

CHINA MERCHANTS PORT GROUP CO., LTD.

FINANCIAL STATEMENTS

FOR THE YEAR FROM 1 JANUARY TO 31 DECEMBER 2025

CHINA MERCHANTS PORT GROUP CO., LTD.

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

<u>CONTENTS</u>	<u>PAGE(S)</u>
AUDITOR'S REPORT	
CONSOLIDATED BALANCE SHEET	1- 3
BALANCE SHEET OF THE COMPANY	4 - 6
CONSOLIDATED INCOME STATEMENT	7 - 8
INCOME STATEMENT OF THE COMPANY	9
CONSOLIDATED CASH FLOW STATEMENT	10
CASH FLOW STATEMENT OF THE COMPANY	11
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	12 - 13
THE COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	14 - 15
NOTES TO THE FINANCIAL STATEMENTS	16 - 200

AUDITOR'S REPORT

毕马威华振审字第 2607559 号

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

I. Audit Opinion

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

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

II. Basis for the Opinion

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

III. Key Audit Matters

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

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 2025, the carrying amount of China Merchants Port Group's long-term equity investments in associates amounts to RMB 93,811,201,555.24 , accounting for 71.45% of the total shareholder's equity. For the year ended 31 December 2025, the investment income from associates recognised under the equity method amounts to RMB 6,035,646,183.31, accounting for 67.77% of the consolidated net profit.</p> <p>Since the amount of income from investments in associates recognised by China Merchants Port Group for the year is significant, we determine the above-mentioned subsequent measurement of the long-term equity investments in associates as a key audit matter of the consolidated financial statements.</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 Port Group, including checking the supporting documents of the relevant difference adjustment and the accuracy of the subsequent measurement of the long-term equity investments of the joint venture based on the adjustment.
Goodwill impairment	
Refer to Note (IV) 7 accounting policy to the financial statements, Note (VIII) 20 to the consolidated financial statements.	
The Key Audit Matter	How the matter was addressed in our audit
As at 31 December 2025, the carrying amount of the goodwill presented in the consolidated financial statements of China Merchants Port Group is RMB 6,176,416,050.77.	<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 recognise the impairment of goodwill as a key audit matter.</p>	<ul style="list-style-type: none"> • Based on our understanding of the industry in which China Merchants Port Group is located, and taking into account the historical operation of relevant asset groups and other external information, evaluate the rationality of the revenue growth rate adopted by management in determining the present value of the expected future cash flow; • Use the work of our valuation experts to evaluate the appropriateness of the valuation method and the reasonableness of the discount rate used by the management to determine the present value of the estimated future cash flow of the relevant asset group; • Carry out sensitivity analysis on the key assumptions of revenue growth rate and discount rate adopted by management, evaluate the possible impact of changes in key assumptions on the evaluation results of goodwill impairment, and whether there is any sign of management bias; • Compare the key assumptions adopted by management when preparing the present value of estimated cash flow in the previous year with the actual situation of the current year to evaluate whether there is any sign of management bias; • Evaluate whether the disclosure of goodwill impairment and key assumptions adopted in the financial statements meet the requirements of the Accounting Standards for Business Enterprises.

IV. Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

KPMG Huazhen LLP

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

吴惠煌(Engagement Partner)

Beijing, China

李丹

1 April 2026

CHINA MERCHANTS PORT GROUP CO., LTD.

As at 31 DECEMBER 2025

Consolidated Balance Sheet

RMB

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

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

As at 31 DECEMBER 2025

Consolidated Balance Sheet - continued

RMB

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

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

As at 31 DECEMBER 2025

Consolidated Balance Sheet - continued

RMB

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

The accompanying notes form part of the financial statements.

The financial statements were signed by the following:

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

CHINA MERCHANTS PORT GROUP CO., LTD.

As at 31 DECEMBER 2025

Balance Sheet of the Company

RMB

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

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

As at 31 DECEMBER 2025

Balance Sheet of the Company - continued

RMB

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

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

As at 31 DECEMBER 2025

Balance Sheet of the Company - continued

RMB

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

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2025

Consolidated Income Statement

RMB

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

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2025

Consolidated Income Statement - continued

RMB

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

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2025

Income Statement of the Company

RMB

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

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2025

Consolidated Cash Flow Statement

RMB

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

The accompanying notes form part of the financial statements.

Cash Flow Statement of the Company

RMB

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

The accompanying notes form part of the financial statements.

Consolidated Statement of Changes in Shareholders' Equity

RMB

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

Consolidated Statement of Changes in Shareholders' Equity - continued

RMB

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

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2025

The Company's Statement of Changes in Shareholders' Equity

RMB

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

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2025

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

RMB

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

The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

(I) GENERAL INFORMATION OF THE COMPANY

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

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

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

(II) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Basis of preparation of financial statements

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

Going concern

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

(III) STATEMENT OF COMPLIANCE WITH THE ASBE

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Accounting year

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

2. Operating cycle

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

3. Functional currency

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

4. Basis of accounting and principle of measurement

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

(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 5 million individually
Significant other receivables for which bad debt provision is assessed on an individual basis	The amount exceeds RMB 10 million individually
Reversal or recovery of significant bad debt provision	The amount exceeds RMB 10 million individually
Impairment testing of significant long-term equity investments	The carrying amount of an individual long-term equity investment $\geq 2\%$ 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 construction in progress
Significant accounts payable aged more than 1 year	The amount exceeds RMB 10 million individually
Significant advance payments received aged more than 1 year	The amount exceeds RMB 10 million individually
Significant contract liabilities aged more than 1 year	The amount exceeds RMB 10 million individually
Significant dividends payable aged more than 1 year	The amount exceeds RMB 50 million individually
Significant other payables aged more than 1 year	The amount exceeds RMB 30 million individually
Cash flows from significant investing activities	The amount exceeds 0.5% of the amount of total assets individually
Significant non-wholly owned subsidiaries	The amount of total revenue or total assets of subsidiaries exceeds 15% of the amount of total consolidated revenue or total consolidated assets
Significant joint ventures or associates	Joint ventures or associates in which the carrying amount of a long-term equity investment accounts for $\geq 10\%$ of the amount of total consolidated assets and in which the investment income recognised 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 recognised in profit or loss in the periods when they are incurred.

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

6. Business combinations - continued

6.2 Business combinations not involving enterprises under common control - continued

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

7. Goodwill

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

8. Consolidated financial statements

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

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

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

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

8. Consolidated financial statements - continued

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

8. Consolidated financial statements - continued

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

9. Joint arrangements

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

9. Joint arrangements - continued

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

10. Cash and cash equivalents

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

11. Financial instruments

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

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

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

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

11.1 Classification, recognition and measurement of financial assets

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.1 Classification, recognition and measurement of financial assets - continued

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

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

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

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

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

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

11.1.1 Financial assets measured at amortised cost

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.1 Classification, recognition and measurement of financial assets - continued

11.1.1 Financial assets measured at amortised cost - continued

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

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

11.1.2 Financial assets at FVTOCI

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.1 Classification, recognition and measurement of financial assets - continued

11.1.3 Financial assets at FVTPL

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

11.2 Impairment of financial instruments

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.2 Impairment of financial instruments - continued

11.2.1 Significant increase of credit risk

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.2 Impairment of financial instruments - continued

11.2.1 Significant increase of credit risk - continued

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

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

11.2.2 Credit-impaired financial assets

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.2 Impairment of financial instruments - continued

11.2.3 Determination of expected credit loss

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

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

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

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

11.2.4 Write-off of financial assets

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.3 Transfer of financial assets

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.3 Transfer of financial assets - continued

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

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

11.4 Classification of financial liabilities and equity instruments

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

11.4.1 Classification, recognition and measurement of financial liabilities

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

11.4.1.1 Financial liabilities at FVTPL

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.4 Classification of financial liabilities and equity instruments - continued

11.4.1 Classification, recognition and measurement of financial liabilities - continued

11.4.1.1 Financial liabilities at FVTPL - continued

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.4 Classification of financial liabilities and equity instruments - continued

11.4.1 Classification, recognition and measurement of financial liabilities - continued

11.4.1.2 Other financial liabilities

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

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

11.4.1.3 Financial guarantee contracts

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.4 Classification of financial liabilities and equity instruments - continued

11.4.2 Derecognition of financial liabilities

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

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

11.4.3 Equity instruments

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.5 Derivatives and embedded derivatives

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

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

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

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

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

11.6 Offsetting financial assets and financial liabilities

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

11.7 Compound instruments

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.7 Compound instruments - continued

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

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

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

11.8 Reclassification of financial instruments

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.8 Reclassification of financial instruments - continued

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

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

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

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

12. Receivables

12.1 Determination and accounting methods for expected credit losses of receivables

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

12. Receivables - continued

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

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

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

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

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

13. Inventories

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

13.1.1 Categories of inventories

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

13. Inventories - continued

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

13.1.2 Measurement method of cost of inventories

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

13.1.3 Inventory count system

The perpetual inventory system is perpetual inventory system.

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

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

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

14. Long-term equity investments

14.1 Basis for determining joint control and significant influence over investee

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

14.2 Determination of initial investment cost

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

14. Long-term equity investments - continued

14.2 Determination of initial investment cost - continued

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

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

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

14.3 Subsequent measurement and recognition of profit or loss

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

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

14. Long-term equity investments - continued

14.3 Subsequent measurement and recognition of profit or loss - continued

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

14. Long-term equity investments - continued

14.4 Disposal of long-term equity investments

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

14. Long-term equity investments - continued

14.4 Disposal of long-term equity investments - continued

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

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

15. Investment properties

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

(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 recognises the amount of any proceeds on disposal net of the carrying amount and related taxes in profit or loss for the period.

16. Fixed assets and depreciation

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

16. Fixed assets and depreciation - continued

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

17. Construction in progress

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

18. Intangible assets

18.1 Intangible assets

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

18. Intangible assets - continued

18.2 Expenditures on research and development

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

19. Long-term deferred expenses

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

20. Impairment of non-financial assets other than goodwill

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

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

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

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

21. Provisions

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

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

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

22. Employee benefits

22.1 Short-term employee benefits

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

22. Employee benefits - continued

22.1 Short-term employee benefits - continued

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

22. Employee benefits - continued

22.2 Post-employment benefits

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

22. Employee benefits - continued

22.2 Post-employment benefits - continued

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

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

22.3 Termination benefits

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

22.4 Other long-term employee benefits

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

22. Employee benefits - continued

22.4 Other long-term employee benefits - continued

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

23. Share-based payments

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

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

24. Bonds payable

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

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

25. Preference shares, perpetual bonds and other financial instruments

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

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

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

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

26. Revenue recognition

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

26. Revenue recognition - continued

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

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

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

26. Revenue recognition - continued

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

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

26. Revenue recognition - continued

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

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

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

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

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

26.3 Costs of obtaining a contract

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

26.4 Costs to fulfil a contract

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

27. Government grants

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

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

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

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

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

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

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

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income and recognised in profit or loss for the period in which the related costs or losses are recognised; If the grant is a compensation for related expenses or losses already incurred, the grant is recognised immediately in profit or loss.

A government grant related to the Group's daily activities is recognised in other income; a government grant not related to the Group's daily activities is recognised in non-operating income.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

28. Borrowing costs

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

Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalized is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. Where funds are borrowed under general-purpose borrowings, the Group determines the amount of interest to be capitalized on such borrowings by applying a capitalization rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings. During the capitalization period, exchange differences related to a specific-purpose borrowing denominated in foreign currency are all capitalized. Exchange differences in connection with general-purpose borrowings are recognised in profit or loss for the period in which they are incurred.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

29. Income tax

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

29.1 Current income tax

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

29.2 Deferred tax assets and deferred tax liabilities

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognised as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognised using the balance sheet liability method.

Deferred income tax are generally recognised for all taxable temporary differences. Deferred tax assets for deductible temporary differences are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. However, for temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction, which is not a business combination that affects neither the accounting profit nor taxable profits (or deductible losses) and will not result in taxable temporary differences and deductible temporary differences in equivalent amounts at the time of transaction, no deferred tax asset or liability is recognised.

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilized.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

29. Deferred tax assets/ deferred tax liabilities - continued

29.2 Deferred tax assets and deferred tax liabilities - continued

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with investments in subsidiaries, associates and joint ventures are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized and they are expected to be reversed in the foreseeable future.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates applicable in the period in which the asset is realized or the liability is settled according to tax laws.

Current and deferred tax expenses or income are recognised in profit or loss for the period, except when they arise from transactions or events that are directly recognised in other comprehensive income or shareholders' equity, in which case they are recognised in other comprehensive income or shareholders' equity, and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilized. Any such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

29.3 Income tax offsetting

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

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

30.1 Transactions denominated in foreign currencies

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

At the balance sheet date, foreign currency monetary items are translated into functional currency using the spot exchange rates at the balance sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the balance sheet date and those on initial recognition or at the previous balance sheet date are recognised in profit or loss for the period, except that (1) exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalization are capitalized as part of the cost of the qualifying asset during the capitalization period; (2) exchange differences related to hedging instruments for the purpose of hedging against foreign currency risks are accounted for using hedge accounting; (3) exchange differences arising from changes in the carrying amounts (other than the amortised cost) of monetary items at fair value through other comprehensive income are recognised as other comprehensive income.

When the consolidated financial statements include foreign operation(s), if there is foreign currency monetary item constituting a net investment in a foreign operation, exchange differences arising from changes in exchange rates are recognised as "exchange differences arising from translation of financial statements denominated in foreign currencies" in other comprehensive income, and in profit or loss for the period upon disposal of the foreign operation.

Foreign currency non-monetary items measured at historical cost are translated to the amounts in functional currency at the spot exchange rates on the dates of the transactions. Foreign currency non-monetary items measured at fair value are re-translated at the spot exchange rate on the date when the fair value is determined. Difference between the re-translated functional currency amount and the original functional currency amount is treated as changes in fair value (including changes in exchange rate) and is recognised in profit or loss or as other comprehensive income.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

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

30.2 Translation of financial statements denominated in foreign currencies

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

Cash flows arising from a transaction in foreign currency and the cash flows of a foreign subsidiary are translated at average exchange rate during the accounting period of consolidated financial statements. The effect of exchange rate changes on cash and cash equivalents is regarded as a reconciling item and presented separately in the cash flow statement as "effect of exchange rate changes on cash and cash equivalents".

The amount at the beginning of the year and the comparative figures of previous year are presented at the translated amounts in the previous year's financial statements.

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases

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

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

31.1 The Group as lessee

31.1.1 Separating components of a lease

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

31.1.2 Right-of-use assets

Except for short-term leases and leases of low-value assets, the Group recognises the right-of-use assets of the leases at the commencement date. The commencement date of the lease is the date from which the lessor provides the leased assets to make them available for use by the Group. Right-of-use assets are initially measured at cost. The cost includes:

- the amount of the initial measurement of the lease liabilities.
- any lease payments made at or before the commencement date, less any lease incentives.
- any initial direct costs incurred by the Group.
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are depreciated by the Group in accordance with the *ASBE No.4 Fixed Assets*. If the Group is reasonably certain, that the lease will transfer ownership of the underlying asset to the Group by the end of the lease term, the right-of-use assets are depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the right-of-use assets are depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases - continued

31.1 The Group as lessee - continued

31.1.3 Lease liabilities

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

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

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

Variable lease payments that depend on an index or a rate, are initially measured using the index or rate as at the commencement date. Variable lease payments not included in the measurement of the lease liabilities, are recognised in profit or loss, or in the cost of relevant assets, in the period of those payments.

After the commencement date, interest expenses on the lease liabilities in each period during the lease term is calculated by a constant periodic rate of interest and included in profit or loss or charged to cost of related assets.

After the commencement date, the Group shall remeasure the lease liabilities and make corresponding adjustments to the related right-of-use assets in the following circumstances. If the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liabilities, the Group shall recognise the difference in profit or loss:

- where there is a change in the lease term, or in the assessment of an option to purchase the underlying asset, the Group remeasures the lease liabilities, on the basis of the revised 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 the revised discount rate is applied.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases - continued

31.1 The Group as lessee - continued

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

The Group elects not to recognise right-of-use assets or lease liabilities for short-term leases and leases of low-value assets, i.e., port and terminal facilities, buildings, machinery and equipment, furniture, fixture and other equipment, motor vehicles and cargo ships and others. A short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less and does not contain a call option. A lease of low-value assets is a lease that, the value of the underlying asset is lower when it is new. For short-term leases and leases of low-value assets, the Group recognises the lease payments in profit or loss, or in the cost of related assets on a straight-line basis over each period within the lease term.

31.1.5 Lease modifications

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

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

For a lease 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 recognised in profit or loss. For re-measurement of lease liabilities due to other lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use assets.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases - continued

31.2 The Group as lessor

31.2.1 Separating components of a lease

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

31.2.2 Classification of leases

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

31.2.3 The Group as lessor under operating leases

The Group recognises lease receipts from operating leases as rental income using a straight-line method over the respective periods of the lease term. The Group's initial direct costs incurred in connection with operating leases are capitalized when the costs incurred, and are allocated to profit or loss for the period over the lease term on the same basis as the recognition of rental income.

Variable lease receipts acquired by the Group in connection with operating leases that are not included in the lease receipts are recognised in profit or loss for the period when they are actually incurred.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases - continued

31.2 The Group as lessor - continued

31.2.4 The Group as lessor under finance leases

At the commencement date, the Group recognises a finance lease receivable at the amount equal to the net lease investment with assets under finance lease terminal recognised. The net lease investment is the sum of any unguaranteed residual value and the present value of the lease receipts over the lease term discounted at the interest rate implicit in lease.

The lease receivable comprises the following payments collected by the Group from the lessee for the transfer of the right to use the underlying assets during the lease term:

- fixed payments (including in-substance fixed payments) paid by the lessee, less any lease incentives.
- variable lease payments that depend on an index or a rate.
- the exercise price of a purchase option, provided that it is reasonably determined that the lessee will exercise the option.
- payments for terminating the lease, provided that the lease term reflects that the lessee will exercise the option to terminate the lease;
- residual value of guarantee provided to the Group by the lessee, a party related to the lessee and an independent third party with the financial ability to fulfil the guarantee obligations.

Variable lease receipts not included in the net lease investment are recognised in profit or loss when they are actually incurred.

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

31.2.5 Subleases

As the lessor of a sublease, the Group accounts for the original lease contract and the sublease contract on a separate basis. The Group classifies the subleases based on the right-of-use assets generating from the original lease rather than the underlying assets of the original lease.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases - continued

31.2 The Group as lessor - continued

31.2.6 Lease modifications

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any lease advances or receivables relating to the original lease as the lease receipts for the new lease.

A lease modification should be accounted for as a separate lease if there is a modification in a finance lease and both of the followings apply:

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

For a modification to a finance lease that is not accounted for as a separate lease, the Group accounts for the modification as follows:

- If the lease would have been classified as an operating lease had the modification been effective at the commencement date, the Group should account for the lease modification as a new lease from the effective date of the modification, and measure the carrying amount of the underlying assets at the amount equal to the net lease investment before the effective date of the modification;
- If the lease would have been classified as a finance lease had the modification been effective at the commencement date, the Group should account for it in accordance with the provisions on contract modification and renegotiation under *Accounting Standards for Business Enterprises No. 22 - Financial Instruments: Recognition and Measurement*.

31.3 Sale and leaseback transactions

31.3.1 The Group as the buyer-lessor

If the transfer of an asset in a sale and leaseback transaction does not constitute a sale, the Group does not recognise the transferred asset but a financial asset at an amount equal to the transfer proceeds, and accounts for such financial asset under the *Accounting Standards for Business Enterprises No. 22 - Financial Instruments: Recognition and Measurement*. If the transfer of an asset constitutes a sale, the Group accounts for the purchase of the asset in accordance with other applicable Accounting Standards for Business Enterprises and accounts for the lease of the asset.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

32. Safety production cost

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

33. Exchange of non-monetary assets

When the non-monetary assets are of commercial substance and the fair value of assets received or the assets given up can be measured reliably, the non-monetary transactions are measured at fair value. For the asset received, the fair value of the asset given up and related taxes payable are recognised as the cost at initial recognition; For the asset given up, at derecognition, the difference between the fair value and the carrying amount is recognised in profit or loss for the current period. When there is clear evidence indicating that the fair value of the received asset is more reliable, for the asset received, the fair value of the asset received and related taxes payable are recognised as the cost at initial recognition; For the asset given up, at derecognition, the difference between the fair value of the asset received and the carrying amount of the asset given up is recognised in profit or loss for the current period.

