 53,074.13 | - | -43,549.14 | 34,062,395.75 |
| Operating profit ("-" for losses) | 2,408,757,485.32 | 5,260,942,913.05 | 693,341,464.87 | 615,737,487.05 | 3,179,567,044.85 | 12,158,346,395.14 | 336,895,794.08 | -458,216,519.07 | -1,894,447,966.93 | 10,142,577,703.22 |

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(XIX) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Financial information of reporting segments - continued

Segment financial information for 2024 is as follows: - continued

| Item | Ports operation | | | | | | Bonded logistics operation | Others | Unallocated amount | Total |
|---|--------------------------------------|---------------------|------------------|-------------------|-------------------|--------------------|----------------------------|-------------------|--------------------|--------------------|
| | Mainland China, Hong Kong and Taiwan | | | | Other locations | Sub-total | | | | |
| | Pearl River Delta | Yangtze River Delta | Bohai Rim | Others | | | | | | |
| Non-operating income | 14,854,852.86 | 56,603.78 | 494,224.01 | 12,062,080.43 | 25,247,186.94 | 52,714,948.02 | 123,746.37 | 958,639.58 | 5,221,321.35 | 59,018,655.32 |
| Non-operating expenses | 7,303,147.15 | 8,273.40 | - | 11,096,299.32 | 41,686,171.97 | 60,093,891.84 | 18,742.91 | 12,929.40 | 10,126,537.58 | 70,252,101.73 |
| Total profit ("-" for losses) | 2,416,309,191.03 | 5,260,991,243.43 | 693,835,688.88 | 616,703,268.16 | 3,163,128,059.82 | 12,150,967,451.32 | 337,000,797.54 | -457,270,808.89 | -1,899,353,183.16 | 10,131,344,256.81 |
| Income tax expenses | 365,999,294.40 | 201,089,604.04 | 93,283,248.35 | 58,529,808.00 | 498,880,170.41 | 1,217,782,125.20 | 40,781,729.30 | -5,407,160.82 | -318,746.78 | 1,252,837,946.90 |
| Net profit ("-" for losses) | 2,050,309,896.63 | 5,059,901,639.39 | 600,552,440.53 | 558,173,460.16 | 2,664,247,889.41 | 10,933,185,326.12 | 296,219,068.24 | -451,863,648.07 | -1,899,034,436.38 | 8,878,506,309.91 |
| Segment assets | 26,481,857,320.70 | 61,773,227,599.24 | 9,089,898,859.40 | 27,215,990,680.75 | 41,379,476,385.11 | 165,940,450,845.20 | 4,728,601,803.38 | 17,454,804,395.36 | 13,393,994,837.51 | 201,517,851,881.45 |
| Total assets in the financial statements | 201,517,851,881.45 | | | | | | | | | |
| Segment liabilities | 7,005,450,645.63 | 1,432,965,514.91 | 155,616,589.06 | 6,879,752,045.97 | 6,573,177,512.48 | 22,046,962,308.05 | 520,327,840.86 | 478,408,300.92 | 50,313,714,657.37 | 73,359,413,107.20 |
| Total liabilities in the financial statements | 73,359,413,107.20 | | | | | | | | | |
| Supplementary information: | | | | | | | | | | |
| Depreciation and amortization | 1,101,974,370.36 | 5,227,042.20 | 909,172.37 | 880,034,559.48 | 953,267,886.64 | 2,941,413,031.05 | 94,938,612.00 | 194,188,349.73 | 36,732,644.12 | 3,267,272,636.90 |
| Interest income | 44,376,828.93 | 528,801.58 | 435,955.95 | 15,351,650.68 | 191,275,463.28 | 251,968,700.42 | 4,716,104.32 | 1,208,189.24 | 219,537,326.43 | 477,430,320.41 |
| Interest expense | 84,380,450.90 | 8,265,931.82 | - | 103,358,149.34 | 292,588,128.85 | 488,592,660.91 | 7,626,009.14 | 12,338,219.71 | 1,706,662,228.76 | 2,215,219,118.52 |
| Investment income from long-term equity investments under equity method | 54,377,294.47 | 5,315,828,512.05 | 308,915,198.02 | 443,732,105.49 | 592,968,393.40 | 6,715,821,503.43 | 99,910,880.05 | -374,726,770.23 | - | 6,441,005,613.25 |
| Long-term equity investments under equity method | 1,800,864,231.47 | 59,463,859,786.26 | 9,035,598,922.91 | 1,625,511,203.46 | 12,422,348,899.54 | 84,348,183,043.64 | 1,783,293,756.67 | 13,886,553,094.65 | - | 100,018,029,894.96 |
| Non-current assets other than long-term equity investments | 19,044,348,224.36 | 393,057,726.70 | 14,332,679.80 | 20,423,093,188.66 | 25,146,123,941.56 | 65,020,955,761.08 | 2,664,151,796.28 | 3,292,646,256.39 | 649,834,176.05 | 71,627,587,989.80 |