When the non-monetary transactions fail to meet criteria to be measured at fair value, the transactions are measured at carrying amounts. For the asset received, the carrying amount of the asset given up and relevant taxes payable are recognised as the cost of at initial recognition. For the asset given up, at derecognition, no profit or loss is recognised.

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

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

The Group regularly reviews the judgments, estimates and assumptions on a going concern basis. Changes in accounting estimates which only affect the current period should be recognised in the current period; changes which not only affect the current but the future periods should be recognised in the current and future periods.

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

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

1.1 Goodwill impairment

The book value of goodwill on 31 December 2025 is RMB 6,176,416,050.77. The Group will conduct impairment testing on goodwill at least annually. For the purpose of impairment testing, the recoverable amount of each assets group and combination of assets groups that generate goodwill of the Group is determined by fair value less estimated disposal expenses and by the present value of estimated future cash flows, which involve the judgment of management.

1.2 Recognition of deferred income tax

The Group calculates and makes provision for deferred tax liabilities according to the profit distribution plans of subsidiaries, associates and joint ventures and relevant provisions of tax law. For retained earnings of the investee which are not expected to be distributed, since the profits will be used for the daily operation and future development of the investee, no deferred tax liabilities are recognised. If the profits to be actually distributed in future years are more or less than those expected, corresponding deferred tax liabilities will be recognised or reversed in profit or loss for the period at the earlier of the date on which the profit distribution plan is changed and the date on which the profit distribution is declared.

Deferred tax assets are recognised based on the deductible temporary differences and the corresponding tax rate, to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. If the actual taxable income in future years are more or less than that expected, corresponding deferred tax assets will be recognised or reversed in profit or loss for the period in which they are actually incurred.

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

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

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

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

(VI) CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

There are no significant changes in accounting policies or accounting estimates of the Group this year.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2025
 (Unless otherwise specified, the monetary unit shall be RMB)

(VII) TAXES

1. Major taxes and tax rates

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

(VII) TAXES - continued

1. Major taxes and tax rates - continued

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

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

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

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

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

2. Tax preference and approval documents

Certain subsidiaries of the Group in China are recognised as high-tech enterprises or encouraged industrial enterprises in the region and are subject to an enterprise income tax rate of 15%. Some of Group's subsidiaries inside of China may pay corporate income tax at the rate of 15% according to the preferential policies of Qianhai Shenzhen Hong Kong Modern Service Industry Cooperation Zone.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

(VII) TAXES - continued

2. Tax preference and approval documents - continued

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

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

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

As approved by State Taxation Administration Shenzhen Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone Taxation Bureau (formerly, Shekou Taxation Sub-bureau of Shenzhen Tax Bureau), State Administration of Taxation on 12 October 2017, certain subsidiaries of the Group are exempted from VAT for auxiliary logistics services (excluding warehousing services and delivery services) provided to overseas enterprises.

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

Item	Closing Balance	Opening Balance
Cash	191,636.31	457,486.90
Bank deposits	10,403,337,125.34	11,769,350,938.86
Other cash and bank balances	238,129,183.87	114,600,721.02
Cash deposited in the finance company	4,733,188,415.27	4,745,991,554.35
Total	15,374,846,360.79	16,630,400,701.13
Including: Total amount of funds deposited overseas	6,289,654,047.38	5,449,122,430.53

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

1. Cash and bank balances - continued

Note 1: The interest receivable at the end of the year amounted to RMB 42,029,709.64 (31 December 2024 : RMB 35,470,534.89).

Note 2: Cash deposited in the finance company included the interest receivable amounting to RMB 14,222,500.39 (31 December 2024 : RMB 35,221,381.65).

Note 3: As of the year-end, other cash and bank balances included term deposits amounting to RMB 30,000,000.00 that are unrestricted and have maturities exceeding three months. (31 December 2024 : none).

Note 4: Restricted use of cash at bank and on hand at the end of the year.

Item	Closing Balance	Opening Balance
Interest receivable	56,252,210.03	70,691,916.54
Performance bond	41,023,738.72	41,064,199.70
Litigation frozen funds	3,000,000.00	1,826,085.98
Guarantee deposit	200,000.00	200,000.00
ETC card frozen funds	12,750.00	12,750.00
Bill deposit	-	1,536,194.00
Total	100,488,698.75	115,331,146.22

2. Financial assets held for trading

Item	Closing Balance	Opening Balance
Financial assets classified as at FVTPL	7,578,824,365.75	5,685,135,472.01
Including: Structured deposits	7,578,824,365.75	5,685,135,472.01
Total	7,578,824,365.75	5,685,135,472.01

3. Bills receivable

(1) Category of bills receivable

Category	Closing Balance	Opening Balance
Bank acceptance	122,029,884.15	263,127,883.63
Commercial acceptance	29,000,000.00	7,000,000.00
Total	151,029,884.15	270,127,883.63

Note: For the year ended 31 December 2025, no provision for bad debts of bills receivable is assessed on an individual basis and, the acceptor of bank acceptance and commercial acceptance for which provision for bad debts is assessed on a portfolio basis has high credit ratings with no significant credit risks, therefore, no provision for bad debts is made.

(2) As at 31 December 2025, the Group has no bills receivable pledged.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

3. Bills receivable - continued

- (3) As at 31 December 2025, bills receivable endorsed or discounted by the Group and not yet due on the balance sheet date.

Item	Amount derecognised at the end of the year	Unrecognised amount at the end of the year
Bank acceptance	21,462,114.63	32,870,944.50

- (4) As at 31 December 2025, the Group has no bills transferred to accounts receivable due to the drawer's failure to perform.
- (5) The Group has no bills receivable written off for the year ended 31 December 2025.

4. Accounts receivable

- (1) Overall situation of accounts receivable

Category	Closing Balance	Opening Balance
Accounts receivable	1,362,653,229.32	1,282,371,828.87
Less: Provision for bad debts	65,486,371.62	88,963,445.09
Total	1,297,166,857.70	1,193,408,383.78

- (2) Aging analysis of accounts receivable

Aging	Closing Balance			Opening Balance		
	Book value	Proportion (%)	Provision for bad debts	Book value	Proportion (%)	Provision for bad debts
Within 1 year (Including 1 year)	1,286,427,749.56	94.40	11,648,068.41	1,184,171,645.45	92.34	3,052,874.64
1-2 years (Including 2 years)	20,966,190.64	1.54	4,671,448.93	25,773,736.31	2.01	15,217,006.15
2-3 years (Including 3 years)	22,842,354.51	1.68	17,333,429.71	18,788,751.53	1.47	17,375,034.32
More than 3 years	32,416,934.61	2.38	31,833,424.57	53,637,695.58	4.18	53,318,529.98
Total	1,362,653,229.32	100.00	65,486,371.62	1,282,371,828.87	100.00	88,963,445.09

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

4. Accounts receivable - continued

(3) Disclosure of accounts receivable by category

Item	Closing Balance					Opening Balance					Reason for provision
	Book value		Provision for bad debts		Carrying amount	Book value		Provision for bad debts		Carrying amount	
	Value	Percentage (%)	Value	Proportion (%)		Value	Percentage (%)	Value	Proportion (%)		
A	816,089,512.92	59.89	220,906.31	0.03	815,868,606.61	736,270,226.13	57.41	384,388.87	0.05	735,885,837.26	Accrued according to the expected loss rate of each rating
B	405,297,310.13	29.74	872,676.19	0.22	404,424,633.94	370,318,170.34	28.88	631,601.25	0.17	369,686,569.09	Accrued according to the expected loss rate of each rating
C	78,476,799.95	5.76	4,725,227.39	6.02	73,751,572.56	84,232,990.43	6.57	1,488,846.56	1.77	82,744,143.87	Accrued according to the expected loss rate of each rating
D	62,789,606.32	4.61	59,667,561.73	95.03	3,122,044.59	91,550,441.97	7.14	86,458,608.41	94.44	5,091,833.56	Low probability of recovery
Total	1,362,653,229.32	100.00	65,486,371.62	4.81	1,297,166,857.70	1,282,371,828.87	100.00	88,963,445.09	6.94	1,193,408,383.78	— —

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

Name	Closing Balance			Reason for provision
	Book value	Provision for bad debts	Expected credit loss rate (%)	
Client 1	14,166,889.98	14,166,889.98	100.00	Low probability of recovery
Client 2	6,387,379.34	6,387,379.34	100.00	Low probability of recovery
Client 3	5,700,298.86	5,700,298.86	100.00	Low probability of recovery
Client 4	4,828,983.86	4,828,983.86	100.00	Low probability of recovery
Client 5	3,792,704.25	3,790,012.45	99.93	Low probability of recovery
Others	27,913,350.03	24,793,997.24	88.82	— —
Total	62,789,606.32	59,667,561.73	95.03	— —

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

4. Accounts receivable - continued

(4) For the year ended 31 December 2025, the Group has no significant provision for bad debts recovered or reversed this year.

(5) Accounts receivable written off this year

Name of entity	Nature	Amount	Reason for write-off	Procedures performed	Arising from related party transactions or not
Client 6	Service fees	24,955,108.44	Confirmed as irrecoverable	Yes	No
Client 7	Service fees	6,237,239.55	Confirmed as irrecoverable	Yes	No
Client 8	Service fees	1,590,646.16	Confirmed as irrecoverable	Yes	No
Total	— —	32,782,994.15	— —	— —	— —

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

Name of entity	Relationship with the Group	Book value	Aging	Provision for bad debts	Proportion of the amount to the total accounts receivable (%)
Client 9	Third party	332,580,919.70	Within 1 year,1-2 years,2-3years	2,721,810.79	24.41
Client 10	Third party	53,575,185.60	Within 1 year	1,324,615.32	3.93
Client 11	Third party	53,374,060.50	Within 1 year,1-2 years	37,576.95	3.92
Client 12	Third party	45,701,172.74	Within 1 year	18,877.32	3.35
Client 13	Third party	44,222,826.59	Within 1 year	28,530.89	3.25
Total	— —	529,454,165.13	— —	4,131,411.27	38.86

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

5. Receivables under financing

(1) Classification of receivables under financing

Item	Closing Balance	Opening Balance
Bank acceptance measured at fair value	114,680,738.25	-

(2) As at 31 December 2025, the Group has no pledged receivables under financing.

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

6. Prepayments

(1) Aging analysis of prepayments

Aging	Closing Balance			Opening Balance		
	Book value		Impairment provision	Book value		Impairment provision
	Value	Proportion (%)		Value	Proportion (%)	
Within 1 year (including 1 year)	79,429,482.24	91.21	-	58,397,947.01	98.69	-
1-2 years (including 2 year)	7,288,415.34	8.37	4,260,618.26	620,707.85	1.05	-
2-3 years (including 3 year)	301,519.63	0.35	-	8,000.00	0.01	-
More than 3 years	60,400.00	0.07	-	150,462.36	0.25	-
Total	87,079,817.21	100.00	4,260,618.26	59,177,117.22	100.00	-

(2) As at 31 December 2025, the Group has no significant prepayments aged more than one year.

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

Name of entity	Closing Balance	Proportion in total prepayments(%)	Provision for bad debts
Supplier 1	12,141,359.50	13.94	-
Supplier 2	5,778,006.01	6.64	-
Supplier 3	3,663,263.21	4.21	-
Supplier 4	3,423,600.00	3.93	-
Supplier 5	3,126,654.88	3.59	-
Total	28,132,883.60	32.31	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(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	Closing Balance	Opening Balance
Dividends receivable	576,943,449.36	554,387,723.94
Other receivables	435,711,829.28	612,111,619.96
Total	1,012,655,278.64	1,166,499,343.90

7.2 Dividends receivable

(1) Presentation of dividends receivable by aging

Name of investee	Closing Balance	Opening Balance	Reason for non-recovery	Whether there is impairment and its judgment basis
Dividends receivable with an aging within 1 year	467,505,525.56	436,240,220.68	— —	— —
Including:	— —	— —	— —	— —
Shanghai International Port (Group) Co., Ltd. (hereinafter referred to as "Shanghai Port Group")	326,565,642.25	326,565,642.25	— —	No
Qingdao Port Dongjiakou Ore Terminal Co., Ltd.	68,175,602.27	-	— —	No
China Nanshan Development (Group) Incorporation (hereinafter referred to as "Nanshan Group")	37,014,000.00	74,028,000.00	— —	No
Euro-Asia Oceangate S.à r.l.	28,485,290.83	23,881,469.17	— —	No
PORT OF NEWCASTLE INVESTMENTS (PROPERTY HOLDINGS) PTY LIMITED	7,264,990.21	-	— —	No
China Ocean Shipping Agency Shenzhen Co., Ltd.	-	10,575,000.00	— —	— —
Others	-	1,190,109.26	— —	— —
Dividends receivable with an aging of more than one year	110,015,444.77	118,702,445.93	— —	— —
Including:	— —	— —	— —	— —
Nanshan Group	74,028,000.00	74,028,000.00	Relevant procedures are being handled and past dividends are being paid in succession	No
Zhanjiang Merchants Port City Investment Co., Ltd. (hereinafter referred to as "Merchants Port City")	35,771,044.77	38,809,044.77	Lack of funds	No
COSCO Logistics (Zhanjiang) Co., Ltd.	-	5,649,001.16	— —	No
Others	216,400.00	216,400.00	Lack of funds	No
Sub-total	577,520,970.33	554,942,666.61	— —	— —
Less: Provision for bad debts	577,520.97	554,942.67	— —	— —
Total	576,943,449.36	554,387,723.94	— —	— —

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

(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

(1) Aging analysis of other receivables

Aging	Closing Balance			Opening Balance		
	Book value	Proportion (%)	Provision for bad debts	Book value	Proportion (%)	Provision for bad debts
Within 1 year (including 1 year)	172,587,395.66	16.08	3,636,376.18	270,686,270.92	23.00	5,873.33
1-2 years (including 2 year)	77,083,020.84	7.18	4,185,192.57	34,852,514.76	2.96	1,639,836.84
2-3 years (including 3 year)	10,568,270.82	0.98	3,606,663.48	254,724,777.74	21.64	182,279,617.60
More than 3 years	813,057,695.18	75.76	626,156,320.99	616,886,752.77	52.40	381,113,368.46
Total	1,073,296,382.50	100.00	637,584,553.22	1,177,150,316.19	100.00	565,038,696.23

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

(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

Item	Closing Balance	Opening Balance
Operation compensation (Note 1)	560,956,025.90	512,608,434.72
Advance payment	233,561,792.45	227,885,870.03
Land compensation (Note 2)	58,262,369.00	197,262,369.00
Special subsidies collected on behalf	19,779,450.00	19,779,450.00
Security deposit	33,170,963.31	28,631,566.40
Others	167,565,781.84	190,982,626.04
Sub-total	1,073,296,382.50	1,177,150,316.19
Less: Provision for bad debts	637,584,553.22	565,038,696.23
Total	435,711,829.28	612,111,619.96

Note 1: It is the operating compensation that the subsidiary of the Company shall collect from the holding company of its non-controlling shareholders according to the agreement. As at 31 December 2025, the Group has accumulated the compensation that has not been received, which is equivalent to RMB 560,956,025.90. The allowance for bad debts has been fully accrued.

Note 2: On 9 October 2021, Zhanjiang Port (Group) Co., Ltd. (hereinafter referred to as "Zhanjiang Port"), a subsidiary of the Company, signed the *Agreement on the Recovery of State owned Land Use Rights* with local government agencies, which stipulates that Zhanjiang Port will return 195.68 mu of land located in Zhanjiang Comprehensive Bonded Zone, east of Shugang Avenue, to local government agencies at a price of RMB 89,630,000.00. The above land has been handed over before 31 December 2021. As at 31 December 2025, the above land compensation of RMB 89,000,000.00 has been recovered, and the remaining RMB 630,000.00 of land compensation has not been recovered.

On 4 September 2024, Zhanjiang Port signed the *Agreement on the Recovery of State owned Land Use Rights* with local government agencies, which stipulates that Zhanjiang Port will return 146,970.20 square meters of land and assets on the ground located in the north of Xiashan Port District of Zhanjiang to local government agencies at a price of RMB 107,632,369.00. The above land and above ground assets have been transferred before 18 September 2024. As at 31 December 2025, Zhanjiang Port has recovered land compensation of RMB 50,000,000.00, the above land compensation of RMB 57,632,369.00 has not been recovered.

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

(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

Item	Closing Balance					Opening Balance					Reason for provision
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value	
	Amount	Proportion (%)	Amount	Provision rate (%)		Amount	Proportion (%)	Amount	Provision rate (%)		
A	328,840,429.56	30.64	43,549.74	0.01	328,796,879.82	499,361,668.36	42.42	13,957.42	-	499,347,710.94	Accrued based on the expected loss rate of each rating
B	-	-	-	-	-	-	-	-	-	-	---
C	-	-	-	-	-	-	-	-	-	-	---
D	744,455,952.94	69.36	637,541,003.48	85.64	106,914,949.46	677,788,647.83	57.58	565,024,738.81	83.36	112,763,909.02	Expected to be unrecoverable
Total	1,073,296,382.50	100.00	637,584,553.22	59.40	435,711,829.28	1,177,150,316.19	100.00	565,038,696.23	48.00	612,111,619.96	---

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

Name of entity	Closing Balance	Provision for bad debts	ECL rate (%)	Reason for provision
Client 14	560,956,025.90	560,956,025.90	100.00	Expected to be unrecoverable (Note)
Client 15	122,569,018.03	28,156,519.86	22.97	No specific payment plan
Client 16	14,000,000.00	14,000,000.00	100.00	Expected to be unrecoverable
Total	697,525,043.93	603,112,545.76	---	---

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(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

(4) Movements of provisions for bad and doubtful debts

Item	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit loss	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	
As at 1 January 2025	13,957.42	-	565,024,738.81	565,038,696.23
Balance of other receivables at 1 January 2025				
- Transfer to Stage 2	-	-	-	-
- Transfer to Stage 3	-5,781.70	-	5,781.70	-
- Reverse to Stage 2	-	-	-	-
- Reverse to Stage 1	-	-	-	-
Provision for the year	40,572.74	-	29,960,339.38	30,000,912.12
Reversal for the year	-5,198.72	-	-3,931,866.01	-3,937,064.73
Effect of changes in the scope of consolidation	-	-	-	-
Charge-off for the year	-	-	-	-
Write-off for the year	-	-	-1,682,741.75	-1,682,741.75
Other changes	-	-	48,164,751.35	48,164,751.35
As at 31 December 2025	43,549.74	-	637,541,003.48	637,584,553.22

(5) Other receivables written off during the year

Name of entity	Nature of other receivables	Written-off amount	Reason for write-off	Approval procedures performed	Other receivables arising from related-party transactions
Client 17	Advance payment	1,634,741.75	Confirming that accounts receivable cannot be recovered	Yes	No
Client 18	Employee loans	48,000.00	Confirming that accounts receivable cannot be recovered	Yes	No
Total	---	1,682,741.75	---	---	---

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(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 top five balances of other receivables at the end of the year classified by debtor

Name of entity	Relationship with the Group	Book value	Aging	Proportion to total other receivables (%)	Provision for credit impairment at the end of the year	Nature
GLOBAL TERMINAL LIMITED S.A.R.L.	Third party	560,956,025.90	More than 3 years	52.26	560,956,025.90	Operation compensation
Committee of China Seamen's Union Zhanjiang Port (Group) Co., Ltd	Third party	122,569,018.03	More than 3 years	11.42	28,156,519.86	Advance payment for transactions
Zhanjiang Land Reserve Management Center	Third party	58,262,369.00	1-2 years, more than 3 years	5.43	-	Land compensation
CHU KONG RIVER TRADE TERMINAL CO., LTD.	Related party	32,841,079.20	2-3 years, more than 3 years	3.06	-	Loan
Port de Djibouti S.A.	Related party	24,776,520.00	More than 3 years	2.31	-	Loan
Total	—	799,405,012.13	—	74.48	589,112,545.76	—

8. Inventories

(1) Inventories by category

Item	Closing Balance			Opening Balance		
	Book value	Provision for impairment of inventories	Carrying amount	Book value	Provision for impairment of inventories	Carrying amount
Raw materials	288,836,266.55	524,634.82	288,311,631.73	261,972,849.28	1,153,436.72	260,819,412.56
Finished goods	9,419,494.95	-	9,419,494.95	4,683,965.30	-	4,683,965.30
Others	9,485,298.47	-	9,485,298.47	4,454,642.48	-	4,454,642.48
Total	307,741,059.97	524,634.82	307,216,425.15	271,111,457.06	1,153,436.72	269,958,020.34

(2) Provision for impairment of inventories

Category	Opening Balance	Increase		Decrease		Effect of translation of financial statements denominated in foreign currencies	Closing Balance
		Provision	Others	Reversal or charge-off	Others		
Raw materials	1,153,436.72	-	-	510,114.09	113,192.30	-5,495.51	524,634.82

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued**8. Inventories - continued****(2) Provision for impairment of inventories - continued**

Provision for impairment inventories is made on an item-by-item basis and no provision for impairment of inventories is made on a portfolio basis. The reason for the write off of provision for impairment of inventories in this year is requisition and consumption.

- (3) As at 31 December 2025, the Group has no capitalised borrowing cost in the balance of inventories.

9. Non-current assets due within one year

Item	Closing Balance	Opening Balance
Long-term receivables due within one year	-	35,033,025.11
Less: Provision for bad debts	-	35,033.03
Carrying amount	-	34,997,992.08

10. Other current assets

Item	Closing Balance	Opening Balance
Input VAT to be deducted and certified	107,448,766.71	110,187,182.64
Prepaid taxes	51,499,208.46	140,440,401.53
Others	-	1,070,228.60
Sub-total	158,947,975.17	251,697,812.77
Less: Provision for impairment	-	-
Total	158,947,975.17	251,697,812.77

11. Long-term receivables**(1) Details of long-term receivables**

Item	Closing Balance			Opening Balance			Range of discount rate at the end of year
	Book value	Provision for bad debts	Carrying amount	Book value	Provision for bad debts	Carrying amount	
Advances to Shareholders (Note 1)	1,306,312,715.28	1,306,312.72	1,305,006,402.56	1,135,688,750.65	1,135,688.75	1,134,553,061.90	3.00%-8.36%
Land compensation receivable (Note 2)	2,631,932,000.00	63,130,000.00	2,568,802,000.00	2,641,932,000.00	-	2,641,932,000.00	
Others	708,784.63	539.73	708,244.90	889,232.97	720.17	888,512.80	
Total	3,938,953,499.91	64,436,852.45	3,874,516,647.46	3,778,509,983.62	1,136,408.92	3,777,373,574.70	

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

11. Long-term receivables - continued

Note 1: It mainly represents the aggregate principal and interest receivable from Port of Newcastle and Terminal Link SAS, equivalent to RMB 1,032,950,257.96 and RMB 239,062,457.32, respectively.

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

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

Note 2: On 5 November 2019, Shantou CM Port Group Co., Ltd. (hereinafter referred to as "Shantou Port"), a subsidiary of the Company entered into the *Contract for the Acquisition of State-Owned Land Use Rights in Shantou* with Shantou Land Reserve Center. Pursuant to the contract, the land and attached buildings of approximately 370.96 mu located in Zhuchi Deepwater Port on the south of Zhongshan East Road of Shantou should be returned to Shantou Land Reserve Center by Shantou Port, which is amounting to RMB1,558,032,000.00. Among them, 183.63 mu of land and attached buildings have been transferred in 2019, and the remaining 187.33 mu of land and attached buildings have been transferred in 2020. As at 31 December 2025, the land compensation of RMB 1,158,032,000.00 has not yet been recovered.

On 21 August 2020, Shantou Port and Shantou Haojiang District Land Reserve Center signed the *Shantou City State owned Land Use Right Purchase Contract*, which stipulates that Shantou Port will hand back 152.34 mu of land and attached buildings located in Wutian Farm, Yushi, Haojiang District, Shantou City to Shantou Haojiang District Land Reserve Center at a price of RMB 250,000,000.00. The above land and attached buildings have been handed over before 31 December 2020. As at 31 December 2025, the land compensation of RMB 200,000,000.00 has not yet been recovered.

On 22 December 2020, Shantou Port entered into the *Contract for the Acquisition of State-Owned Land Use Rights in Shantou* with Shantou Land Reserve Center. Pursuant to the contract, the land and attached buildings of approximately 648.78 mu located in Zhuchi Deepwater Port of Shantou should be returned to Shantou Land Reserve Center by Shantou Port, which is amounting to RMB 2,724,876,000.00. Among them, 320 mu of land and attached buildings were transferred by 31 December 2020, which is amounting to RMB 1,344,000,000.00, and the remaining 328.78 mu of land and attached buildings have not been transferred. As at 31 December 2025, the land compensation of RMB 1,273,900,000.00 has not yet been recovered.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(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 2-continued: The Group taking into account the historical repayment situation and future outlook, the Group estimates the difference between the present value of the cash flows expected to be received and the book value as a whole, and accordingly makes provision for credit impairment loss. As of 31 December 2025, the Group has accrued corresponding credit impairment losses of RMB 63,130,000.00.

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

Category	Closing Balance					Opening Balance				
	Book value		Provision for bad debts		Carrying amount	Book value		Provision for bad debts		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Provision for bad debts assessed on a portfolio basis	3,938,953,499.91	100.00	64,436,852.45	1.64	3,874,516,647.46	3,778,509,983.62	100.00	1,136,408.92	0.03	3,777,373,574.70
Total	3,938,953,499.91	100.00	64,436,852.45	1.64	3,874,516,647.46	3,778,509,983.62	100.00	1,136,408.92	0.03	3,777,373,574.70

(3) Details of provision for bad debts

Category	Opening Balance	Changes for the year				Closing Balance
		Provision	Recovery or reversal	Charge-off or write-off	Effect of changes in the scope of consolidation	
Advances to shareholders	1,135,688.75	170,623.97	-	-	-	1,306,312.72
Guarantees for finance leases	720.17	-	180.44	-	-	539.73
Land compensation receivable	-	63,130,000.00	-	-	-	63,130,000.00
Total	1,136,408.92	63,300,623.97	180.44	-	-	64,436,852.45

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

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

(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	Opening Balance	Increase	Decrease	Other increase (decrease expressed with "-")	Effect of translation of financial statements denominated in foreign currencies	Closing Balance
Investment in joint ventures	9,315,986,527.94	-	-	-70,925,588.03	24,951,052.36	9,270,011,992.27
Investment in associates	91,037,465,629.64	65,424,356.69	-136,244,155.23	3,441,694,812.60	-269,889,343.76	94,138,451,299.94
Sub-total	100,353,452,157.58	65,424,356.69	-136,244,155.23	3,370,769,224.57	-244,938,291.40	103,408,463,292.21
Less: provision for impairment of long-term equity investments	335,422,262.62	-	-	-	-59,035.28	335,363,227.34
Total	100,018,029,894.96	65,424,356.69	-136,244,155.23	3,370,769,224.57	-244,879,256.12	103,073,100,064.87

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

12. Long-term equity investments - continued

(2) Details of long-term equity investments

Investees	Investment cost	Opening Balance	Changes for the year								Closing Balance	Provision for impairment at the end of the year	
			Increase in investments	Decrease in investments	Investment income under equity method	Share of other comprehensive income	Share of other changes in equity	Cash dividends or profits declared	Provision for impairment	Effect of translation of financial statements denominated in foreign currencies			Other
I. Joint ventures													
Euro-Asia OcéanGate S.à r.l.	2,425,579,513.09	2,275,132,823.96	-	-	119,622,314.51	34,069,994.14	-	-129,199,356.07	-	-50,543,475.84	-	2,249,082,300.70	-
Port of Newcastle	2,228,913,892.38	1,939,252,174.56	-	-	40,887,494.82	17,051,668.46	-	-21,886,886.16	-	83,135,610.92	-	2,058,440,062.60	-
Others	3,840,805,612.09	5,093,488,046.78	-	-	138,570,683.60	9,270,900.18	1,159,124.17	-280,471,525.68	-	-7,641,082.72	-	4,954,376,146.33	8,113,482.64
Sub-total	8,495,299,017.56	9,307,873,045.30	-	-	299,080,492.93	60,392,562.78	1,159,124.17	-431,557,767.91	-	24,951,052.36	-	9,261,898,509.63	8,113,482.64
II. Associates													
Shanghai Port Group	10,907,913,439.36	40,042,373,774.56	-	-	3,803,684,721.55	3,120,383.06	-393,064,045.30	-1,273,606,004.78	-	-	-	42,182,508,829.09	-
Ningbo Zhoushan Port Company Limited (hereinafter referred to as "Ningbo Zhoushan")	16,958,018,515.43	19,421,486,011.70	-	-	1,191,694,841.30	-23,906,992.04	28,414,378.80	-619,547,445.81	-	-	-	19,998,140,793.95	-
Shenzhen China Merchants Qianhai Industrial Development Co., Ltd.	6,846,580,290.61	7,409,920,859.08	-	-	141,661,962.07	-	-	-	-	-	-	7,551,582,821.15	-
Terminal Link SAS	5,980,765,880.26	6,168,712,893.68	-	-	492,759,579.32	463,349,744.07	-	-439,601,892.73	-	-145,209,814.85	-	6,540,010,509.49	-
Nanshan Group	2,182,780,419.00	6,033,520,232.11	-	-	33,928,156.72	-532,286.23	-7,074,950.35	-37,014,000.00	-	-	-	6,022,827,152.25	-
Liaoning Port	3,731,548,568.95	4,250,226,314.79	-	-	148,400,755.75	-2,066,959.60	-27,185,456.84	-64,882,190.40	-	-	-	4,304,492,463.70	324,913,116.66
Others	7,743,563,248.32	7,383,916,763.74	65,424,356.69	-136,244,155.23	223,516,166.60	28,862,479.03	-364,789.63	-226,823,307.68	-	-124,620,493.63	-2,028,034.28	7,211,638,985.61	2,336,628.04
Sub-total	54,351,170,361.93	90,710,156,849.66	65,424,356.69	-136,244,155.23	6,035,646,183.31	468,826,368.29	-399,274,863.32	-2,661,474,841.40	-	-269,830,308.48	-2,028,034.28	93,811,201,555.24	327,249,744.70
Total	62,846,469,379.49	100,018,029,894.96	65,424,356.69	-136,244,155.23	6,334,726,676.24	529,218,931.07	-398,115,739.15	-3,093,032,609.31	-	-244,879,256.12	-2,028,034.28	103,073,100,064.87	335,363,227.34

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

12. Long-term equity investments - continued

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

Item	Opening Balance	Effect of changes in the scope of consolidation	Increase	Decrease		Effect of translation of financial statements denominated in foreign currencies	Closing Balance
				Decrease	Reasons for reduction		
Liaoning Port	324,913,116.66	-	-	-	-	-	324,913,116.66
Silk Road Yishang Information Technology Co., Ltd.	8,113,482.64	-	-	-	-	-	8,113,482.64
HOA THUONG CORPORATION	2,395,663.32	-	-	-	-	-59,035.28	2,336,628.04
Total	335,422,262.62	-	-	-	-	-59,035.28	335,363,227.34

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

13. Investments in other equity instruments

(1) Details of investments in other equity instruments

Item	Closing Balance	Opening Balance	Dividend income recognised during the year	Other comprehensive income during the year	Other comprehensive income at the end of the year	Reasons for designation	Amount transferred from other comprehensive income to retained earnings	Reasons for transferring other comprehensive income to retained earnings
China Ocean Shipping Agency Shenzhen Co., Ltd.	130,000,000.00	129,726,519.67	9,664,500.00	273,480.33	116,490,000.00	It is a non-trading equity instrument investment	-	--
Others	11,766,365.15	9,725,367.38	120,000.00	2,040,997.77	2,738,865.15	It is a non-trading equity instrument investment	-	--
Total	141,766,365.15	139,451,887.05	9,784,500.00	2,314,478.10	119,228,865.15		-	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

14. Other non-current financial assets

Item	Closing Balance	Opening Balance
Financial assets at FVTPL	28,768,810.95	28,524,600.31
Including: Investments in equity instruments	28,768,810.95	28,524,600.31
Total	28,768,810.95	28,524,600.31

15. Investment properties

(1) Investment properties measured at cost

Item	Land use rights	Buildings and structures	Total
I. Cost	— —	— —	— —
As at 1 January 2025	136,657,995.75	4,319,416,172.19	4,456,074,167.94
Decrease for the year	-	-552,235.00	-552,235.00
Other decreases	-6,404,821.25	-	-6,404,821.25
As at 31 December 2025	130,253,174.50	4,318,863,937.19	4,449,117,111.69
II. Accumulated depreciation and amortisation	— —	— —	— —
As at 1 January 2025	50,135,665.57	1,117,248,431.77	1,167,384,097.34
Increase for the year	2,498,871.95	123,539,464.13	126,038,336.08
Transfer from investment properties to fixed assets	-	-161,287.68	-161,287.68
Other decreases	-2,095,357.83	-	-2,095,357.83
As at 31 December 2025	50,539,179.69	1,240,626,608.22	1,291,165,787.91
III. Impairment provision	— —	— —	— —
As at 1 January 2025	-	-	-
As at 31 December 2025	-	-	-
IV. Carrying amount	— —	— —	— —
As at 1 January 2025	86,522,330.18	3,202,167,740.42	3,288,690,070.60
As at 31 December 2025	79,713,994.81	3,078,237,328.97	3,157,951,323.78

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

15. Investment properties - continued

(2) Investment properties without ownership certificates

Item	Book value	Reasons for not obtaining certificate of title
Buildings, structures, and land use rights	18,684,896.11	Some buildings and structures have not yet obtained certificates of land use rights

16. Fixed assets

16.1 Summary of fixed assets

Item	Closing Balance	Opening Balance
Fixed assets	30,442,667,834.87	30,688,591,344.25
Disposal of fixed assets	216,462.95	626,447.20
Total	30,442,884,297.82	30,689,217,791.45

16.2 Fixed assets

(1) Details of fixed assets

Item	Port and terminal facilities	Buildings and structures	Machinery and equipment, furniture, fixture and other equipment	Motor vehicles and cargo ships	Total
I. Cost	---	---	---	---	---
As at 1 January 2025	32,465,773,556.56	3,694,135,032.52	17,385,378,609.69	2,287,212,824.87	55,832,500,023.64
Effect of changes in the scope of consolidation	-	-	215,249.81	516,249.00	731,498.81
Purchase	22,456,341.77	280,278.30	250,090,443.99	30,375,360.77	303,202,424.83
Transfer from construction in progress	742,467,838.37	18,967,065.64	580,239,918.77	38,919,621.37	1,380,594,444.15
Other increase	7,786,816.62	714,111.14	2,056,584.47	-	10,557,512.23
Decrease for the year	-44,538,254.20	-1,289,366.12	-197,852,670.99	-7,006,759.47	-250,687,050.78
Reclassification	-18,633,509.76	-	18,304,489.76	329,020.00	-
Others decreases	-2,143,215.25	-25,287.94	-1,207,735.94	-	-3,376,239.13
Effect of translation of financial statements denominated in foreign currencies	104,818,978.90	-3,503,758.11	120,013,141.00	-16,582,679.67	204,745,682.12
As at 31 December 2025	33,277,988,553.01	3,709,278,075.43	18,157,238,030.56	2,333,763,636.87	57,478,268,295.87
II. Accumulated depreciation	---	---	---	---	---
As at 1 January 2025	11,530,007,770.51	1,078,040,229.08	11,097,200,518.48	1,225,369,778.26	24,930,618,296.33
Effect of changes in the scope of consolidation	-	-	215,249.81	516,249.00	731,498.81
Increase for the year	982,069,480.63	128,812,339.20	830,998,991.83	107,657,947.53	2,049,538,759.19
Others increase	-	714,111.14	-	-	714,111.14
Decrease for the year	-39,422,062.24	-1,086,506.44	-179,829,413.57	-6,710,140.16	-227,048,122.41
Reclassification	-3,892,300.23	-	3,762,063.23	130,237.00	-
Other decreases	-155,801.87	-15,045.48	-1,166,961.65	-	-1,337,809.00
Effect of translation of financial statements denominated in foreign currencies	13,570,406.76	-1,674,983.01	64,363,834.28	-6,156,214.52	70,103,043.51
As at 31 December 2025	12,482,177,493.56	1,204,790,144.49	11,815,544,282.41	1,320,807,857.11	26,823,319,777.57
III. Impairment provision	---	---	---	---	---
As at 1 January 2025	196,464,146.22	9,414,527.47	7,411,709.37	-	213,290,383.06
As at 31 December 2025	196,464,146.22	9,414,527.47	6,402,009.74	-	212,280,683.43
IV. Carrying amount	---	---	---	---	---
As at 1 January 2025	20,739,301,639.83	2,606,680,275.97	6,280,766,381.84	1,061,843,046.61	30,688,591,344.25
As at 31 December 2025	20,599,346,913.23	2,495,073,403.47	6,335,291,738.41	1,012,955,779.76	30,442,667,834.87
Including: Carrying amount of fixed assets pledged at the end of the year	821,184,759.38	20,713,857.86	282,476,176.22	-	1,124,374,793.46

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

16. Fixed assets - continued

16.2 Fixed assets - continued

(2) The Group has no fixed assets that are temporarily idle as at 31 December 2025.

(3) Fixed assets leased out under operating leases

Item	Carrying amount of closing balance	Carrying amount of opening balance
Buildings and structures	180,145,890.02	185,465,560.82
Port and terminal facilities	30,385,645.46	41,979,439.95
Machinery and equipment, furniture, fixture and other equipment	1,346,838.39	10,203,232.09
Total	211,878,373.87	237,648,232.86

(4) Fixed assets without ownership certificates

Item	Carrying amount of closing balance	Carrying amount of opening balance	Remark
Buildings, structures, port and terminal facilities	1,264,731,872.19	1,357,929,730.13	This is mainly due to the fact that certain buildings and structures have not yet obtained the land use rights of the corresponding land and the approval procedures have not yet been completed.

(5) The details of the Group's fixed assets with restricted ownership as at 31 December 2025 are set out in Note (VIII) 65.