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(XIX) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Financial information of reporting segments - continued

Segment financial information for 2023 is as follows:

| Item | Ports operation | | | | | | Bonded logistics operation | Others | Unallocated amount | Total |
|---|--------------------------------------|---------------------|----------------|------------------|------------------|-------------------|----------------------------|----------------|--------------------|-------------------|
| | Mainland China, Hong Kong and Taiwan | | | | Other locations | Sub-total | | | | |
| | Pearl River Delta | Yangtze River Delta | Bohai Rim | Others | | | | | | |
| Operating income | 6,075,691,801.01 | 557,788,311.93 | 76,760,801.96 | 3,574,402,653.20 | 4,751,630,018.56 | 15,036,273,586.66 | 532,670,444.04 | 181,531,749.52 | - | 15,750,475,780.22 |
| Operating costs | 3,640,281,453.34 | 361,926,675.75 | 63,825,074.56 | 2,648,882,080.97 | 2,081,165,945.51 | 8,796,081,230.13 | 289,816,313.93 | 232,289,163.69 | - | 9,318,186,707.75 |
| Segment operating profit ("-" for losses) | 2,435,410,347.67 | 195,861,636.18 | 12,935,727.40 | 925,520,572.23 | 2,670,464,073.05 | 6,240,192,356.53 | 242,854,130.11 | -50,757,414.17 | - | 6,432,289,072.47 |
| Taxes and surcharges | 36,973,822.23 | 2,937,337.05 | 1,126,391.13 | 45,970,219.08 | 174,670,480.72 | 261,678,250.21 | 26,757,765.42 | 24,332,840.83 | 229,169.73 | 312,998,026.19 |
| Administrative expense | 437,814,344.01 | 26,162,000.70 | 9,644,685.03 | 529,927,581.34 | 289,653,304.36 | 1,293,201,915.44 | 49,569,679.55 | 1,111,358.13 | 432,758,202.26 | 1,776,641,155.38 |
| R&D expenses | 176,892,569.73 | 23,890,344.38 | - | 22,956,157.96 | - | 223,739,072.07 | - | - | - | 223,739,072.07 |
| Financial expenses | 57,700,690.44 | 20,953,099.98 | 1,883,921.89 | 85,621,075.66 | 55,969,633.29 | 222,128,421.26 | 3,129,354.57 | 20,854,412.74 | 1,593,001,139.57 | 1,839,113,328.14 |
| Other income | 148,491,604.96 | 10,227,298.67 | 203,918.26 | 50,512,014.48 | - | 209,434,836.37 | 14,668,272.54 | 286,151.86 | - | 224,389,260.77 |
| Investment income ("-" for losses) | 130,131,600.03 | 4,956,167,513.13 | 416,731,511.24 | 50,706,320.64 | 454,900,989.67 | 6,008,637,934.71 | 59,521,957.15 | 245,264,989.05 | 35,252,059.89 | 6,348,676,940.80 |
| Including: Investment income from associates and joint ventures | 44,963,451.52 | 4,750,830,911.12 | 375,529,615.82 | 47,995,671.63 | 454,900,989.67 | 5,674,220,639.76 | 59,521,957.15 | 245,264,989.05 | - | 5,979,007,585.96 |
| Gains from changes in fair value ("-" for losses) | 102,777,832.55 | -58,125,015.24 | 80,543,109.95 | -6,584,009.33 | - | 118,611,917.93 | -57,875,873.69 | 9,644,865.10 | 2,971,891.18 | 73,352,800.52 |
| Reversal of/(Losses on) credit impairment | 7,327,814.78 | -36,129.03 | - | 3,468,262.80 | -7,171,766.68 | 3,588,181.87 | 33,695,859.31 | - | - | 37,284,041.18 |
| Impairment losses ("-" for losses) | -1,091,994.67 | -189,030,229.12 | - | - | -1,175,087.49 | -191,297,311.28 | - | - | - | -191,297,311.28 |
| Gains from asset disposals ("-" for losses) | 6,196,256.45 | - | -7,362.22 | 34,965,994.86 | 507,804.31 | 41,662,693.40 | -602,074.20 | -4,253,879.72 | -47,206.87 | 36,759,532.61 |
| Operating profit ("-" for losses) | 2,119,862,035.36 | 4,841,122,292.48 | 497,751,906.58 | 374,114,121.64 | 2,597,232,594.49 | 10,430,082,950.55 | 212,805,471.68 | 153,886,100.42 | -1,987,811,767.36 | 8,808,962,755.29 |