16.3 Disposal of fixed assets

Item	Closing Balance	Opening Balance
Machinery and equipment, furniture, fixture and other equipment	216,462.95	626,447.20
Total	216,462.95	626,447.20

17. Construction in progress

(1) Presentation of construction in progress

Item	Closing Balance	Opening Balance
Construction in progress	3,399,698,342.95	3,296,562,213.14
Materials for construction in progress	3,885,088.53	14,547,783.45
Total	3,403,583,431.48	3,311,109,996.59

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

17. Construction in progress - continued

(2) Details of construction in progress

Item	Closing Balance			Opening Balance		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Port and terminal facilities	1,996,474,911.84	2,906,416.74	1,993,568,495.10	1,950,072,409.34	-	1,950,072,409.34
Infrastructure	1,172,459,051.94	-	1,172,459,051.94	608,560,125.43	-	608,560,125.43
Berths and yards	20,857,215.96	-	20,857,215.96	475,884,349.47	-	475,884,349.47
Cargo ships under construction	16,673,893.80	-	16,673,893.80	21,073,474.73	-	21,073,474.73
Others	199,645,516.48	3,505,830.33	196,139,686.15	241,750,332.70	778,478.53	240,971,854.17
Total	3,406,110,590.02	6,412,247.07	3,399,698,342.95	3,297,340,691.67	778,478.53	3,296,562,213.14

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

17. Construction in progress - continued

(3) Changes of significant construction in progress

Item	Budget amount	Opening Balance	Increase for the year	Transfer to fixed assets	Other decreases for the year	Effect of translation of financial statements denominated in foreign currencies	Closing Balance	Proportion of accumulated construction investment in budget (%)	Construction progress (%)	Amount of accumulated capitalised interest	Including: Capitalised interest for the year	Interest capitalization rate for the current year (%)	Capital source
Zhanjiang Port Baoman Port Area Container Terminal Phase I Expansion Project	2,342,775,800.00	597,781,190.31	577,145,482.11	-	6,808,148.28	-	1,168,118,524.14	50.15	50.15	14,579,765.90	10,425,895.30	2.60	Own funds and loans
Zhanjiang Port Donghai Island Port Area Grocery Wharf Project	905,348,400.00	480,001,315.04	60,541,450.22	-	-	-	540,542,765.26	59.71	59.71	44,364,372.49	-	-	Own funds and loans
Reconstruction project of HIPG container, oil terminal and tank area	2,843,456,972.52	843,680,056.40	-	345,285,718.55	-	-13,217,143.90	485,177,193.95	51.10	51.10	-	-	-	Own funds
Subsequent construction in progress of HIPG wharf	1,122,736,230.56	347,651,856.20	28,632,960.41	33,170,980.65	-	-7,646,241.13	335,467,594.83	33.51	33.51	-	-	-	Own funds
Phase III Expansion Project of Bulk Grain Warehouse at 2 # and 3 # Berths in Xinshanan Operation Area of Machong Port	1,070,060,466.80	55,590,989.31	235,078,683.24	-	-	-	290,669,672.55	27.16	27.16	1,175,941.13	680,800.12	2.85	Own funds and loans
Dachanwan phase II project	6,201,904,300.00	94,110,621.23	69,570,517.25	-	-	-	163,681,138.48	2.64	2.64	-	-	-	Own funds
The Project of Zhanjiang Port 21# Warehouse and Substation Renovation and Expansion	117,110,000.00	19,044,357.57	50,105,982.72	-	-	-	69,150,340.29	59.05	59.05	-	-	-	Own funds and loans
Back land reclamation project on Haidagan Bulk Yard and Supporting Facilities and Liquid Bulk Berth	82,400,000.00	63,924,781.40	1,674,220.80	-	-	-	65,599,002.20	79.61	79.61	-	-	-	Own funds
Guang'ao Phase III Project	3,573,290,000.00	21,015,693.05	34,358,992.00	46,398.23	-	-	55,328,286.82	1.55	1.55	-	-	-	Own funds
Full rotation tugboat construction project	41,870,000.00	-	16,673,893.80	-	-	-	16,673,893.80	39.82	39.82	-	-	-	Own funds
Phase II of the second phase of the wharf project in the local operation area of the port area of Goshan Port is controlled in sequence	512,745,400.00	136,728,384.61	211,058,470.73	329,646,763.39	15,703,744.25	-	2,436,347.70	67.83	67.83	1,920,104.33	1,920,104.33	2.81	Own funds and loans
Phase I of the second phase of the wharf project in the local operation area of Goshan Port Area is controlled in sequence	746,878,600.00	331,708,848.99	56,648,447.56	388,357,296.55	-	-	-	86.19	100.00	31,067,837.20	9,592,022.62	2.81	Own funds and loans
Phase II warehouse of Djibouti Free Trade Zone Bonded Logistics Park	86,686,459.04	73,109,774.23	15,446,599.93	88,093,412.04	-	-462,962.12	-	100.00	100.00	-	-	-	Own funds
Total	19,647,262,628.92	3,064,347,868.34	1,356,935,700.77	1,184,600,569.41	22,511,892.53	-21,326,347.15	3,192,844,760.02	—	—	93,108,021.05	22,618,822.37	—	—

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

18. Right-of-use assets

(1) Details of right-of-use assets

Item	Port and terminal facilities	Buildings and structures	Machinery and equipment, furniture, fixture and other equipment	Land use rights	Motor vehicles, cargo ships and others	Total
I. Cost						
As at 1 January 2025	6,494,856,616.10	154,067,861.90	5,409,429.14	3,718,797,951.13	6,177,384.73	10,379,309,243.00
Increase for the year	549,439,446.27	159,501.39	-	-	5,544,571.44	555,143,519.10
Decrease for the year	21,169,292.10	22,590,971.87	4,074,353.01	2,408,655.71	2,429,545.28	52,672,817.97
Effect of translation of financial statements denominated in foreign currencies	-141,921,453.30	-2,989,569.29	-35,450.47	-99,894,244.63	-	-244,840,717.69
As at 31 December 2025	6,881,205,316.97	128,646,822.13	1,299,625.66	3,616,495,050.79	9,292,410.89	10,636,939,226.44
II. Accumulated depreciation						
As at 1 January 2025	928,160,476.79	37,043,873.94	4,164,300.68	448,828,617.90	3,759,910.15	1,421,957,179.46
Increase for the year	243,359,988.66	11,539,278.06	1,040,297.77	68,752,784.95	4,182,723.44	328,875,072.88
Decrease for the year	21,169,292.10	15,153,130.14	4,074,353.01	2,306,514.00	2,429,545.28	45,132,834.53
Effect of translation of financial statements denominated in foreign currencies	-22,000,310.91	-863,353.80	-29,607.19	-11,171,847.64	-	-34,065,119.54
As at 31 December 2025	1,128,350,862.44	32,566,668.06	1,100,638.25	504,103,041.21	5,513,088.31	1,671,634,298.27
III. Impairment provision						
As at 1 January 2025	-	-	-	-	-	-
As at 31 December 2025	-	-	-	-	-	-
IV. Carrying amount						
As at 1 January 2025	5,566,696,139.31	117,023,987.96	1,245,128.46	3,269,969,333.23	2,417,474.58	8,957,352,063.54
As at 31 December 2025	5,752,854,454.53	96,080,154.07	198,987.41	3,112,392,009.58	3,779,322.58	8,965,304,928.17

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

19. Intangible assets

(1) Details of intangible assets

Item	Opening Balance	Effect of changes in the scope of consolidation	Increases for the year	Decreases for the year	Effect of translation of financial statements denominated in foreign currencies	Closing Balance
I. Total cost	24,970,846,065.14	18,846.02	570,374,124.84	113,959,773.04	734,394,696.81	26,161,673,959.77
Including: Land use rights	14,063,421,368.77	-	209,593,892.64	99,171,492.17	-5,935,472.08	14,167,908,297.16
Terminal operating right	9,319,595,026.35	-	21,629,345.87	-	688,165,407.41	10,029,389,779.63
Self developed data resources	6,339,622.62	-	-	-	-	6,339,622.62
Other	1,581,490,047.40	18,846.02	339,150,886.33	14,788,280.87	52,164,761.48	1,958,036,260.36
II. Total accumulated amortisation	7,578,753,372.23	10,051.20	737,947,350.23	38,061,835.25	182,159,171.34	8,460,808,109.75
Including: Land use rights	4,605,959,694.01	-	333,999,630.84	23,422,404.94	-3,073,440.05	4,913,463,479.86
Terminal operating right	2,356,430,281.06	-	310,988,454.55	-	162,685,538.12	2,830,104,273.73
Self developed data resources	88,502.35	-	634,846.48	-	-	723,348.83
Other	616,274,894.81	10,051.20	92,324,418.36	14,639,430.31	22,547,073.27	716,517,007.33
III. Total impairment provision	57,010,270.07	-	-	-	-	57,010,270.07
Including: Land use rights	44,199,381.24	-	-	-	-	44,199,381.24
Terminal operating right	-	-	-	-	-	-
Self developed data resources	-	-	-	-	-	-
Other	12,810,888.83	-	-	-	-	12,810,888.83
IV. Total carrying amount	17,335,082,422.84	---	---	---	---	17,643,855,579.95
Including: Land use rights	9,413,262,293.52	---	---	---	---	9,210,245,436.06
Terminal operating right	6,963,164,745.29	---	---	---	---	7,199,285,505.90
Self developed data resources	6,251,120.27	---	---	---	---	5,616,273.79
Other	952,404,263.76	---	---	---	---	1,228,708,364.20

(2) Land use rights without ownership certificates as at 31 December 2025

Item	Carrying amount of closing balance	Carrying amount of opening balance
Land use rights (Note)	1,643,722,609.93	1,889,916,568.77

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

19. Intangible assets - continued

(2) Land use rights without ownership certificates as at 31 December 2025 - continued

Note: As at 31 December 2025, the land use rights without ownership certificates mainly represent the land use rights for berth and storage yard within Chiwan Port area obtained by the Group from Nanshan Group, with an area of 690,161.97 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 1,179,538,483.36 and RMB 918,521,317.23 respectively.

The land use rights for berth and storage yard within Chiwan Port area obtained by the Group from Nanshan Group represent the capital contribution from Nanshan Group to the Company upon restructuring of the Company, while the remaining land use rights are obtained from Nanshan Group by way of long-term lease. Up to date, Nanshan Group has not yet obtained the land use rights in respect of the lands within Chiwan watershed, including aforementioned capital contribution and land lease to the Group, therefore, the Group cannot obtain the ownership certificate for relevant land and buildings on such land. The Company's management understood that Nanshan Group is negotiating with relevant government departments regarding the historical issues, and the date when the Group can obtain the ownership certificate of relevant land and buildings on such land cannot be estimated reliably.

The property rights certificate for the second phase land use right of Dachanwan Port Area obtained by ASJ will be processed after the completion of sea reclamation.

(3) The details of the Group's intangible assets with restricted ownership as at 31 December 2025 are set out in Note (VIII) 65.

20. Goodwill

(1) Details of goodwill

Investee	Sources	Opening Balance	Increase	Decrease	Effect of translation of financial statements denominated in foreign currencies	Closing Balance
TCP	Acquisition of equity	2,369,714,257.24	-	-	237,924,336.90	2,607,638,594.14
Mega Shekou Container Terminals Limited (hereinafter referred to as "Mega SCT")	Acquisition of equity	1,815,509,322.42	-	-	-	1,815,509,322.42
CM Port	Acquisition of equity	993,992,000.00	-	-	-	993,992,000.00
Shantou Port	Acquisition of equity	552,317,736.65	-	-	-	552,317,736.65
Zhanjiang Port	Acquisition of equity	418,345,307.68	-	-	-	418,345,307.68
Shenzhen Mawan Project	Acquisition of equity	408,773,001.00	-	-	-	408,773,001.00
Others	Acquisition of equity	345,322,348.68	6,718,413.80	-	-1,537,629.27	350,503,133.21
Sub-total	—	6,903,973,973.67	6,718,413.80	-	236,386,707.63	7,147,079,095.10
Provision for impairment of goodwill	—	970,663,044.33	-	-	-	970,663,044.33
Total	—	5,933,310,929.34	6,718,413.80	-	236,386,707.63	6,176,416,050.77

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

20. Goodwill - continued

(2) Provision for impairment of goodwill

Investee	Opening Balance	Effect of changes in the scope of consolidation	Provision	Effect of translation of financial statements denominated in foreign currencies	Decrease	Closing Balance
Shantou Port	552,317,736.65	-	-	-	-	552,317,736.65
Zhanjiang Port	418,345,307.68	-	-	-	-	418,345,307.68
Total	970,663,044.33	-	-	-	-	970,663,044.33

(3) Information of asset groups or portfolio of asset groups to which the goodwill belongs

Name	Composition of asset groups or portfolio of asset groups to which it is allocated and its basis	Is it consistent with that of the prior year?
TCP	The Group identifies asset groups or portfolio of asset groups based on their ability to generate cash inflows independently, the manner in which they manage their production and operating activities, and the unified decision-making on use or disposal of assets.	Yes
Mega SCT		Yes
CM Port		Yes
Shantou Port		Yes
Zhanjiang Port		Yes
Shenzhen Mawan Project		Yes
Others		Yes

When testing the goodwill for impairment, the Group compares the carrying amount of related asset groups and portfolio of asset groups (including goodwill) with the recoverable amount. If the recoverable amount is less than the carrying amount, the difference is included in profit or loss for the period. The Group determines the recoverable amount of the asset groups and portfolio of asset groups that generate goodwill at fair value less cost of disposal or at present value of expected future cash flows. The fair value is determined using market approach. The present value of cash flows is estimated based on the forecast of cash flows for the projection period between 5 years to 23 years and steady period. The estimated future cash flows for the projection period are based on the business plan established by the management; the expected future cash flows for the steady period are determined in conjunction with the level of the final year of the projection period, combined with the Group's business plans, industry trends and inflation rates. The growth rate adopted will not exceed the long-term average growth rate of the country where the asset groups and portfolio of asset groups are located. The key assumptions used by the Group in estimating the present value of future cash flows include growth rate and discount rate etc. The pre-tax discount rate and the growth rate adopted are 9.44%-23.25% and 1.89%-2.52% respectively. The parameters of key assumptions determined by the Group's management are in line with the Group's historical experience or external source of information.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

(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: 10.29% 2. Average revenue growth rate for projection period: 0.01% 3. Average profit margin for projection period: 41.16%	1. The discount rate is a pre-tax discount rate that reflects the specific risks of the underlying asset group or combination of asset groups 2. Average revenue growth rate for projection period and average profit margin for projection period: Taking into account comprehensive factors such as each company's business operations, performance, key financial indicators and market environment	1. Pre-tax discount rate: 10.29% 2. Average revenue growth rate for steady period: 1.89% 3. Average profit margin for steady period: 40.17%	1. The discount rate is a pre-tax discount rate that reflects the specific risks of the underlying asset group or combination of asset groups 2. Average revenue growth rate for steady period: China's forward inflation rate published by the World Bank 3. Profit margin for steady period: Taking into account comprehensive factors such as each company's business operations, performance, key financial indicators and market environment
TCP	23 years (Note)	1. Pre-tax discount rate: 23.25% 2. Average revenue growth rate for projection period: 5.01% 3. Average profit margin for projection period: 59.67%		1. Pre-tax discount rate: Not applicable 2. Average revenue growth rate for steady period: Not applicable 3. Average profit margin for steady period: Not applicable	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

21. Long-term deferred expenses

Presentation of long-term deferred expenses:

Item	Opening Balance	Increase for the year	Amortisation in the year	Other decreases	Closing Balance	Reason for other decreases
Tonggu channel widening project (Note 1)	426,358,457.19	-	14,615,692.32	-	411,742,764.87	
West public channel widening project at West port area (Note 2)	229,677,161.96	-	6,603,626.20	-	223,073,535.76	
Dredging project	65,783,053.94	8,380,006.13	24,458,611.73	5,534.99	49,698,913.35	Settlement Variance
Relocation project of Nanhai Rescue Bureau	35,339,374.70	-	1,107,368.40	-	34,232,006.30	
Expenditures for the improvement of leased fixed assets	20,416,797.88	6,986,783.39	3,243,366.25	623,271.52	23,536,943.50	Settlement Variance
Others	162,829,634.27	65,638,880.70	50,942,876.60	90,556.97	177,435,081.40	Settlement Variance
Total	940,404,479.94	81,005,670.22	100,971,541.50	719,363.48	919,719,245.18	

Note 1: This represents the Group's actual expenses on Shenzhen Western Port Area Tonggu Channel 210-270M Widening Project. According to relevant resolutions of Shenzhen Municipal Government, the enterprise and government shall bear 60% and 40% of the expenses incurred for the 210-240M widening project, and 50% and 50% of the expenses incurred for the 240-270M widening project respectively. The Company's subsidiary has included the expenses on deepening the channel in the item of " long-term deferred expenses ", and amortised such expenses over the expected useful lives of the two widening projects of 35 and 40 years using straight-line method since the completion of each project in 2008 and 2019, respectively.

Note 2: This represents the Group's actual expenses on Shenzhen West Port Area Public Channel Widening Project, of which the widening of 240-270M in the first section was completed on 1 June 2019 and the widening of 240-270M in the second and third sections was completed on 5 November 2020. According to relevant resolutions of Shenzhen Municipal Government, the enterprise and government shall bear 50% and 50% of the expenses incurred for the project respectively. The Company's subsidiary has included the expenses on deepening the channel in the item of " long-term deferred expenses ", and amortised such expenses over the expected useful life of 40 years using straight-line method since the completion of each section of the channel widening project.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

22. Deferred income tax

(1) Deferred tax assets before offsetting

Item	Closing Balance		Opening Balance	
	Deferred tax assets	Deductible temporary differences	Deferred tax assets	Deductible temporary differences
Lease liabilities	295,871,432.32	1,367,303,811.47	163,857,577.86	666,428,741.59
Unrealized profit	179,593,057.91	734,475,385.57	181,536,190.45	742,725,529.54
Terminal operating right	223,733,018.15	745,776,727.15	217,563,517.06	725,211,723.54
Depreciation of fixed assets	40,471,835.50	191,301,536.12	38,716,737.33	180,532,470.26
Provision for bad debts	9,161,395.67	41,122,248.17	18,830,890.39	84,382,905.10
Accrued and unpaid wages	15,275,295.00	73,422,009.38	21,864,895.76	104,332,100.77
Estimated liabilities	28,614,938.41	90,185,667.85	24,250,379.90	72,335,644.41
Deductible losses	15,925,668.89	106,171,125.93	5,384,926.28	35,370,822.19
Deferred income	7,151,504.28	30,286,075.45	8,571,871.40	36,119,190.53
Amortisation of computer software	2,269,985.97	13,606,231.50	1,226,964.34	6,236,548.44
Provision for impairment of assets	673,227.45	3,364,804.44	690,206.29	3,477,996.67
Others	41,142,857.64	165,309,874.90	22,429,487.85	98,150,808.94
Total	859,884,217.19	3,562,325,497.93	704,923,644.91	2,755,304,481.98

(2) Deferred tax liabilities before offsetting

Item	Closing Balance		Opening Balance	
	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences
Withholding dividend income tax	3,258,707,299.23	48,419,673,418.17	3,127,746,150.78	45,628,599,622.34
Right-of-use assets	377,554,058.21	1,607,827,870.66	257,345,925.13	972,527,705.73
Terminal operating right	80,273,769.35	267,579,231.18	82,096,512.01	273,655,040.04
Fair value adjustment of assets acquired from business combination	1,226,351,207.35	4,851,401,238.39	1,254,384,068.52	4,861,662,497.66
Depreciation of fixed assets	281,321,320.16	1,004,405,641.73	257,210,035.67	934,419,445.82
Changes in fair value of investments in other equity instruments	29,122,500.00	116,490,000.00	29,054,129.91	116,216,519.64
Valuation of financial assets held for trading	1,182,941.81	4,731,767.24	754,965.77	3,019,863.08
Others	119,049,568.27	1,060,609,222.61	126,835,982.94	1,026,333,384.24
Total	5,373,562,664.38	57,332,718,389.98	5,135,427,770.73	53,816,434,078.55

(3) Deferred tax assets or liabilities that are presented at the net amount after offsetting

Item	Offset amount of deferred tax assets and liabilities at the end of the current year	Balance of deferred tax assets or liabilities after offsetting at the end of the current year	Offset amount of deferred tax assets and liabilities at the end of the prior year	Balance of deferred tax assets or liabilities after offsetting at the end of the prior year
Deferred tax assets	-504,396,695.35	355,487,521.84	-339,442,437.14	365,481,207.77
Deferred tax liabilities	-504,396,695.35	4,869,165,969.03	-339,442,437.14	4,795,985,333.59

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

22. Deferred income tax - continued

(4) Details of unrecognised deferred tax assets

Item	Closing Balance	Opening Balance
Deductible temporary differences	1,088,193,612.07	1,126,951,677.30
Deductible losses	1,247,132,283.40	1,637,807,708.04
Total	2,335,325,895.47	2,764,759,385.34

The Group recognises deferred income tax assets to the extent of future taxable income that is likely to be obtained to offset the deductible temporary differences and deductible losses. For the excess of deductible temporary differences and deductible losses over future taxable income, no deferred tax assets are recognised.

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

Year	Closing Balance	Opening Balance
2025	-	375,181,018.80
2026	102,128,558.83	105,089,811.43
2027	205,298,714.50	332,432,966.78
2028	709,684,706.07	753,239,633.32
2029	47,794,332.62	71,864,277.71
2030	176,809,471.64	-
2034	5,416,499.74	-
Total	1,247,132,283.40	1,637,807,708.04

23. Other non-current assets

Item	Closing Balance	Opening Balance
Advances for the channel project (Note 1)	793,174,860.33	1,037,329,218.89
Prepayments for fixed assets	67,035,987.35	117,351,349.97
Prepayments for terminal operating right	32,437,050.53	28,542,865.38
Others	637,756.68	14,325,919.01
Sub-total	893,285,654.89	1,197,549,353.25
Less: provision for impairment (Note 1, Note 2)	174,364,111.91	88,524,171.44
Total	718,921,542.98	1,109,025,181.81

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(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 1: - continued

In 2025, Zhanjiang Port received a prepayment of RMB 267,849,800.00 from Zhanjiang Port and Navigation Affairs Center for the waterway.

Note 2: Zhanjiang Port, a subsidiary of the Company, comprehensively considers the reasonable and reliable information related to the credit risk status of the debtor, including the payment period agreed in the contract, actual settlement period, the financial status of the debtor, etc., estimates the present value of the difference between the contractual cash flows of the waterway advance payment fee and the expected cash flow collected, and makes provision for bad debts accordingly. As of 31 December 2025, the Group has accrued corresponding credit impairment losses of RMB 174,364,111.91 (31 December 2024: RMB 88,524,171.44).

24. Short-term borrowings

(1) Classification of short-term borrowings

Item	Closing Balance	Opening Balance
Credit borrowings	19,724,784,577.14	12,771,225,106.96
Mortgage borrowings (Note)	51,036,254.18	20,017,034.73
Total	19,775,820,831.32	12,791,242,141.69

Note: It is obtained by Guangdong Yide Port Co., Ltd. (hereinafter referred to as "Yide Port"), a subsidiary of the Company, by mortgaging the land and fixed assets held by it.

(2) As at 31 December 2025, the Group has no short-term borrowings that are overdue.

25. Bills payable

Category	Closing Balance	Opening Balance
Bank acceptance	-	1,536,194.00
Total	-	1,536,194.00

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

26. Accounts payable

Item	Closing Balance	Opening Balance
Service fee	238,195,011.65	177,881,786.24
Material purchase fee	125,891,873.15	147,233,743.30
Construction fee	85,951,478.75	97,723,911.20
Equipment payments	40,330,021.94	79,246,916.34
Rental fee	15,440,269.10	19,621,514.17
Others	234,091,837.76	264,122,661.08
Total	739,900,492.35	785,830,532.33

(1) Aging of accounts payable

Aging	Closing Balance		Opening Balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (Including 1 year)	621,757,239.35	84.03	694,992,359.27	88.44
1-2 years (Including 2 years)	62,740,553.51	8.48	46,762,212.21	5.95
2-3 years (Including 3 years)	19,536,220.58	2.64	11,450,482.24	1.46
More than 3 years	35,866,478.91	4.85	32,625,478.61	4.15
Total	739,900,492.35	100.00	785,830,532.33	100.00

(2) Significant accounts payable aged more than 1 year

Name of entity	Closing Balance	Reason for outstanding
Shenzhen Nanshan District Treasury Payment Center	28,414,768.94	To be paid upon confirmation by both parties.
Quanzhou Antong Logistics Co., Ltd.	17,869,057.61	To be paid upon confirmation by both parties.
Sinopec Group Assets Operation Management Co., Ltd.	12,566,300.00	To be paid upon confirmation by both parties.

27. Advance payments received

Item	Closing Balance	Opening Balance
Rental fee received in advance	11,781,611.38	14,371,546.45
Others	409,843.14	204,691.39
Total	12,191,454.52	14,576,237.84

(1) Aging of advance payments received

Aging	Closing Balance		Opening Balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (Including 1 year)	11,444,067.35	93.87	13,621,118.48	93.45
1-2 years (Including 2 years)	96,278.62	0.79	955,119.36	6.55
2-3 years (Including 3 years)	651,108.55	5.34	-	-
Total	12,191,454.52	100.00	14,576,237.84	100.00

(2) As at 31 December 2025, the Group has no significant advance payments received aged more than one year.

(3) For the year ended 31 December 2025, the Group has no advance payments received with significant changes in carrying amount.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

28 Contract liabilities

(1) Details of contract liabilities

Item	Closing Balance	Opening Balance
Unused sales discounts	264,529,928.79	123,329,461.62
Port and service fees collected in advance	167,813,038.98	123,282,437.42
Storage fees collected in advance	2,310,969.36	5,407,746.76
Others	12,169,011.66	15,868,626.82
Total	446,822,948.79	267,888,272.62

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

At the beginning of this year, the book value of contract liabilities was RMB 248,300,041.60, which was recognised as revenue in this year, including unused sales discounts, advance collection of port and service fees, advance collection of warehousing fees contracts, and advance collection for other contracts that have been settled but not completed

(3) As at 31 December 2025, the Group has no significant contract liabilities aged more than one year.

(4) Qualitative analysis of contract liabilities

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

29. Employee benefits payable

(1) Employee benefits payable classification

Item	Opening Balance	Effect of changes in the scope of consolidation	Increase for the year	Decrease for the year	Closing Balance
1. Short-term benefits	1,159,571,782.03	888,451.87	3,367,598,242.18	3,241,039,456.31	1,287,019,019.77
2. Post-employment benefits defined contribution plan	8,520,567.12	-	418,356,144.43	416,061,052.12	10,815,659.43
3. Termination benefits	500,000.00	-	5,800,033.43	6,300,033.43	-
4. Other benefits due within 1 year	-	-	-	-	-
5. Others	-	-	10,638,790.98	10,638,790.98	-
Total	1,168,592,349.15	888,451.87	3,802,393,211.02	3,674,039,332.84	1,297,834,679.20

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

29. Employee benefits payable - continued

(2) Presentation of short-term benefits

Item	Opening Balance	Effect of changes in the scope of consolidation	Increase for the year	Decrease for the year	Closing Balance
1. Wages and salaries, bonuses, allowances and subsidies	1,126,682,376.20	93,380.00	2,769,660,036.10	2,643,988,473.90	1,252,447,318.40
2. Staff welfare	-	-	152,503,967.42	152,503,967.42	-
3. Social insurance contributions	21,283,662.81	-	181,208,538.90	179,329,942.73	23,162,258.98
Including: Medical insurance and maternity insurance premiums	17,671,866.66	-	135,489,244.58	132,971,144.56	20,189,966.68
Work injury insurance	-	-	24,315,059.55	24,315,059.55	-
Others	3,611,796.15	-	21,404,234.77	22,043,738.62	2,972,292.30
4. Housing funds	0.01	-	200,811,566.30	200,811,566.31	-
5. Labour union and employee education funds	11,605,743.01	795,071.87	45,174,687.08	46,210,046.48	11,365,455.48
6. Other short-term benefits	-	-	18,239,446.38	18,195,459.47	43,986.91
Total	1,159,571,782.03	888,451.87	3,367,598,242.18	3,241,039,456.31	1,287,019,019.77

(3) Presentation of defined benefit plans

Item	Opening Balance	Effect of changes in the scope of consolidation	Increase for the year	Decrease for the year	Closing Balance
1. Basic pension	7,459,654.22	-	316,991,768.30	315,485,089.99	8,966,332.53
2. Unemployment insurance	-	-	12,078,617.33	12,078,617.33	-
3. Enterprise annuity	1,060,912.90	-	89,285,758.80	88,497,344.80	1,849,326.90
Total	8,520,567.12	-	418,356,144.43	416,061,052.12	10,815,659.43

The Company and its domestic subsidiaries participate in the pension insurance and unemployment insurance plan established by government institutions as required. According to such plans, the Group contributes in proportion to the local government. The Group has established an enterprise annuity system, accrues and pays the enterprise annuity according to the enterprise annuity system of the Company and its domestic subsidiaries. In addition to above contributions, the Group has no further payment obligations. The corresponding expenses are included in profit or loss for the period or the cost of related assets when incurred.

30. Taxes payable

Item	Closing Balance	Opening Balance
Enterprise income tax	758,576,333.33	576,840,455.26
VAT	24,055,651.28	33,120,467.83
Other taxes and surcharges	130,652,487.93	115,204,803.23
Total	913,284,472.54	725,165,726.32

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

31. Other payables

(1) Presentation of other payables

Item	Closing Balance	Opening Balance
Dividends payable	135,169,470.79	132,334,744.28
Other payables	1,899,753,608.16	1,791,645,568.70
Total	2,034,923,078.95	1,923,980,312.98

(2) Dividends payable

Item	Closing Balance	Opening Balance
Ordinary share dividends	135,169,470.79	132,334,744.28
Including: China Merchants Zhangzhou Development Zone Co., Ltd.	105,526,928.23	79,792,513.04
Yiu Lian Dockyards Limited	22,924,685.89	-
Qingdao Port (Group) Co., Ltd.	6,717,856.67	-
Zhanjiang Infrastructure Construction Investment Group Co., Ltd.	-	52,542,231.24

Note: As at 31 December 2025, The Group has a total of RMB 79,792,513.04 of important dividends payable with an aging of more than one year, all of which are dividends payable to China Merchants Zhangzhou Development Zone Co., Ltd. The reason for the non-disbursement is that the funding plan has not yet been arranged.

(3) Other payables

(a) Disclosure of other payables by nature

Item	Closing Balance	Opening Balance
Amount payable for construction and quality warranty	830,865,851.52	769,762,433.76
Guarantees and deposits	207,608,168.44	271,312,443.95
Port construction and security fee	22,421,347.69	26,454,133.47
Others	838,858,240.51	724,116,557.52
Total	1,899,753,608.16	1,791,645,568.70

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

31. Other payables - continued

(3) Other payables - continued

(b) Aging analysis of other payables

Aging	Closing Balance		Opening Balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (including 1 year)	1,297,912,623.51	68.32	1,181,359,579.96	65.94
1-2 years (including 2 years)	130,587,433.84	6.87	100,163,555.98	5.59
2-3 years (including 3 years)	64,712,876.01	3.41	144,116,749.00	8.04
More than 3 years	406,540,674.80	21.40	366,005,683.76	20.43
Total	1,899,753,608.16	100.00	1,791,645,568.70	100.00

(c) Significant other payables aged more than one year

Company name	Amount payable	Aging	Reason for being outstanding
Lac Assal Investment Holding Company Limited	79,952,643.76	1-2 years、2-3 years and more than 3 years	To be paid upon confirmation by both parties
Transport Bureau of Shenzhen Municipality (Ports Administration of Shenzhen Municipality)	79,689,248.18	More than 3 years	To be paid upon confirmation by both parties
Shanghai Zhenhua Heavy Industries Co., Ltd.	39,072,403.74	1-2 years and more than 3 years	To be paid upon confirmation by both parties
Shantou Bureau of Communications	31,358,355.47	More than 3 years	To be paid upon confirmation by both parties
China Communications Fourth Navigation Engineering Bureau Co., Ltd	24,948,480.39	1-2 years、2-3 years and more than 3 years	To be paid upon confirmation by both parties
Total	255,021,131.54	—	—

32. Non-current liabilities due within one year

Item	Closing Balance	Opening Balance
Long-term borrowings due within one year	5,429,113,410.54	3,271,899,155.70
Including: Credit borrowings	5,305,704,329.05	3,083,776,769.64
Mortgage borrowings	33,593,973.27	110,904,933.53
Guaranteed and mortgage borrowings	89,815,108.22	77,217,452.53
Bonds payable due within one year	229,971,569.71	6,866,623,467.03
Lease liabilities due within one year	211,853,235.22	101,402,045.53
Long-term payables due within one year	114,496,507.83	206,012,716.21
Long-term employee benefits payable due within one year	42,037,962.03	44,885,411.13
Other non-current liabilities due within one year	15,050,000.00	15,860,000.00
Total	6,042,522,685.33	10,506,682,795.60

33. Other current liabilities

(1) Details of other current liabilities

Item	Closing Balance	Opening Balance
Short-term bonds payable	2,004,242,191.78	4,020,214,246.58
Others	195,059,225.24	40,987,514.14
Total	2,199,301,417.02	4,061,201,760.72

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

33. Other current liabilities - continued

(2) Changes in short-term bonds payable

Name of bond	Face value	Coupon rate	Date of issue	Term of the bond	Amount of issue	Opening Balance	Amount issued in the current year	Interest accrued based on par value	Amortisation of premiums or discounts	Repayment in the current year	Closing Balance	Is it in breach of contract?
1.95% RMB 2 billion Super & Short-term Commercial Paper	2,000,000,000.00	1.95%	2024-07-31	270 days	2,000,000,000.00	2,016,347,945.21	-	12,501,369.86	-	2,028,849,315.07	-	No
1.96% RMB 2 billion Super & Short-term Commercial Paper	2,000,000,000.00	1.96%	2024-11-25	180 days	2,000,000,000.00	2,003,866,301.37	-	15,465,205.48	-	2,019,331,506.85	-	No
1.51% RMB 2 billion Super & Short-term Commercial Paper	2,000,000,000.00	1.51%	2025-05-19	180 days	2,000,000,000.00	-	2,000,000,000.00	14,893,150.68	-	2,014,893,150.68	-	No
1.58% RMB 2 billion Super & Short-term Commercial Paper	2,000,000,000.00	1.58%	2025-11-13	267 days	2,000,000,000.00	-	2,000,000,000.00	4,242,191.78	-	-	2,004,242,191.78	No
Total	8,000,000,000.00				8,000,000,000.00	4,020,214,246.58	4,000,000,000.00	47,101,917.80	-	6,063,073,972.60	2,004,242,191.78	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

34. Long-term borrowings

Category	Closing Balance	Opening Balance	Range of year-end interest rate
Credit borrowings	5,677,716,492.69	13,903,500,511.85	1.70%-3.00%
Mortgage borrowings (Note 1)	744,516,884.53	572,319,257.23	2.66%-3.50%
Guaranteed and mortgage borrowings (Note 2)	1,017,722,746.28	1,106,773,486.57	2.25%
Total	7,439,956,123.50	15,582,593,255.65	

Note 1: On 31 December 2025, the Company's subsidiary, Yide Port obtained long-term borrowings of RMB 660,846,067.18 (31 December 2024: RMB 459,116,477.34) secured by its proprietary land and fixed assets, as well as the proprietary land of Guangdong Shunkong Lingang Development and Construction Co., Ltd. (hereinafter referred to as "Shunkong Lingang"). The Company's subsidiary, China Merchants Port (Zhoushan) RoRo Terminal Co., Ltd. (hereinafter referred to as "Zhoushan RoRo"), obtained a long-term loan of RMB 83,670,817.35 (31 December 2024: RMB 88,919,018.23) with its land use right and mortgage of above ground buildings.

Note 2: On 31 December 2025, Shenzhen Haixing Port Development Co., Ltd. (hereinafter referred to as "Shenzhen Haixing") obtained a long-term loan of RMB 1,017,722,746.28 (31 December 2024: RMB 1,106,773,486.57) with the land holding property rights as collateral and guaranteed by China Merchants Port Holdings and Sinotrans South China Co., Ltd.

Details of mortgage borrowings are as follows:

Company name	Closing Balance	Opening Balance	Collateral and pledge
Bank of China Qianhai Shekou Branch	1,017,722,746.28	1,106,773,486.57	Land use rights of Shenzhen Haixing
China Construction Bank Shunde Branch	112,000,000.00	136,000,000.00	Land use rights and fixed assets of Yide Port
Bank of Communications Co., Ltd. Guangdong Branch, Shenzhen Branch of China Merchants Group Finance Co., Ltd.	548,846,067.18	323,116,477.34	Land use rights of Shunkong Port
China Merchants Group Finance Co., Ltd.	83,670,817.35	88,919,018.23	Land use right and buildings on ground of Zhoushan RoRo
PT Bank Mandiri (Persero) Tbk	-	24,283,761.66	Fixed assets of NPH
Total	1,762,239,630.81	1,679,092,743.80	

Note: See Note (VIII) 65 for the above mortgages and pledges.

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

35. Bonds payable

(1) Bonds payable

Item	Closing Balance	Opening Balance
5.000% USD 600 million corporate bond	4,199,310,168.54	4,288,209,912.95
4.000% USD 500 million corporate bond	3,510,477,363.75	3,587,349,206.57
1.820% RMB 3 billion corporate bond	3,000,000,000.00	-
1.980% RMB 2 billion medium term notes	2,000,000,000.00	-
2.180% RMB 2 billion corporate bond	2,000,000,000.00	2,000,000,000.00
1.760% RMB 2 billion corporate bond	2,000,000,000.00	-
2.800% RMB 1,500 million medium term notes	1,500,000,000.00	1,500,000,000.00
2.300% RMB 1,200 million medium term notes	1,200,000,000.00	1,200,000,000.00
2.100% RMB 800 million medium term notes	800,000,000.00	800,000,000.00
2.680% RMB 500 million medium term notes	500,000,000.00	500,000,000.00
Total	20,709,787,532.29	13,875,559,119.52

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

35. Bonds payable - continued

(2) Statement of changes in bonds payable

Name of bonds	Face value	Coupon rate	Date of issue	Term of the bond	Amount of issue	Opening Balance	Amount issued in the current year	Interest accrued based on par value	Amortisation of premiums or discounts	Repayment in current year	Effect of translation of financial statements denominated in foreign currencies	Closing Balance	Default or not
5.000% USD 600 million corporate bond	USD 600,000,000.00	5.0000%	2018-08-06	10 years	USD 600,000,000.00	4,374,939,570.06	-	214,269,350.00	6,411,040.00	214,936,230.51	-96,569,514.75	4,284,114,214.80	No
4.750% USD 500 million corporate bond	USD 500,000,000.00	4.7500%	2015-08-03	10 years	USD 500,000,000.00	3,661,941,770.15	-	100,372,388.81	1,960,115.12	3,759,572,002.72	-4,702,271.36	-	No
4.000% USD 500 million corporate bond	USD 500,000,000.00	4.0000%	2022-06-01	5 years	USD 500,000,000.00	3,599,756,588.81	-	142,846,505.50	2,821,179.22	142,484,682.36	-80,330,320.40	3,522,609,270.77	No
1.820% RMB 3 billion corporate bond	3,000,000,000.00	1.8200%	2025-08-25	3 years	3,000,000,000.00	-	3,000,000,000.00	19,296,986.29	-	-	-	3,019,296,986.29	No
2.690% RMB 3 billion corporate Bond	3,000,000,000.00	2.6900%	2022-08-30	3 years	3,000,000,000.00	3,027,415,890.40	-	53,284,109.60	-	3,080,700,000.00	-	-	No
1.980% RMB 2 billion medium term notes	2,000,000,000.00	1.9800%	2025-03-25	3 years	2,000,000,000.00	-	2,000,000,000.00	30,595,068.49	-	-	-	2,030,595,068.49	No
2.180% RMB 2 billion corporate bond	2,000,000,000.00	2.1800%	2024-08-23	5 years	2,000,000,000.00	2,015,648,219.17	-	43,600,000.00	-	43,600,000.00	-	2,015,648,219.17	No
1.760% RMB 2 billion medium term notes	2,000,000,000.00	1.7600%	2025-11-10	3 years	2,000,000,000.00	-	2,000,000,000.00	5,014,794.52	-	-	-	2,005,014,794.52	No
2.800% RMB 1500 million medium term notes	1,500,000,000.00	2.8000%	2024-04-03	10 years	1,500,000,000.00	1,531,413,698.63	-	42,000,000.00	-	42,000,000.00	-	1,531,413,698.63	No
2.300% RMB 1200 million medium term notes	1,200,000,000.00	2.3000%	2024-07-12	5 years	1,200,000,000.00	1,213,081,643.84	-	27,600,000.00	-	27,600,000.00	-	1,213,081,643.84	No
2.100% RMB 800 million medium term notes	800,000,000.00	2.1000%	2024-07-12	3 years	800,000,000.00	807,962,739.75	-	16,800,000.00	-	16,800,000.00	-	807,962,739.75	No
2.680% RMB 500 million medium term notes	500,000,000.00	2.6800%	2024-04-03	5 years	500,000,000.00	510,022,465.74	-	13,400,000.00	-	13,400,000.00	-	510,022,465.74	No
Total	---	---	---	---	---	20,742,182,586.55	7,000,000,000.00	709,079,203.21	11,192,334.34	7,341,092,915.59	-181,602,106.51	20,939,759,102.00	---
Less: Bonds payable due within one year	---	---	---	---	---	6,866,623,467.03	---	---	---	---	---	229,971,569.71	---
Bonds payable due after one year	---	---	---	---	---	13,875,559,119.52	---	---	---	---	---	20,709,787,532.29	---

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

36. Lease liabilities

(1) Lease liabilities

Category	Closing Balance	Opening Balance
Lease payment	3,748,343,293.15	3,388,957,333.56
Less: Unrecognised financing cost	1,845,629,225.85	1,900,348,297.52
Total	1,902,714,067.30	1,488,609,036.04
Less: Lease liabilities due within one year	211,853,235.22	101,402,045.53
Net leases liabilities	1,690,860,832.08	1,387,206,990.51

(2) Maturity of lease payments

Item	Closing Balance
1 st year subsequent to the balance sheet date	297,922,691.16
2 nd year subsequent to the balance sheet date	187,789,429.53
3 rd year subsequent to the balance sheet date	188,820,250.56
Subsequent years	3,073,810,921.90
Total	3,748,343,293.15

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

37. Long-term payables

Item	Closing Balance	Opening Balance
Terminal management rights (Note)	3,552,952,940.93	3,330,284,743.90
Sale and leaseback payment	237,923,089.53	72,206,327.12
Shareholder loans	36,685,942.36	-
Special payables	6,461,237.03	6,132,944.24
Other	2,078,590.05	1,971,373.70
Total	3,836,101,799.90	3,410,595,388.96
Less: Long-term payables due within one year	114,496,507.83	206,012,716.21
Long-term payables due after one year	3,721,605,292.07	3,204,582,672.75

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

37. Long-term payables - continued

Note : Mainly from CICT and TCP terminal management rights purchased. On 12 August 2011, the Group reached a 35-year building, operation and transfer agreement through the subsidiary CICT and Sri Lanka Port Authority on the building, operation, management and development of Colombo Port South Container Terminal (hereinafter referred to as "BOT"). The above-mentioned amount payable for the acquisition of terminal management rights is determined by discounting the amount to be paid in the future using the prevailing market interest rate according to the BOT agreement. As at 31 December 2025, the amount payable for the acquisition of terminal management rights is RMB 879,962,116.70.