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(XIX) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Financial information of reporting segments - continued

Segment financial information for 2023 is as follows: - continued

| Item | Ports operation | | | | | | Bonded logistics operation | Others | Unallocated amount | Total |
|---|--------------------------------------|---------------------|------------------|-------------------|-------------------|--------------------|----------------------------|-------------------|--------------------|--------------------|
| | Mainland China, Hong Kong and Taiwan | | | | Other locations | Sub-total | | | | |
| | Pearl River Delta | Yangtze River Delta | Bohai Rim | Others | | | | | | |
| Non-operating income | 30,640,040.33 | 206,852.93 | 541,008.01 | 8,475,666.30 | 41,553,418.13 | 81,416,985.70 | 151,072.00 | 397,901.93 | 5,336,064.49 | 87,302,024.12 |
| Non-operating expenses | 7,067,285.26 | 269,926.28 | 89,933.45 | 20,553,447.08 | 59,763,043.59 | 87,743,635.66 | 323,424.06 | - | 9,005,781.00 | 97,072,840.72 |
| Total profit ("-" for losses) | 2,143,434,790.43 | 4,841,059,219.13 | 498,202,981.14 | 362,036,340.86 | 2,579,022,969.03 | 10,423,756,300.59 | 212,633,119.62 | 154,284,002.35 | -1,991,481,483.87 | 8,799,191,938.69 |
| Income tax expenses | 496,377,795.59 | 258,020,898.94 | 44,218,770.18 | 58,080,621.40 | 383,193,406.85 | 1,239,891,492.96 | 35,421,490.70 | 27,848,029.46 | 418,839.81 | 1,303,579,852.93 |
| Net profit ("-" for losses) | 1,647,056,994.84 | 4,583,038,320.19 | 453,984,210.96 | 303,955,719.46 | 2,195,829,562.18 | 9,183,864,807.63 | 177,211,628.92 | 126,435,972.89 | -1,991,900,323.68 | 7,495,612,085.76 |
| Segment assets | 23,724,145,365.09 | 57,709,896,939.07 | 9,703,687,046.02 | 27,727,348,979.52 | 42,500,927,378.99 | 161,366,005,708.69 | 4,712,961,257.31 | 19,403,999,499.27 | 13,074,330,201.99 | 198,557,296,667.26 |
| Total assets in the financial statements | | | | | | | | | | 198,557,296,667.26 |
| Segment liabilities | 7,029,170,965.33 | 1,275,695,327.99 | 158,452,621.02 | 6,498,242,286.20 | 7,189,272,994.18 | 22,150,834,194.72 | 540,614,061.66 | 617,809,748.89 | 49,678,104,233.18 | 72,987,362,238.45 |
| Total liabilities in the financial statements | | | | | | | | | | 72,987,362,238.45 |
| Supplementary information: | | | | | | | | | | |
| Depreciation and amortization | 1,126,510,216.09 | 113,947,562.11 | 882,064.68 | 875,850,774.90 | 866,605,229.04 | 2,983,795,846.82 | 102,034,394.34 | 194,738,423.53 | 23,167,239.73 | 3,303,735,904.42 |
| Interest income | 42,679,230.74 | 2,243,451.14 | 714,733.07 | 22,543,238.68 | 256,085,052.61 | 324,265,706.24 | 7,210,199.57 | 1,678,151.13 | 164,439,864.42 | 497,593,921.36 |
| Interest expense | 90,781,497.89 | 10,849,293.26 | - | 107,297,773.92 | 314,310,921.43 | 523,239,486.50 | 8,495,591.27 | 19,075,433.27 | 1,687,342,285.62 | 2,238,152,796.66 |
| Investment income from long-term equity investments under equity method | 44,963,451.52 | 4,750,830,911.12 | 375,529,615.82 | 47,995,671.63 | 454,900,989.67 | 5,674,220,639.76 | 59,521,957.15 | 245,264,989.05 | - | 5,979,007,585.96 |
| Long-term equity investments under equity method | 1,764,751,439.03 | 55,844,039,253.08 | 8,777,428,828.42 | 1,715,660,813.08 | 12,507,306,667.48 | 80,609,187,001.09 | 1,756,185,613.17 | 14,300,745,162.01 | - | 96,666,117,776.27 |
| Non-current assets other than long-term equity investments | 18,193,324,391.19 | 398,488,128.16 | 14,938,012.93 | 20,908,386,344.60 | 26,031,938,950.63 | 65,547,075,827.51 | 2,381,793,244.49 | 4,753,153,217.29 | 419,380,677.78 | 73,101,402,967.07 |