TCP, a subsidiary of the Company, entered into a franchise agreement on the Port of Paranaguá with the Administration of the Ports of Paranaguá and Antonina- APPA (hereinafter referred to as "APPA"). The agreement provides for an initial term of 25 years for the franchising rights. In April 2016, TCP and APPA entered into the Supplemental Agreement, which extends the term to 50 years and will be expired in October 2048. As at 31 December 2025, the amount of franchising rights payable was RMB 2,672,990,824.23.

(1) Top five long-term payables at the end of the year

Item	Closing Balance	Opening Balance
APPA	2,672,990,824.23	2,448,789,645.79
Sri Lanka Ports Authority	882,040,706.75	883,466,471.81
Ocean Offshore 2403 Limited	128,076,334.57	-
China Merchants Finance Lease (Tianjin) Co., Ltd.	109,846,754.96	72,206,327.12
Yihai Kerry Arawana Holdings Co., Ltd.	36,685,942.36	-
Total	3,829,640,562.87	3,404,462,444.72

(2) Special payables

Item	Opening Balance	Effect of changes in the scope of consolidation	Increase for the year	Decrease for the year	Closing Balance	Reason
Employee housing fund	6,132,944.24	-	328,292.79	-	6,461,237.03	Note
Total	6,132,944.24	-	328,292.79	-	6,461,237.03	

Note : This represents the repairing fund for public areas and public facilities and equipment established after the Group sells the public-owned house on the collectively allocated land to employees. The fund is contributed by all the employees having ownership of the house according to the rules and is specially managed and used for specific purpose.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

38. Long-term employee benefits payable

(1) Long-term employee benefits payable

Item	Opening Balance	Increase for the year	Decrease for the year	Closing Balance
Post-employment benefits - net liabilities of defined benefit plans	576,678,542.68	65,538,179.92	163,622,871.87	478,593,850.73
Termination benefits	40,614,858.86	2,891,637.36	11,157,508.74	32,348,987.48
Other long-term benefit (note)	38,364,643.44	14,907,600.66	17,828,704.69	35,443,539.41
Total	655,658,044.98	83,337,417.94	192,609,085.30	546,386,377.62

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued**38. Long-term employee benefits payable - continued****(2) Changes in defined benefit plans**

Present value of defined benefit plan obligations:

Item	Current Year	Prior Year
I. Opening balance	593,762,038.30	509,605,071.25
II. Defined benefit cost included in profit or loss for the period	-37,583,274.19	26,128,322.32
1. Current service cost	38,722,009.56	12,161,218.04
2. Past service cost	-88,340,000.00	-
3. Interest adjustment	12,034,716.25	13,967,104.28
III. Defined benefit cost included in other comprehensive income	-37,489,668.78	65,169,223.46
1. Actuarial gains	-37,425,594.87	66,185,897.50
2. Effect of exchange rate changes	-64,073.91	-1,016,674.04
IV. Other changes	-22,994,582.57	-7,140,578.73
1. Benefits paid	-27,143,988.37	-23,576,039.76
2. Changes in the scope of consolidation	4,149,405.80	16,435,461.03
V. At the end of the year	495,694,512.76	593,762,038.30

The Company's subsidiaries provide the registered retirees and in-service staff with supplementary post-employment benefit plans.

The Group hired a third-party actuary to estimate the present value of the above-mentioned retirement benefit plan obligations in an actuarial manner based on the expected cumulative welfare unit method. The Group recognises the liabilities based on the actuarial results. The relevant actuarial gains or losses are included in other comprehensive income and cannot be reclassified into profit or loss in the future. Past service costs are recognised in profit or loss for the period in which the plan is revised. The net interest is determined by multiplying the defined benefit plan net debt or net assets by the appropriate discount rate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

39. Provisions

Item	Opening Balance	Increase for the year	Decrease for the year	Effect of translation of financial statements denominated in foreign currencies	Closing Balance	Reason
Pending litigation	159,435,795.50	1,800,205.62	88,909,304.78	7,079,118.97	79,405,815.31	Note1
External guarantees provided	-	107,608,404.55	-	-1,521,037.41	106,087,367.14	Note2
Total	159,435,795.50	109,408,610.17	88,909,304.78	5,558,081.56	185,493,182.45	

Note 1: This represents the estimated compensation amount RMB 79,405,815.31 that the Company's subsidiary TCP may need to pay due to the pending litigation.

The decrease in this year is due to the compensation amount of RMB 88,909,304.78 transferred backed by Zhanjiang Port, a subsidiary of the Company, resulting from the settlement of outstanding litigation

Note 2: As of 31 December 2025, the Board of the Group assessed the default risk of related parties based on the actual operation of the related parties, which is equivalent to RMB 107,608,404.55. Please refer to Note (XV), 5, (3) for details.

40. Deferred income

Item	Opening Balance	Effect of changes in the scope of consolidation	Increase for the year	Decrease for the year	Closing Balance
Government grants	1,268,975,316.61	-	8,876,921.27	354,502,788.47	923,349,449.41
Total	1,268,975,316.61	-	8,876,921.27	354,502,788.47	923,349,449.41

(1) Government grants included in deferred income

Category of government grants	Closing Balance	Amount included in current profit or loss	Amount refunded this year	Reason for return
Government grants	923,349,449.41	51,963,816.21	-	Not applicable
Total	923,349,449.41	51,963,816.21	-	Not applicable

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2025
 (Unless otherwise specified, the monetary unit shall be RMB)

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

41. Other non-current liabilities

Item	Opening Balance	Closing Balance
Actuarial cost for the calculation of pension benefit difference for the public security bureau staff (Note 1)	159,573,016.67	179,019,858.67
Other	4,869,460.69	3,700,396.17
Total	164,442,477.36	182,720,254.84

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

42. Share capital

Name of investor	Opening Balance		Increase for the year	Decrease for the year	Closing Balance	
	Investment amount	Proportion (%)			Investment amount	Proportion (%)
China Merchants Port Investment Development Company Limited	1,148,648,648.00	45.92	-	-	1,148,648,648.00	46.28
Zhejiang Seaport Investment and Operation Group Co., Ltd.	576,709,537.00	23.06	-	-	576,709,537.00	23.24
China Merchants Gangtong Development (Shenzhen) Co., Ltd.	370,878,000.00	14.83	-	-	370,878,000.00	14.94
Infrastructure Investment Fund Management Co., Ltd. – infrastructure Investment Fund Partnership (Limited Partnership)	64,850,182.00	2.59	-	-	64,850,182.00	2.61
Broadford International Limited (hereinafter referred to as "Broadford")	55,314,208.00	2.21	-	-	55,314,208.00	2.23
China Africa Development Fund Co., Ltd.	15,610,368.00	0.62	-	-	15,610,368.00	0.63
Others (Note)	269,297,538.00	10.77	351,400.00	19,817,696.00	249,831,242.00	10.07
Total	2,501,308,481.00	100.00	351,400.00	19,817,696.00	2,481,842,185.00	100.00

Note1: The increased share capital this year is generated by equity incentives, as detailed in Note (XVI).

Note2: During the current year, the Company repurchased 17,347,289.00 shares (2024: 2,470,407.00 shares) through a dedicated securities account for share repurchases via centralized bidding, with a total of 19,817,696.00 shares repurchased. Payments totaling RMB 338,393,205.04 were made during the year for the repurchases (2024: RMB 50,559,789.14), with cumulative payments amounting to RMB 388,952,994.18. On 10 October 2025, the Company completed the cancellation procedures for the aforementioned 19,817,696.00 repurchased shares (2024: 0.00 share) with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

43. Treasury shares

Item	Opening Balance	Increase for the year	Decrease for the year	Closing Balance
Share repurchase (VIII) 42	50,559,789.14	338,393,205.04	388,952,994.18	-
Total	50,559,789.14	338,393,205.04	388,952,994.18	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

44. Capital Reserve

Item	Opening Balance	Increase	Decrease	Closing Balance
For the year of 2025				
I. Capital premium	36,709,528,363.44	5,489,164.28	369,135,298.18	36,345,882,229.54
Including: Capital contributed by investors	17,108,331,780.58	5,489,164.28	-	17,113,820,944.86
Differences arising from business combination involving enterprises under common control	13,302,937,205.73	-	-	13,302,937,205.73
Differences arising from acquisition non-controlling interests	4,624,739,800.75	-	-	4,624,739,800.75
Others	1,673,519,576.38	-	369,135,298.18	1,304,384,278.20
II. Other capital reserve	653,453,468.23	951,302.21	183,700,384.00	470,704,386.44
Including: Transfer from capital reserve under the previous accounting rules	-2,781,133.00	-	-	-2,781,133.00
Unexercised share-based payment	506,305.80	-	506,305.80	-
Other	655,728,295.43	951,302.21	183,194,078.20	473,485,519.44
Total	37,362,981,831.67	6,440,466.49	552,835,682.18	36,816,586,615.98
For the year of 2024				
I. Capital premium	36,453,130,588.72	256,397,774.72	-	36,709,528,363.44
Including: Capital contributed by investors	17,068,816,277.34	39,515,503.24	-	17,108,331,780.58
Differences arising from business combination involving enterprises under common control	13,302,937,205.73	-	-	13,302,937,205.73
Differences arising from acquisition non-controlling interests	4,407,857,529.27	216,882,271.48	-	4,624,739,800.75
Others	1,673,519,576.38	-	-	1,673,519,576.38
II. Other capital reserve	623,716,214.34	36,140,304.89	6,403,051.00	653,453,468.23
Including: Transfer from capital reserve under the previous accounting rules	-2,781,133.00	-	-	-2,781,133.00
Unexercised share-based payment	6,644,590.36	264,766.44	6,403,051.00	506,305.80
Other	619,852,756.98	35,875,538.45	-	655,728,295.43
Total	37,076,846,803.06	292,538,079.61	6,403,051.00	37,362,981,831.67

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

45. Other comprehensive income

Items of OCI and their impact on income taxes and transfer to profit or loss

Item	Opening Balance	2025						Other changes	Closing Balance
		Pre-tax amount for the year	Less: Amount included in other comprehensive income in the prior year but transferred to profit or loss in the current year	Less: Amount included in other comprehensive income in the prior period but transferred to retained earnings in the current year	Less: Income tax expenses	Attributable to the Company, net of tax	Attributable to non-controlling shareholders, net of tax		
For the year of 2025									
I. Other comprehensive income that will not be reclassified subsequently to profit or loss	-125,708,734.97	92,020,131.46	-	-	192,928.31	36,036,304.99	55,790,898.16	-	-89,672,429.98
Including: Changes arising from remeasurement of defined benefit plans	-27,162,681.92	49,464,273.41	-	-	124,558.23	23,297,459.58	26,042,255.60	-	-3,865,222.34
Other comprehensive income that can't be reclassified to profit or loss under equity method	-157,659,266.07	40,241,379.95	-	-	-	11,925,433.55	28,315,946.40	-	-145,733,832.52
Changes in fair value of other equity instruments	59,113,213.02	2,314,478.10	-	-	68,370.08	813,411.86	1,432,696.16	-	59,926,624.88
II. Other comprehensive income that will be reclassified subsequently to profit or loss	-1,432,672,502.48	1,334,425,946.92	-	-	-	553,181,505.95	781,244,440.97	-	-879,490,996.53
Including: Other comprehensive income recognised under the equity method	-401,677,243.85	488,977,551.12	-	-	-	230,672,060.82	258,305,490.30	-	-171,005,183.03
Translation differences of financial statements denominated in foreign currencies	-1,030,995,258.63	845,448,395.80	-	-	-	322,509,445.13	522,938,950.67	-	-708,485,813.50
Total other comprehensive income	-1,558,381,237.45	1,426,446,078.38	-	-	192,928.31	589,217,810.94	837,035,339.13	-	-969,163,426.51
For the year of 2024									
I. Other comprehensive income that will not be reclassified subsequently to profit or loss	-22,859,768.83	-221,412,074.80	-	-	-4,502,591.44	-102,848,966.14	-114,060,517.22	-	-125,708,734.97
Including: Changes arising from remeasurement of defined benefit plans	-2,709,609.54	-70,324,586.90	-	-	-11,930.28	-24,453,072.38	-45,859,584.24	-	-27,162,681.92
Other comprehensive income that can't be reclassified to profit or loss under equity method	-92,749,398.41	-133,077,726.79	-	-	-	-64,909,867.66	-68,167,859.13	-	-157,659,266.07
Changes in fair value of other equity instruments	72,599,239.12	-18,009,761.11	-	-	-4,490,661.16	-13,486,026.10	-33,073.85	-	59,113,213.02
II. Other comprehensive income that will be reclassified subsequently to profit or loss	-880,766,825.52	-1,312,433,197.04	-	-	-	-551,905,676.96	-760,527,520.08	-	-1,432,672,502.48
Including: Other comprehensive income recognised under the equity method	-426,790,507.27	23,077,622.64	-	-	-	25,113,263.42	-2,035,640.78	-	-401,677,243.85
Translation differences of financial statements denominated in foreign currencies	-453,976,318.25	-1,335,510,819.68	-	-	-	-577,018,940.38	-758,491,879.30	-	-1,030,995,258.63
Total other comprehensive income	-903,626,594.35	-1,533,845,271.84	-	-	-4,502,591.44	-654,754,643.10	-874,588,037.30	-	-1,558,381,237.45

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

46. Specific reserve

Item	Opening Balance	Increase	Decrease	Closing Balance
Safety production cost	40,074,647.27	64,416,940.44	47,212,937.32	57,278,650.39

47. Surplus reserve

2025

Item	Opening Balance	Increase	Decrease	Closing Balance
Statutory surplus reserve	1,249,537,330.50	-	-	1,249,537,330.50

2024

Item	Opening Balance	Increase	Decrease	Closing Balance
Statutory surplus reserve	1,095,980,563.68	153,556,766.82	-	1,249,537,330.50

Note 1: According to the *Company Law of the People's Republic of China* and the Articles of the Company, the Company withdraws the statutory surplus reserve at 10% of the annual net profit. When the accumulated amount of the statutory surplus reserve reaches more than 50% of the registered capital, it can no longer be withdrawn. The statutory surplus reserve can be used to cover losses or increase share capital after approval. As of 31 December 2025, the cumulative amount of our company's statutory surplus reserve fund has reached 50% of the registered capital.

48. Retained earnings

Item	Amount	Proportion of appropriation or allocation
For the year of 2025		
Retained earnings at the beginning of the year before adjustment	21,957,778,579.11	
Add: Adjustment to Retained earnings at beginning of the year	-	
Including: Changes in accounting policies	-	
Retained earnings at the beginning of the year after adjustment	21,957,778,579.11	
Increase for the year	4,611,806,694.91	
Including: Net profit of the year attributable to shareholders of the Company	4,611,352,247.98	
Retained earnings carried forward from other comprehensive income	-	
Other	454,446.93	
Decrease for the year	1,839,836,697.18	
Including: Transfer to statutory surplus reserve in the current year	-	
Transfer to discretionary surplus reserve in the current year	-	
Ordinary shares' dividends payable	1,839,836,697.18	Note 1
Ordinary shares' dividends converted into share capital	-	
Pension benefit difference	-	
Transfer to National Council of Social Security Fund	-	
Distribution to holders of other equity instruments	-	
Others	-	
Retained earnings at the end of the year	24,729,748,576.84	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

48. Retained earnings - continued

Item	Amount	Proportion of appropriation or allocation
For the year of 2024		
Retained earnings at the beginning of the year before adjustment	19,045,313,519.75	
Add: Adjustment to Retained earnings at beginning of the year	-	
Including: Changes in accounting policies	-	
Retained earnings at the beginning of the year after adjustment	19,045,313,519.75	
Increase for the year	4,516,301,317.16	
Including: Net profit of the year attributable to shareholders of the Company	4,516,301,317.16	
Retained earnings carried forward from other comprehensive income	-	
Other	-	
Decrease for the year	1,603,836,257.80	
Including: Transfer to statutory surplus reserve in the current year	153,556,766.82	
Transfer to discretionary surplus reserve in the current year	-	
Ordinary shares' dividends payable	1,450,279,490.98	
Ordinary shares' dividends converted into share capital	-	
Pension benefit difference	-	
Transfer to National Council of Social Security Fund	-	
Distribution to holders of other equity instruments	-	
Others	-	
Retained earnings at the end of the year	21,957,778,579.11	

Note 1: According to the resolution of the shareholders' meeting on 23 May 2025, the total share capital of the company on the previous trading day (16 June 2025) prior to the application for dividend distribution was 250,150,8381 shares. After excluding the 15,242,574 shares held in the repurchase special account, the total was 2,486,265,807 shares. Based on this, the company distributed a cash dividend of RMB 7.40 (including tax) per ten shares, totaling RMB 1,839,836,697.18.