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Unless otherwise specified, the monetary unit shall be RMB)

(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 | 2024 | 2023 |
|---|-------------------|-------------------|
| Mainland China, Hong Kong and Taiwan | 10,621,214,882.76 | 10,958,608,605.93 |
| Pearl River Delta | 6,989,210,788.24 | 6,600,817,552.32 |
| Yangtze River Delta | 1,244,488.00 | 557,788,311.93 |
| Bohai Rim | 186,998,287.97 | 225,600,088.48 |
| Others | 3,443,761,318.55 | 3,574,402,653.20 |
| Other locations | 5,509,563,145.48 | 4,791,867,174.29 |
| Total | 16,130,778,028.24 | 15,750,475,780.22 |

| Total non-current assets | 31/12/2024 | 31/12/2023 |
|--------------------------------------|--------------------|--------------------|
| Mainland China, Hong Kong and Taiwan | 131,164,149,562.93 | 128,859,143,257.19 |
| Pearl River Delta | 38,760,830,551.24 | 40,390,524,565.51 |
| Yangtze River Delta | 59,856,917,512.96 | 56,242,527,381.24 |
| Bohai Rim | 9,537,186,598.85 | 9,297,697,381.31 |
| Others | 23,009,214,899.88 | 22,928,393,929.13 |
| Other locations | 40,481,468,321.83 | 40,908,377,486.15 |
| Total | 171,645,617,884.76 | 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 4,945,574,524.17, accounting for 30.66% 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 | 31/12/2024 | 31/12/2023 |
|----------------------|-------------------|-------------------|
| Dividends receivable | 965,690,879.89 | 167,092,526.14 |
| Other receivables | 1,447,751,781.79 | 1,575,369,144.18 |
| Total | 2,413,442,661.68 | 1,742,461,670.32 |

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Unless otherwise specified, the monetary unit shall be RMB)

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

- continued

1. Other receivables - continued

1.2 Dividends receivable

(1) Dividends receivable listed by aging

| Investee | 31/12/2024 | 31/12/2023 | Reason for outstanding | Impaired or not and the determination basis |
|--|-----------------------|-----------------------|---|---|
| Dividend receivable aged less than 1 year | 816,439,596.16 | 19,195,762.26 | --- | --- |
| Including: Port Development (Hong Kong) Co., Ltd. | 805,654,800.00 | - | --- | No |
| Chiwan Shipping (Hong Kong) Limited | 209,796.16 | 3,205,094.23 | --- | No |
| China Ocean Shipping Agency Shenzhen Co., Ltd. | 10,575,000.00 | 11,232,000.00 | --- | No |
| China Merchants International Technology Co., Ltd. | - | 4,758,668.03 | --- | No |
| Dividend receivable aged more than 1 year | 149,251,283.73 | 147,896,763.88 | --- | --- |
| Including: Wharf Holdings Hong Kong | 147,680,363.88 | 147,680,363.88 | Relevant procedures are being handled and past dividends are being paid in succession | No |
| Chiwan Shipping (Hong Kong) Limited | 1,354,519.85 | - | Relevant procedures are being handled and past dividends are being paid in succession | No |
| Others | 216,400.00 | 216,400.00 | Lack of funds | No |
| Sub-total | 965,690,879.89 | 167,092,526.14 | --- | --- |
| Less: Provision for bad debts | - | - | --- | --- |
| Total | 965,690,879.89 | 167,092,526.14 | --- | --- |

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise specified, the monetary unit shall be RMB)

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

- continued

1. Other receivables - continued

1.3 Other receivables

(1) Aging analysis of other receivables

| Item | 31/12/2024 | | | 31/12/2023 | | |
|----------------------------------|---------------|----------------|-------------------------|---------------|----------------|-------------------------|
| | Book value | Proportion (%) | Provision for bad debts | Book value | Proportion (%) | Provision for bad debts |
| Within 1 year (including 1 year) | 1,447,152,882 | | | 910,225,173 | | |
| 1 to 2 years (including 2 years) | 85 | | | 62,417,68 | | |
| 2 to 3 years (including 3 years) | | | | 25,000 | | |
| More than 3 years | 7177 | | 3 | 7177 | | 3366 |
| Total | 1,448,135,239 | | 3 | 1,575,752,608 | | 3366 |

(2) Disclosure of other receivables by nature

| Item | 31/12/2024 | 31/12/2023 |
|----------------------------------|------------------|------------------|
| Amounts due from related parties | 1,438,029,807.71 | 1,553,447,353.90 |
| Advance payments | 5,779,708.72 | 4,965,337.56 |
| Others | 4,325,721.96 | 17,339,909.32 |
| Sub-total | 1,448,135,238.39 | 1,575,752,600.78 |
| Less: Provision for bad debts | 383,456.60 | 383,456.60 |
| Total | 1,447,751,781.79 | 1,575,369,144.18 |

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise specified, the monetary unit shall be RMB)

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

1. Other receivables - continued

1.3 Other receivables - continued

(3) Provision for bad debts of other receivables

| Credit rating | Expected credit loss rate (%) | Book value | | | | | Provision for bad debts | | | | | Carrying amount | Reason for provision |
|---------------|-------------------------------|------------------|-----------|-----------|-------------------|------------------|-------------------------|-----------|-----------|-------------------|------------|------------------|------------------------------|
| | | Aging | | | | | Aging | | | | | | |
| | | Within 1 year | 1-2 years | 2-3 years | More than 3 years | Total | Within 1 year | 1-2 years | 2-3 years | More than 3 years | Total | | |
| A | 0.00-0.10 | 1,447,405,298.82 | 18,167.50 | - | 328,315.47 | 1,447,751,781.79 | - | - | - | - | - | 1,447,751,781.79 | — |
| 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 | - | Not expected to be recovered |
| Total | | 1,447,405,298.82 | 18,167.50 | - | 711,772.07 | 1,448,135,238.39 | - | - | - | 383,456.60 | 383,456.60 | 1,447,751,781.79 | — |

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Unless otherwise specified, the monetary unit shall be RMB)

(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 impairment of other receivables

| Item | Stage 1 | Stage 2 | Stage 3 | Total |
|---|--------------|---------------------------------------|-----------------------------------|------------|
| | 12-month ECL | Lifetime ECL (not credit-impaired) | Lifetime ECL (credit-impaired) | |
| As at 1 January 2024 | - | - | 383,456.60 | 383,456.60 |
| Balance of other receivables as at 1 January 2024 | | | | |
| - Transfer to Stage 2 | - | - | - | - |
| - Transfer to Stage 3 | - | - | - | - |
| - Reverse to Stage 2 | - | - | - | - |
| - Reverse to Stage 1 | - | - | - | - |
| Provision for the year | - | - | - | - |
| Reversal for the year | - | - | - | - |
| Transfer out due to derecognition of financial assets (including direct write-down) | - | - | - | - |
| Other changes | - | - | - | - |
| As at 31 December 2024 | - | - | 383,456.60 | 383,456.60 |

(5) Details of bad debt provision

| Category | 31/12/2023 | Changes for the year | | | | | 31/12/2024 |
|---|------------|----------------------|-------------------------|--|--------------------------------|------------------|------------|
| | | Provision | Recovery or reversal | Effect of changes in the scope of consolidation | Charge-off or write- off | Other changes | |
| Provision for bad debts assessed on an individual basis | 383,456.60 | - | - | - | - | - | 383,456.60 |
| Provision for bad debts assessed on a portfolio basis | - | - | - | - | - | - | - |
| Total | 383,456.60 | - | - | - | - | - | 383,456.60 |

(6) The Company has no recovery or reversal of significant provision for bad debts in the current year.

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise specified, the monetary unit shall be RMB)

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

- continued

1. Other receivables - continued

1.3 Other receivables - continued

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

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

| Name of entity | Relationship with the Company | Nature | Carrying amount | Aging | Proportion to total other receivables (%) | Provision for bad debts at the end of the year |
|--|-------------------------------|-------------------------|------------------|-------------------|---|--|
| Wharf Holdings Hong Kong | Related parties | Loan to related parties | 1,438,029,807.71 | Within 1 year | 99.30 | - |
| China Merchants Investment Development Company Limited | Related parties | Advance payments | 3,837,775.52 | Within 1 year | 0.27 | - |
| China Securities Depository and Clearing Corporation Limited Shenzhen Branch | Third party | Others | 2,149,711.30 | Within 1 year | 0.15 | - |
| Shenzhen Shekou Local Taxation Bureau | Third party | Others | 711,772.07 | More than 3 years | 0.05 | - |
| CNOOC Sales Shenzhen Co., Ltd. | Third party | Others | 35,880.59 | Within 1 year | 0.00 | - |
| Total | — | — | 1,444,764,947.19 | — | 99.77 | - |

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

(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

(1) Breakdown of long-term equity investments

| Investee | 31/12/2023 | Changes for the year | | | | | | | 31/12/2024 | Provision for impairment at the end of the year | |
|--|-------------------|----------------------|----------|---------------------------------------|----------------------------|------------------------|-----------------------------------|--------------------------|------------|---|---------------|
| | | Increase | Decrease | Investment income under equity method | Other comprehensive income | Other equity movements | Cash dividends or profit declared | Provision for impairment | | | Others |
| I. Subsidiaries | | | | | | | | | | | |
| Wharf Holdings Hong Kong | 1,070,000.00 | - | - | - | - | - | - | - | - | 1,070,000.00 | - |
| Chiwan Shipping (Hong Kong) Limited | 1,051,789.43 | - | - | - | - | - | - | - | - | 1,051,789.43 | - |
| Chiwan Container Terminal Co., Ltd. | 421,023,199.85 | - | - | - | - | - | - | - | - | 421,023,199.85 | - |
| Dongguan Shenchiwán Port Affairs Co., Ltd. | 186,525,000.00 | - | - | - | - | - | - | - | - | 186,525,000.00 | - |
| Dongguan Shenchiwán Wharf Co., Ltd. | 175,000,000.00 | - | - | - | - | - | - | - | - | 175,000,000.00 | - |
| Ports Development (Hong Kong) Limited | 29,203,045,326.23 | - | - | - | - | - | - | - | - | 29,203,045,326.23 | - |
| Shunkong Port (Note 1) | 194,673,400.00 | 45,339,800.00 | - | - | - | - | - | - | - | 240,013,200.00 | - |
| Guangdong Yide Port Co., Ltd. | 131,866,700.00 | - | - | - | - | - | - | - | - | 131,866,700.00 | - |
| Sanya Merchants Port Development Co., Ltd. | 2,040,000.00 | - | - | - | - | - | - | - | - | 2,040,000.00 | - |
| 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 | - |
| Shenzhen Chiwan International Freight Agency Co., Ltd. | 5,500,000.00 | - | - | - | - | - | - | - | - | 5,500,000.00 | - |
| Shenzhen Chiwan Tugboat Co., Ltd. | 24,000,000.00 | - | - | - | - | - | - | - | - | 24,000,000.00 | - |
| Zhanjiang Port | 3,381,825,528.52 | - | - | - | - | - | - | - | - | 3,381,825,528.52 | - |
| Zhoushan RoRo | 106,104,786.00 | - | - | - | - | - | - | - | - | 106,104,786.00 | 43,605,014.00 |
| CM Port (Note 2) | 181,316,161.41 | 163,260.82 | - | - | - | - | - | - | - | 181,479,422.23 | - |
| CM International Tech | 130,462,575.02 | - | - | - | - | - | - | - | - | 130,462,575.02 | - |
| Sub-total | 34,602,708,277.55 | 45,503,060.82 | - | - | - | - | - | - | - | 34,648,211,338.37 | 43,605,014.00 |
| II. Associates | | | | | | | | | | | |
| Antong Holdings | 922,332,364.58 | - | - | 41,664,538.16 | - | - | - | - | - | 963,996,902.74 | - |
| Ningbo Zhoushan | 16,813,664,839.73 | - | - | 1,030,682,677.97 | 23,261,592.67 | 35,887,971.57 | -371,449,726.01 | - | - | 17,532,047,355.93 | - |
| China Merchants Bonded Logistics Co., Ltd. | 382,205,734.47 | - | - | 58,262,622.73 | - | - | -47,284,052.37 | - | - | 393,184,304.83 | - |
| China Merchants Northeast Asia Development & Investment Co., Ltd. | 1,018,534,351.56 | - | - | 3,368,318.48 | - | 2,562.75 | - | - | - | 1,021,905,232.79 | - |
| Sub-total | 19,136,737,290.34 | - | - | 1,133,978,157.34 | 23,261,592.67 | 35,890,534.32 | -418,733,778.38 | - | - | 19,911,133,796.29 | - |
| III. Joint ventures | | | | | | | | | | | |
| Fujian Zhaohang Logistics Management Partnership (Limited Partnership) | 614,726,959.48 | - | - | 23,131,989.57 | - | - | - | - | - | 637,858,949.05 | - |
| Shenzhen Gangteng Internet Technology Co., Ltd. | 11,918,626.99 | - | - | -3,692,644.11 | - | - | - | - | - | 8,225,982.88 | - |
| Yantai Port Group Laizhou Port Co., Ltd. | 802,527,184.43 | - | - | 1,164,090.28 | 104,000.00 | 56,831.00 | - | - | - | 803,852,105.71 | - |
| Sub-total | 1,429,172,770.90 | - | - | 20,603,435.74 | 104,000.00 | 56,831.00 | - | - | - | 1,449,937,037.64 | - |
| Total | 55,168,618,338.79 | 45,503,060.82 | - | 1,154,581,593.08 | 23,365,592.67 | 35,947,365.32 | -418,733,778.38 | - | - | 56,009,282,172.30 | 43,605,014.00 |

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

- continued

2. Long-term equity investments - continued

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

Note 1: In July and December 2023, the Company and Guangdong Shunkong City Investment Real Estate Co. Ltd. entered into a capital increase agreement for Shunkong Port in two parts, whereby the two parties agreed to increase the capital by RMB 218,751,400.00 and RMB 153,823,600.00 together in accordance with their respective shareholding ratios of 51% and 49%, of which the Company contributed RMB 111,563,200.00 and RMB 78,450,000.00. According to the capital increase agreement, the Company paid a total of RMB 144,673,400.00 for the capital increase in 2023, the remaining amount paid this year is RMB 45,339,800.00. The shareholding ratio of the two investors remained unchanged after the capital increase.

Note 2: Details are set out in Note (XI) 1 (1).

3. Operating income and operating costs

| Item | 2024 | | 2023 | |
|---------------------|---------------|--------------|---------------|--------------|
| | Income | Cost | Income | Cost |
| Principal operation | - | - | - | - |
| Other operations | 18,456,183.80 | 3,739,443.84 | 17,326,885.29 | 3,686,411.84 |
| Total | 18,456,183.80 | 3,739,443.84 | 17,326,885.29 | 3,686,411.84 |

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

- continued

4. Investment income

(1) Details of investment income

| Item | 2024 | 2023 |
|--|------------------|------------------|
| Income from long-term equity investments under cost method | 1,259,829,095.19 | 416,405,658.26 |
| Income from long-term equity investments under equity method | 1,154,581,593.08 | 1,111,522,805.93 |
| Income from financial assets held for trading | 28,210,701.38 | 49,614,971.08 |
| Income from investments in other equity instruments | 10,575,000.00 | 20,056,500.00 |
| Total | 2,453,196,389.65 | 1,597,599,935.27 |

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

| Investee | 2024 | 2023 | Reason for changes |
|--|------------------|----------------|--|
| CM Port | 10,475,154.15 | 11,184,689.72 | 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 |
| CM International Tech | - | 9,517,336.07 | Changes in profit distribution of investee |
| Shenzhen Chiwan Harbor Container Co. Ltd. | 143,167,589.81 | 111,712,423.41 | 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 Shenchiwán Wharf Co., Ltd. | 42,509,038.50 | 33,386,741.74 | 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 |
| Dongguan Shenchiwán Port Affairs Co., Ltd. | 13,703,850.69 | 26,519,896.50 | 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 |
| Chiwan Shipping (Hong Kong) Limited | 209,796.16 | 7,902,673.23 | Changes in profit distribution of investee |
| Sanya Merchants Port Development Co., Ltd. | 3,360,900.00 | - | Changes in profit distribution of investee |
| Ports Development (Hong Kong) Limited | 805,654,800.00 | - | Changes in profit distribution of investee |
| Total | 1,259,829,095.19 | 416,405,658.26 | |

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

In accordance with the China Securities Regulatory Commission's Compilation Rules for *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), the weighted average return on net assets, basic earnings per share and diluted earnings per share of the Group for the year ended 31 December 2024 are as follows:

| Profit in reporting period | Weighted average return on net assets (%) | EPS | |
|---|---|-----------|-------------|
| | | Basic EPS | Diluted EPS |
| Net profit attributable to ordinary shareholders | 7.5087 | 1.8064 | 1.8061 |
| Net profit attributable to ordinary shareholders after deducting non-recurring profit or loss | 6.7285 | 1.6187 | 1.6184 |

CHINA MERCHANTS PORT GROUP CO., LTD.

**SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. BREAKDOWN OF NON-RECURRING PROFIT OR LOSS

In accordance with the provisions of China Securities Regulatory Commission's *Explanatory Announcement No. 1 on Information Disclosure for Companies Making Public Offering - Non-recurring Profit or Loss (Revised in 2023)*, the Group's non-recurring profit and loss for the year ended 31 December 2024 is as follows:

| Item | Amount | Remark |
|--|------------------|---------------|
| Gains or losses on disposal of non-current assets, including those charged off for which provision for impairment of assets has been made | 20,221,030.12 | |
| 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) | 131,947,787.92 | |
| Income earned from lending funds to non-financial institutions and recognized in profit or loss | 88,262,169.90 | |
| The excess of attributable fair value of identifiable net assets over the consideration paid for subsidiaries, associates and joint ventures | - | |
| Gains or losses on exchange of non-monetary assets | - | |
| 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 year up to the business combination date | - | |
| Gains or losses arising from contingencies other than those related to normal operating business | - | |
| Gains or losses from changes in fair value of financial assets and financial liabilities held by non-financial enterprises other than effective hedging operation relating to the Company's normal operations, and gains or losses from disposal of financial assets and financial liabilities | 449,311,363.27 | |
| Reversal of provision for accounts receivable that are tested for impairment individually | 380,331,461.37 | |
| 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 | 2,607,919.22 | |
| Other profit or loss that meets the definition of non-recurring profit or loss | - | |
| Sub-total | 1,072,681,731.80 | |
| Tax effects | -125,198,868.45 | |
| Effects of non-controlling interests (after tax) | -478,213,147.90 | |
| Total | 469,269,715.45 | |