49. Operating income and operating costs

(1) Details of operating income and operating costs

Item	Current Year		Prior Year	
	Income	Costs	Income	Costs
Principal operation	17,071,898,673.29	9,466,243,393.64	15,943,748,346.43	8,972,147,936.19
Other operations	174,483,854.56	189,943,854.64	187,029,681.81	223,868,756.16
Total	17,246,382,527.85	9,656,187,248.28	16,130,778,028.24	9,196,016,692.35

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

49. Operating income and operating costs - continued

(2) Breakdown information of operating income and operating costs

Category of contracts	Ports operation		Bonded logistics operation		Other operations		Total	
	Operating income	Operating costs	Operating income	Operating costs	Operating income	Operating costs	Operating income	Operating costs
Mainland China, Hong Kong and Taiwan area	9,978,435,334.62	6,385,521,967.67	583,324,323.05	305,787,588.26	174,483,854.56	189,943,854.64	10,736,243,512.23	6,881,253,410.57
- Pearl River Delta	6,846,460,971.70	3,759,872,234.74	428,931,723.67	229,625,961.36	174,483,854.56	189,943,854.64	7,449,876,549.93	4,179,442,050.74
- Yangtze River Delta	624,606.56	8,518,229.88	-	-	-	-	624,606.56	8,518,229.88
- Bohai Rim	28,724,541.44	14,775,255.63	154,392,599.38	76,161,626.90	-	-	183,117,140.82	90,936,882.53
- Other areas	3,102,625,214.92	2,602,356,247.42	-	-	-	-	3,102,625,214.92	2,602,356,247.42
Other countries	6,448,810,395.23	2,713,413,778.81	61,328,620.39	61,520,058.90	-	-	6,510,139,015.62	2,774,933,837.71
Total	16,427,245,729.85	9,098,935,746.48	644,652,943.44	367,307,647.16	174,483,854.56	189,943,854.64	17,246,382,527.85	9,656,187,248.28

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

49. Operating income and operating costs - continued

(3) Description of performance obligations

The Group provides port service, bonded logistics service and other services. These services are obligations performed over a period of time. For bonded logistics service and other services, the customers evenly obtain and consume the economic benefits from the Group's performance of contract, meanwhile the charging rules as agreed in the contract terms usually adopt daily/monthly/yearly basis. During the process of rendering services, the Group recognises revenue using straight-line method. At the same time, the Group is primarily responsible for the above services and generally does not have any commitment to the amount of money expected to be returned to the customer.

Part of the Group's handling contracts are established with discount terms, i.e., the customers whose business volume reaches agreed level, are granted with preferential charge rate or discount. At the end of the year, as the business volume finally realized within the contract period is uncertain, the contract consideration is subject to variable factors. The management includes this part of discount in contract liabilities. At the end of the year, the variable considerations arising from sales discount are set out in Note (VIII) 28.

(4) Descriptions on allocation to remaining performance obligations

At the end of the year, the amount of revenue corresponding to the performance obligations which the Group has entered into a contract for but has not fulfilled or completely fulfilled mainly included the contract liabilities of RMB 446,822,948.79, of which RMB 343,637,873.41 is expected to be recognised as revenue in 2026 and RMB 103,185,075.38 is expected to be recognised as revenue in 2027 and subsequent years.

50. Taxes and surcharges

Item	Current Year	Prior Year
Property tax	83,197,668.69	79,101,136.67
Land use tax	37,103,559.80	36,984,937.58
City construction and maintenance tax	9,376,376.49	10,881,226.12
Education surcharges and local education surcharges	7,088,205.63	8,081,655.86
Stamp duty	8,552,973.22	3,673,318.12
Others (Note)	221,754,616.83	193,611,488.80
Total	367,073,400.66	332,333,763.15

Note: Others mainly represent the social contribution tax and tax on services borne by TCP, a subsidiary of the Company, equivalent to RMB 208,731,946.30 (2024: RMB 181,212,315.70) for the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

51. General and administrative expenses

Item	Current Year	Prior Year
Employee benefits	1,136,560,493.96	1,352,143,332.57
Depreciation expenses	82,623,922.67	69,734,482.97
Fees paid to agencies	59,744,373.10	76,667,277.58
Amortisation of intangible assets	31,615,270.95	57,062,967.74
Others	222,847,231.71	265,936,221.32
Total	1,533,391,292.39	1,821,544,282.18

52. Research and development expenses

Item	Current Year	Prior Year
Employee benefits	138,539,706.69	127,706,303.07
Direct materials and outsourced R&D	31,546,990.32	67,418,187.58
Depreciation and amortisation	4,793,904.80	4,454,711.92
Others	2,869,671.71	2,175,863.79
Total	177,750,273.52	201,755,066.36

53. Financial expenses

Item	Current Year	Prior Year
Interest expenses	1,956,321,789.62	2,255,372,593.38
Including: Bank and other borrowings	817,585,732.95	1,084,714,767.25
Bond interest and bill discount	767,246,124.59	800,626,160.05
Interest expenses of terminal operation rights (note)	222,936,588.04	203,047,018.99
Interest expenses of lease liabilities	109,991,536.83	70,660,449.69
Other interest expenses	38,561,807.21	56,170,722.54
Less: Capitalized interest expenses	46,314,263.81	40,153,474.86
Less: Interest income	379,520,826.85	477,430,320.41
Net exchange loss (“-” for income)	-44,557,295.34	109,256,513.08
Others	18,911,508.47	10,320,325.68
Total	1,504,840,912.09	1,857,365,636.87

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

54. Other income

Item	Current Year	Prior Year	Whether it is government subsidy
Business development subsidy	106,275,887.50	75,662,052.93	Yes
Transfer from deferred income (Note VIII 40)	51,963,816.21	51,502,491.12	Yes
Subsidy funds for Qianhai Comprehensive Bonded Zone	-	45,939,617.40	Yes
Others	14,187,049.71	12,306,141.84	— —
Total	172,426,753.42	185,410,303.29	— —
Including: Government grants	170,950,037.14	183,382,851.80	— —

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

55. Investment income

(1) Details of investment income:

Item	Current Year	Prior Year
Long-term equity investments income	6,324,208,650.73	6,441,005,613.25
Including: Income from long-term equity investments under equity method	6,334,726,676.24	6,441,005,613.25
Investment income generated from disposal of long-term equity investments (loss expressed with "-")	-10,518,025.51	-
Investment income from financial assets held for trading	83,692,880.64	59,078,998.12
Investment income from other non-current financial assets	161,136.85	36,181,898.66
Dividend income from investments in other equity instruments	9,784,500.00	10,815,000.00
Investment from equity remeasurement at fair value upon acquisition of control	3,856,538.50	-
Others	-183,578.97	-84,978.53
Total	6,421,520,127.75	6,546,996,531.50

56. Gains from changes in fair value (“-” for losses)

Item	Current Year	Prior Year
Financial assets held for trading	42,129,916.42	40,176,493.90
Other non-current financial assets	244,210.64	350,055,871.25
Including: Financial assets at fair value through profit or loss	244,210.64	350,055,871.25
Total	42,374,127.06	390,232,365.15

57. Provision of credit impairment (“-” for losses)

Item	Current Year	Prior Year
Credit impairment of accounts receivable	-7,816,439.72	-1,772,048.18
Reversal of impairment of other receivables	-26,086,425.69	363,283,803.95
Reversal of impairment of long-term receivables	-63,300,443.53	-10,839.43
Impairment reversal of non-current assets due within one year	35,033.03	17,564.18
Credit impairment of other non-current assets	-85,839,940.47	-88,524,171.44
Others (Note)	-107,608,404.55	-
Total	-290,616,620.93	272,994,309.08

Note: The Group has made provision for credit impairment loss for the provision of guarantees to the related parties, the ultimate controlling shareholder of the Group this year, as detailed in Note (VIII) 39.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued**58. Impairment losses (loss expressed with "-")**

Item	Current Year	Prior Year
Impairment loss on prepayments	-4,329,769.64	-
Reversal of impairment losses of inventories	1,610.64	-
Impairment losses of long-term equity investments	-	-8,113,482.64
Impairment losses of construction in progress	-5,744,701.74	-767,306.24
Total	-10,072,860.74	-8,880,788.88

59. Gains from asset disposals (loss expressed with "-")

Item	Current Year	Prior Year	Amount included in non-recurring profit or loss for the current year
Gains from disposal of non-current assets	4,071,461.15	34,062,395.75	4,071,461.15
Including: Gains from disposal of intangible assets	2,763,804.93	18,456,558.06	2,763,804.93
Gains from disposal of fixed assets	750,456.76	15,323,446.42	750,456.76
Others	557,199.46	282,391.27	557,199.46
Income from non-monetary asset exchange	3,320,297.91	-	3,320,297.91
Total	7,391,759.06	34,062,395.75	7,391,759.06

60. Non-operating income

Item	Current Year	Prior Year	Amount included in non-recurring profit or loss for the current year
Compensation received for violation of contracts	43,306,048.43	25,233,458.06	43,306,048.43
Income from relocation compensation	900,000.00	9,072,904.37	900,000.00
Gains from retirement or damage of non-current assets	4,038,916.72	4,433,441.49	4,038,916.72
Including: Gains from retirement or damage of fixed assets	3,263,056.74	4,433,441.49	3,263,056.74
Exempted current accounts	11,586,548.10	2,087,824.66	11,586,548.10
Others	24,088,136.18	18,191,026.74	24,088,136.18
Total	83,919,649.43	59,018,655.32	83,919,649.43

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

61. Non-operating expenses

Item	Current Year	Prior Year	Amount included in non-recurring profit or loss for the current year
Litigation loss	4,866,567.86	8,725,469.87	4,866,567.86
Losses on retirement of non-current assets	15,709,412.55	18,274,807.12	15,709,412.55
Including: Losses on retirement or damage of fixed assets	15,709,412.55	18,274,807.12	15,709,412.55
Expenditure on public welfare donations	21,513,529.46	11,881,883.05	21,513,529.46
Compensation and liquidated damages	1,423,460.17	689,548.54	1,423,460.17
Others	14,282,428.48	30,680,393.15	14,282,428.48
Total	57,795,398.52	70,252,101.73	57,795,398.52

62. Borrowing costs

Item	Capitalisation rate	Capitalisation amount
Construction in progress	— —	— —
Phase I and II of the second phase of the second phase of the dock project in the local operation area of the Lingang Liaogeshan Port Area of Shunkong Port	2.81%	11,512,126.95
Zhanjiang Port Baoman Port Area Container Terminal Phase I Expansion Project	2.60%	10,425,895.30
Dongguan Machong Port Area Berth 2 # and 3 # Project Bulk Grain Warehouse Phase III Expansion Project	2.85%	680,800.12
Other non-current assets	— —	— —
Advances for channels	4.35%	23,695,441.44
Sub-total	— —	46,314,263.81
Interest expenses included in profit or loss for the year (Excludes interest expense on terminal operating rights and lease liabilities)	— —	1,577,079,400.94
Total	— —	1,623,393,664.75

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

63. Translation of foreign currencies

Item	Current Year
Exchange differences included in profit or loss for the year (Net income is represented with "-")	-44,557,295.34
Total	-44,557,295.34

64. Income tax expenses

Item	Current Year	Prior Year
Current income tax expenses	1,354,611,167.06	1,056,743,121.95
Adjustment of deferred income tax expenses	115,683,847.89	196,094,824.95
Total	1,470,295,014.95	1,252,837,946.90

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

Item	Current Year
Total profit	10,376,286,937.44
Income tax expenses calculated at 25%	2,594,071,734.36
Effect of non-deductible costs, expenses and losses	267,665,831.62
Accrued income tax	551,983,778.92
Effect of deductible temporary differences and deductible losses for which deferred tax assets are not recognised in the year	68,971,787.53
Effect of non-tax-free income (Note)	-1,035,854,082.87
Effect of tax incentives and changes in tax rate	-767,372,012.47
Effect of different tax rates of subsidiaries operating in other jurisdictions	-191,183,279.55
Effect of utilizing deductible losses for which deferred tax assets were not recognised in prior year	-57,110,867.98
Effect of adjustments to income tax of prior year	12,555,217.01
Others	26,566,908.38
Income tax expenses	1,470,295,014.95

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

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

65. Assets with restricted ownership and use right

Item	Closing Balance				Opening Balance			
	Book value	Carrying amount	Type of restriction	Status of restriction	Book value	Carrying amount	Type of restriction	Status of restriction
Cash and bank balances (Note 1)	100,488,698.75	100,488,698.75	Restricted margin, interest receivable not actually received	Interest receivable, performance bond, frozen funds, etc	115,331,146.22	115,331,146.22	Restricted margin, interest receivable not actually received	Interest receivable, performance bond, frozen funds, etc
Fixed assets (Note 2)	1,440,293,745.49	1,124,374,793.46	Mortgage	Mortgage borrowings	551,053,503.71	467,531,821.78	Mortgage	Mortgage borrowings
Intangible assets (Note 2)	756,017,600.61	603,900,037.67	Mortgage	Mortgage borrowings	624,297,693.92	624,297,693.92	Mortgage	Mortgage borrowings
Total	2,296,800,044.85	1,828,763,529.88			1,290,682,343.85	1,207,160,661.92		

Note 1: Details of restricted cash and bank balances are set out in Note (VIII) 1.

Note 2: Details of mortgage borrowings are set out in Note (VIII) 24 and Note (VIII) 34.

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

66. Provision for impairment of assets and provision for bad debts

Item	Opening Balance	Effect of changes in the scope of consolidation	Provision for the year	Reversal for the year	Write-off and charge-off for the year	Transfer-out due to sale in the current year	Other increases for the year	Other decreases for the year	Effect of translation of financial statements denominated in foreign currencies	Closing Balance
Provision for bad debts of accounts receivable	88,963,445.09		15,656,769.90	-7,840,330.18	-32,782,994.15	-	-	-	1,489,480.96	65,486,371.62
Provision for bad debts of other receivables	565,593,638.90		30,023,490.42	-3,937,064.73	-1,682,741.75	-	-	-	48,164,751.35	638,162,074.19
Provision for impairment of prepayments			4,329,769.64	-	-	-	-	-	-69,151.38	4,260,618.26
Provision for decline in value of inventories	1,153,436.72		-	-1,610.64	-508,503.45	-	-	-113,192.30	-5,495.51	524,634.82
Provision for impairment of long-term receivables	1,136,408.92		63,300,623.97	-180.44	-	-	-	-	-	64,436,852.45
Provision for non-current assets due within one year	35,033.03		-	-35,033.03	-	-	-	-	-	-
Provision for impairment of long-term equity investments	335,422,262.62		-	-	-	-	-	-	-59,035.28	335,363,227.34
Provision for impairment of fixed assets	213,290,383.06		-	-	-	-960,859.00	-	-42,717.28	-6,123.35	212,280,683.43
Provision for impairment of construction in progress	778,478.53		5,744,701.74	-	-	-	-	-	-110,933.20	6,412,247.07
Provision for impairment of intangible assets	57,010,270.07		-	-	-	-	-	-	-	57,010,270.07
Provision for impairment of goodwill	970,663,044.33		-	-	-	-	-	-	-	970,663,044.33
Provision for impairment of other non-current assets	88,524,171.44		85,839,940.47	-	-	-	-	-	-	174,364,111.91
Other credit impairment provision			107,608,404.55	-	-	-	-	-	-1,521,037.41	106,087,367.14
Total	2,322,570,572.71		312,503,700.69	-11,814,219.02	-34,974,239.35	-960,859.00	-	-155,909.58	47,882,456.18	2,635,051,502.63

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

67. Items in cash flow statement

(1) Cash relating to operating activities

Proceeds from other operating activities

Item	Current Year	Prior Year
Interest income	283,779,032.24	307,426,299.38
Advance payment for waterway	267,849,800.00	-
Government grants	125,437,909.69	420,033,639.31
Guarantees and deposits	37,157,549.08	49,702,895.76
Insurance indemnities	16,600,093.92	5,913,248.16
Operation compensation received	-	337,185,774.00
Others	248,243,127.81	292,907,237.50
Total	979,067,512.74	1,413,169,094.11

Payments for other operating activities

Item	Current Year	Prior Year
Payment of operating costs and management expenses and other daily operating related expenditures	196,437,143.86	129,352,215.13
Advance payment	68,588,791.17	123,589,342.34
Guarantees and deposits	47,900,153.15	34,887,031.26
Others	308,930,096.55	488,214,418.74
Total	621,856,184.73	776,043,007.47

(2) Cash relating to investing activities

Cash receipts relating to significant investing activities

Item	Current Year	Prior Year
Recovered structured deposits	48,195,000,000.00	26,450,000,000.00
Dividends received	3,002,508,159.17	2,843,360,904.43
Proceeds from disposal of investments (Note 1)	124,800,000.00	1,113,331,868.18
Total	51,322,308,159.17	30,406,692,772.61

Note1: The investment received this year mainly refers to the disposal of shares of Anton Holdings Co., Ltd. (hereinafter referred to as "Anton Holdings"). The investment received last year mainly consisted of disposal of shares of Qingdao Port International Co., Ltd.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

67. Items in cash flow statement - continued

(2) Cash relating to investing activities - continued

Cash payments relating to significant investing activities

Item	Current Year	Prior Year
Purchase of structured deposits	50,085,000,000.00	27,450,000,000.00
Purchase and construction of long-term assets	2,177,197,094.25	1,945,061,261.66
Total	52,262,197,094.25	29,395,061,261.66

Proceeds from other investing activities

Item	Current Year	Prior Year
Collection of marine area usage fee on behalf of other parties	166,565,821.29	-
Collection of marine area usage fee by Dongguan Shenchiwang Port Affairs Co.,Ltd	60,469,329.00	-
Others	16,841,583.11	16,260,626.10
Total	243,876,733.40	16,260,626.10

Payments for other investing activities

Item	Current Year	Prior Year
Payment of marine area usage fee Shantou Port	166,565,821.29	-
Payment of taxes on land acquisition by ASJ	-	259,533,828.27
Others	32,247,426.76	1,606,719.07
Total	198,813,248.05	261,140,547.34

Proceeds from other financing activities

Item	Current Year	Prior Year
Sale and leaseback proceeds	173,214,720.00	40,000,000.00
Receipts from Shantou Port shareholder's advance payment of marine area usage fees	111,500,000.00	-
Others	11,831,089.81	15,862,550.05
Total	296,545,809.81	55,862,550.05

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

67. Items in cash flow statement - continued

(3) Cash relating to financing activities - continued

Payment for other financing activities

Item	Current Year	Prior Year
Repayment of perpetual bonds	1,432,284,747.07	-
Payment for lease and franchise fee	398,027,533.94	316,100,576.04
Repurchase shares of China Merchants Port Group Co., Ltd.	338,393,205.04	50,559,789.14
Payment for the Company's acquisition of non-controlling interests of CM Port	-	148,276,411.09
Others	26,076,977.32	24,987,752.08
Total	2,194,782,463.37	539,924,528.35

Changes in liabilities arising from financing activities

Item	Opening Balance	Increase for the year		Decrease for the year		Closing Balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term borrowings	12,791,242,141.69	21,573,023,304.86	430,550,682.90	14,376,211,891.72	642,783,406.41	19,775,820,831.32
Long-term borrowings	15,582,593,255.65	1,939,746,727.88	292,778,799.12	4,822,075,965.73	5,553,086,693.42	7,439,956,123.50
Non-current liabilities due within one year	10,506,682,795.60	-	7,176,147,143.61	11,561,297,375.53	79,009,878.35	6,042,522,685.33
Bonds payable	13,875,559,119.52	7,000,000,000.00	-	-	165,771,587.23	20,709,787,532.29
Lease liabilities	1,387,206,990.51	-	566,013,255.05	-	262,359,413.48	1,690,860,832.08
long-term payables	3,204,582,672.75	209,873,219.40	528,747,976.77	2,491,841.67	219,106,735.18	3,721,605,292.07
Dividends payable	132,334,744.28	-	4,951,478,517.33	4,948,643,790.82	-	135,169,470.79
Other current liabilities	4,020,214,246.58	4,000,000,000.00	47,101,917.80	6,063,073,972.60	-	2,004,242,191.78
Total	61,500,415,966.58	34,722,643,252.14	13,992,818,292.58	41,773,794,838.07	6,922,117,714.07	61,519,964,959.16

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

(5) The Group has no significant activities that do not involve cash receipts and payment for the current year but have an impact on the enterprise's financial position or may affect the enterprise's cash flows in the future and their financial effects.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

68. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

Supplementary information	Current Year	Prior Year
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	8,905,991,922.49	8,878,506,309.91
Add: Impairment losses	10,072,860.74	8,880,788.88
Provision of credit impairment	290,616,620.93	-272,994,309.08
Depreciation of fixed assets	2,049,538,759.19	1,953,338,801.43
Depreciation of investment properties	126,038,336.08	181,519,507.74
Depreciation of right-of-use assets	328,875,072.88	343,623,899.63
Amortisation of intangible assets	711,080,186.01	688,356,905.31
Amortisation of long-term deferred expenses	100,971,541.50	100,433,522.79
Gains from disposal of fixed assets, intangible assets and other long-term assets	-7,391,759.06	-34,062,395.75
Losses on retirement of fixed assets, intangible assets and other long-term assets	11,670,495.83	13,841,365.63
Gains rising from changes in fair value ("-" for gains)	-42,374,127.06	-390,232,365.15
Financial expenses	1,769,754,811.67	2,311,915,401.98
Investment income ("-" for income)	-6,421,520,127.75	-6,546,996,531.50
Decrease in deferred tax assets ("-" for increase)	9,993,685.93	49,582,269.26
Increase in deferred tax liabilities	104,370,111.36	146,512,555.69
Increase in inventories ("-" for increase)	-36,629,602.91	-50,978,635.81
Decrease in operating receivables ("-" for increase)	192,696.25	146,070,761.75
Increase in operating payables ("-" for decrease)	263,180,904.97	485,894,971.69
Net cash inflow from operating activities	8,174,432,389.05	8,013,212,824.40
2. Significant investing and financing activities that do not involve cash receipts and payments:		
Conversion of debt into capital	-	-
Convertible bonds due within one year	-	-
3. Net changes in cash and cash equivalents:		
Cash at the end of the year	15,244,357,662.04	16,515,069,554.91
Less: Opening balance of cash	16,515,069,554.91	16,018,613,631.10
Add: Cash equivalents at the end of the year	-	-
Less: Opening balance of cash equivalents	-	-
Net (decrease)/increase in cash and cash equivalents	-1,270,711,892.87	496,455,923.81

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

Item	Closing Balance	Opening Balance
I. Cash	15,244,357,662.04	16,515,069,554.91
Including: Cash on hand	191,636.31	457,486.90
Bank deposits available for payment at any time	15,050,273,330.58	16,444,638,576.67
Other monetary funds available for payment at any time	193,892,695.15	69,973,491.34
II. Cash equivalents	-	-
III. Balance of cash and cash equivalents at the end of the year	15,244,357,662.04	16,515,069,554.91

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

68. Supplementary information to the cash flow statement - continued

(3) Payment for dividends, profit distributions or interest

Item	Current Year	Prior Year
Dividends and profits paid to non-controlling shareholders of subsidiaries	3,163,208,603.63	3,553,580,816.50
Cash paid for interest repayment	1,673,474,864.06	1,955,539,593.93
Profit distributions	1,839,908,417.00	1,452,793,553.86
Total	6,676,591,884.69	6,961,913,964.29

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

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

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

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

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

69. Foreign currency monetary items

Item	Closing Balance of Foreign currency	Exchange rate	Closing Balance of RMB
Cash and bank balances			3,315,013,093.30
Including: HKD	6,950,166.79	0.9032	6,277,390.64
USD	200,558,290.59	7.0288	1,409,684,112.90
RMB	1,863,532,961.33	1.0000	1,863,532,961.33
EUR	2,968,362.12	8.2355	24,445,946.24
AUD	2,361,315.83	4.6892	11,072,682.19
Accounts receivable			40,457,946.36
Including: USD	5,215,880.50	7.0288	36,661,380.86
EUR	461,000.00	8.2355	3,796,565.50
Other receivables			522,662,772.46
Including: HKD	667,661.36	0.9032	603,031.74
USD	2,196,642.72	7.0288	15,439,762.35
EUR	16,727.30	8.2355	137,757.68
RMB	506,482,220.69	1.0000	506,482,220.69
Long-term receivables			1,281,362,958.94
Including: HKD	2,366,680.97	0.9032	2,137,586.25
USD	1,023,180.69	7.0288	7,191,732.43
EUR	29,029,189.56	8.2355	239,069,890.62
AUD	220,285,709.64	4.6892	1,032,963,749.64
Short-term borrowings			1,240,000,000.00
Including: RMB	1,240,000,000.00	1.0000	1,240,000,000.00
Accounts payable			18,446,717.71
Including: HKD	2,642,487.52	0.9032	2,386,694.73
USD	2,186,561.90	7.0288	15,368,906.28
EUR	68,423.01	8.2355	563,497.70
RMB	127,619.00	1.0000	127,619.00
Other payables			301,958,314.85
Including: HKD	39,807,256.57	0.9032	35,953,914.13
USD	31,343,525.45	7.0288	220,307,371.68
EUR	102,570.00	8.2355	844,715.24
RMB	44,852,313.80	1.0000	44,852,313.80
Non-current liabilities due within one year			127,531,021.74
Including: USD	13,791,252.17	7.0288	96,935,953.25
RMB	30,595,068.49	1.0000	30,595,068.49
Bonds payable			9,709,787,532.30
Including: USD	1,096,885,319.30	7.0288	7,709,787,532.30
RMB	2,000,000,000.00	1.0000	2,000,000,000.00

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

70. Leases

(1) Lessor under operating lease

Item	Amount
I. Operating income	
Lease income	327,825,231.69
Including: Income related to variable lease payments that are not included in lease receipts	-
II. Undiscounted lease receipts received after the balance sheet date	
1 st year	226,527,243.20
2 nd year	147,218,460.94
3 rd year	65,558,125.14
4 th year	45,625,303.05
5 th year	16,278,501.34
Over 5 years	72,037,928.73

Note: The operating leases where the Group acts as the lessor are related to port and terminal facilities, machinery and equipment, vehicles, land and buildings, with lease terms ranging from 1 years to 38.5 years and option to renew the lease of port and terminal facilities, machinery and equipment, land and buildings. The Group considers that the unguaranteed balance of leased assets does not constitute significant risk of the Group, as the assets are properly used.

(2) Lessee

Item	Amount
Interest expenses on lease liabilities	109,991,536.83
Short-term lease expenses that are accounted for using simplified approach and included in cost of related assets or profit or loss for the year	67,625,674.06
Expenses on leases of low-value assets (exclusive of expenses on short-term leases of low-value assets) that are accounted for using simplified approach and included in cost of related assets or profit or loss for the year	-
Variable lease payments that are included in cost of related assets or profit or loss but not included in measurement of lease liabilities	-
Including: The portion arising from sale and leaseback transactions	-
Income from sub-lease of right-of-use assets	5,116,445.28
Total cash outflows relating to leases	226,981,079.86
Losses from sale and leaseback transactions	10,224,962.17
Cash inflows from sale and leaseback transactions	173,214,720.00
Cash outflows from sale and leaseback transactions	21,941,578.19
Others	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

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

71. Leases - continued

(2) Lessee - continued

Sale and leaseback transactions and basis for determination:

For the purpose of raising funds and leasing back for use, the Company carries out sale and leaseback transaction with the legally owned terminal assets as the subject of the transfer and the leased assets, for a term of 2-5 years. As the Company is entitled to repurchase at the expiry of the lease term and the repurchase price is not lower than the original selling price, it is considered as a financing transaction and is recognised as a long-term payable when the amount is received from the lessor, and the difference between the original selling price and the repurchase price is recognised as interest expenses.

(IX) R&D EXPENDITURE

1. Disclosure by nature of expenses

Item	Current Year	Prior Year
Employee benefits	144,725,172.10	130,912,466.55
Direct materials and outsourced R&D	41,040,415.17	82,743,846.15
Depreciation and amortisation	5,025,793.67	4,568,822.85
Others	21,743,509.89	31,884,552.82
Total	212,534,890.83	250,109,688.37
Including: R&D expenditure recorded as expenses	177,750,273.52	201,755,066.36
R&D expenditure capitalised	34,784,617.31	48,354,622.01

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

(IX) R&D EXPENDITURE - continued

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

Item	Opening Balance	Increase	Decrease			Closing Balance
		Internal development costs	Recognised as intangible assets	Recognised as fixed assets	Transferred to profit or loss for the year	
Digital Petrochemical Terminal (Phase II)	6,080,864.69	6,930,860.43	-	-	-	13,011,725.12
ePort comprehensive service platform	43,805,653.86	-	43,805,653.86	-	-	-
Other R&D projects	13,508,535.14	42,099,794.03	2,645,976.64	17,493,440.77	14,246,037.15	21,222,874.61
Total	63,395,053.69	49,030,654.46	46,451,630.50	17,493,440.77	14,246,037.15	34,234,599.73
Including: Data resources	-	-	-	-	-	-

(X) CHANGES IN SCOPE OF CONSOLIDATION

1. Business combination not involving enterprises under common control

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

2. Business combination under the common control

There is no business combination under the common control of the Group in the current year.

3. Reverse purchase

The Group has no reverse purchase in the current year.

4. Disposal of subsidiaries

The Group has no disposal of subsidiaries in the current year.

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

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

(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 1,000,000.00	100.00	-	Established through investment
Dongguan Shenchiwan Port Affairs Co., Ltd. (hereinafter referred to as "Dongguan Port Affairs")	Dongguan China	Dongguan China	Logistics support services	45,000.00	85.00	-	Established through investment
Dongguan Shenchiwan Wharf Co., Ltd. (hereinafter referred to as "Dongguan Wharf")	Dongguan China	Dongguan China	Logistics support services	40,000.00	100.00	-	Established through investment
Shenzhen Chiwangang Container Co. Ltd.	Shenzhen China	Shenzhen China	Logistics support services	28,820.00	100.00	-	Business combination involving enterprises under common control
Shenzhen Chiwan Port Development Co., Ltd. (hereinafter referred to as "Shenchiwan Development")	Shenzhen China	Shenzhen China	Logistics support services	10,000.00	100.00	-	Business combination involving enterprises under common control
Chiwan Container Terminal Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	USD 95,300,000.00	55.00	20.00	Business combination involving enterprises under common control
Shenzhen Chiwan Tugboat Co., Ltd. (hereinafter referred to as "Shenchiwan Tugboat")	Shenzhen China	Shenzhen China	Logistics support services	2,400.00	100.00	-	Business combination involving enterprises under common control
Chiwan Shipping (Hong Kong) Limited (hereinafter referred to as "Chiwan Shipping")	HK China	HK China	Logistics support services	HKD 800,000.00	100.00	-	Business combination involving enterprises under common control
CM Port (Note 1)	HK China	HK China	Investment holding	HKD 48,730,938,800.00	0.37	49.30	Business combination involving enterprises under common control
China Merchants Bonded Logistics Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	70,000.00	40.00	60.00	Business combination involving enterprises under common control
China Merchants Holdings (International) Information Technology Co. Ltd. (hereinafter referred to as "CM International Tech")	Shenzhen China	Shenzhen China	IT service	8,784.82	56.26	43.74	Business combination involving enterprises under common control
China Merchants International (China) Investment Co., Ltd.	Shenzhen China	Shenzhen China	Investment holding	USD 67,400,000.00	-	100.00	Business combination involving enterprises under common control
China Merchants International Container Terminal (Qingdao) Co., Ltd.	Qingdao China	Qingdao China	Logistics support services	USD 206,300,000.00	-	100.00	Business combination involving enterprises under common control
China Merchants Container Services Limited	HK China	HK China	Logistics support services	HKD 500,000.00	-	100.00	Business combination involving enterprises under common control
China Merchants Port (Shenzhen) Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	55,000.00	-	100.00	Business combination involving enterprises under common control
Shenzhen Haiqin Project Management Co., Ltd.	Shenzhen China	Shenzhen China	Engineering supervision service	1,000.00	-	100.00	Business combination involving enterprises under common control
Antonje Wharf Storage Service (Shenzhen) Co., Ltd.	Shenzhen China	Shenzhen China	Preparation for the warehousing project	HKD 100,000,000.00	-	100.00	Business combination involving enterprises under common control
ASJ	Shenzhen China	Shenzhen China	Preparation for the warehousing project	HKD 520,000,000.00	-	100.00	Business combination involving enterprises under common control
China Merchants International Terminal (Qingdao) Co., Ltd.	Qingdao China	Qingdao China	Logistics support services	USD 44,000,000.00	-	90.10	Business combination involving enterprises under common control
CICT	Sri Lanka	Sri Lanka	Logistics support services	USD 150,000,100.00	-	85.00	Business combination involving enterprises under common control
Magang Godown & Wharf	Shenzhen China	Shenzhen China	Logistics support services	33,500.00	-	100.00	Business combination involving enterprises under common control
Zhangzhou China Merchants Tugboat Co., Ltd.	Zhangzhou China	Zhangzhou China	Logistics support services	1,500.00	-	100.00	Business combination involving enterprises under common control
Zhangzhou China Merchants Port Co., Ltd.	Zhangzhou China	Zhangzhou China	Logistics support services	122,700.00	-	60.00	Business combination involving enterprises under common control
Zhangzhou Investment Promotion Bureau Xiamenwan Port Affairs Co., Ltd. (hereinafter referred to as "Xiamenwan Port Affairs") (Note 2)	Zhangzhou China	Zhangzhou China	Logistics support services	44,450.00	-	31.00	Business combination involving enterprises under common control
Shekou Container Terminals Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	HKD 618,201,200.00	-	100.00	Business combination involving enterprises under common control
Shenzhen Lianyunjie Container Terminals Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	60,854.90	-	100.00	Business combination involving enterprises under common control
Anxunjie Container Terminals (Shenzhen) Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	127,600.00	-	100.00	Business combination involving enterprises under common control
Anyunjie Port Warehousing Service (Shenzhen) Co., Ltd.	Shenzhen China	Shenzhen China	Preparation for the warehousing project	6,060.00	-	100.00	Business combination involving enterprises under common control

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

(XI) EQUITY IN OTHER ENTITIES - continued

1. Interests in subsidiaries - continued

(1) Composition of the Group - Major subsidiaries - continued

Name of the subsidiary	Principal place of business	Place of incorporation	Nature of business	Registered capital (RMB'0000, unless otherwise specified)	Shareholding ratio of the Company (%)		Acquisition method
					Direct	Indirect	
Shenzhen Haixing	Shenzhen China	Shenzhen China	Logistics support services	53,072.92	-	67.00	Business combination involving enterprises under common control
Shenzhen Lianyongtong Terminal Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	USD 7,000,000.00	-	100.00	Business combination involving enterprises under common control
Yide Port	Foshan China	Foshan China	Logistics support services	21,600.00	51.00	-	Business combination involving enterprises under common control
Mega SCT	BVI	BVI	Investment holding	USD 120.00	-	80.00	Business combination involving enterprises under common control
Oasis King International Limited	BVI	BVI	Investment holding	USD 100.00	-	100.00	Business combination involving enterprises under common control
Lome Container Terminal S.A. (Note 3)	Republic of Togo	Republic of Togo	Logistics support services	XOF 200,000,000.00	-	100.00	Business combination involving enterprises under common control
Gainpro Resources Limited	BVI	BVI	Investment holding	USD1.00	-	76.47	Business combination involving enterprises under common control
Hambantota International Port Group (Private) Limited	Sri Lanka	Sri Lanka	Logistics support services	USD 1,145,480,000.00	-	85.00	Business combination involving enterprises under common control
Shantou port	Shantou China	Shantou China	Logistics support services	12,500.00	-	60.00	Business combination involving enterprises under common control
Shenzhen Jinyu Rongtai Investment Development Co., Ltd.	Shenzhen China	Shenzhen China	Property lease, etc.	80,000.00	-	100.00	Asset acquisition
Shenzhen Merchants Qianhaiwan Real Estate Co., Ltd.	Shenzhen China	Shenzhen China	Property lease, etc.	20,000.00	-	100.00	Asset acquisition
Juzhongzhi Investment (Shenzhen) Co., Ltd.	Shenzhen China	Shenzhen China	Investment consulting	4,000.00	-	75.00	Business combination involving enterprises under common control
Shantou Zhonglian	Shantou China	Shantou China	Logistics support services	380.00	-	62.50	Business combination not involving enterprises under common control
Shenzhen Lianda Tugboat Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	3,000.00	-	60.29	Business combination involving enterprises under common control
China Ocean Shipping Tally Zhangzhou Co., Ltd.	Zhangzhou China	Zhangzhou China	Logistics support services	200.00	-	84.00	Business combination involving enterprises under common control
China Merchants Holdings (Djibouti) FZE	Djibouti	Djibouti	Logistics support services	USD 38,140,000.00	-	100.00	Business combination involving enterprises under common control
Xinda Resources Limited	BVI	BVI	Investment holding	USD 107,620,000.00	-	77.45	Business combination involving enterprises under common control
Kong Rise Development Limited	HK China	HK China	Investment holding	USD 107,620,000.00	-	100.00	Business combination involving enterprises under common control
TCP	Brazil	Brazil	Logistics support services	BRL 68,851,600.00	-	100.00	Business combination not involving enterprises under common control
Direct Achieve Investments Limited	HK China	HK China	Investment holding	USD 814,781,300.00	-	100.00	Business combination involving enterprises under common control
Zhoushan RoRo	Zhoushan China	Zhoushan China	Logistics support services	17,307.86	51.00	-	Asset acquisition
Zhanjiang Port	Zhanjiang China	Zhanjiang China	Logistics support services	587,420.91	30.78	27.58	Business combination not involving enterprises under common control
Zhanjiang Port International Container Terminal Co., Ltd.	Zhanjiang China	Zhanjiang China	Logistics support services	60,000.00	-	80.00	Business combination not involving enterprises under common control
Zhanjiang Port Petrochemical Terminal Co., Ltd. (Note 4)	Zhanjiang China	Zhanjiang China	Logistics support services	18,000.00	-	50.00	Business combination not involving enterprises under common control
China Ocean Shipping Tally Co., Ltd., Zhanjiang	Zhanjiang China	Zhanjiang China	Logistics support services	300.00	-	84.00	Business combination not involving enterprises under common control
Zhanjiang Port Donghaidao Bulk Cargo Terminal Co., Ltd.	Zhanjiang China	Zhanjiang China	Logistics support services	5,000.00	-	100.00	Business combination not involving enterprises under common control
Zhanjiang Port Logistics	Zhanjiang China	Zhanjiang China	Logistics support services	10,000.00	-	100.00	Business combination not involving enterprises under common control
Guangdong Zhanjiang Port Longteng Shipping Co., Ltd.	Zhanjiang China	Zhanjiang China	Logistics support services	9,000.00	-	51.00	Business combination not involving enterprises under common control
Shantou Port Tugboat Service Co., Ltd.	Shantou China	Shantou China	Logistics support services	1,000.00	-	100.00	Established through investment
Sanya Merchants Port Development Co., Ltd.	Sanya China	Sanya China	Logistics support services	1,000.00	51.00	-	Established through investment
China Merchants Port Modern Logistics Technology (Shenzhen) Co., Ltd. (Original name: China Division of Malai Warehousing (Shenzhen) Co., Ltd.)	Shenzhen China	Shenzhen China	Owning China Qianhai property	HKD 1,600,000,000.00	-	100.00	Business combination involving enterprises under common control
Ports Development (Hong Kong) Limited	Hong Kong China	Hong Kong China	Investment holding	2,768,291.56	100.00	-	Established through investment
Shunkong Port	Foshan China	Foshan China	Property development and management	43,379.95	51.00	-	Asset acquisition
South Asia Commercial and Logistic Hub Limited	Sri Lanka	Sri Lanka	Logistics support services	USD 37,140,000.00	-	70.00	Established through investment
NPH	Indonesia	Indonesia	Logistics support services	IDR 281,394,199,000.00	51.00	-	Business combination not involving enterprises under common control

(XI) EQUITY IN OTHER ENTITIES - continued

1. Interests in subsidiaries - continued

(1) Composition of the Group - Major subsidiaries - continued

Note 1: China Merchants Group (Hong Kong) Co., Ltd. (hereinafter referred to as "CMHK") accounts for 21.85% of the total issued ordinary shares of China Merchants Port Holdings. On 19 June 2018, the Company signed the *Agreement on Concerted Action of China Merchants Port Holdings Limited with CMHK*. According to the agreement, CMHK has the voting right of China Merchants Port Holdings entrusted to exercise, when voting on the matters to be considered at the General Meeting of Port Holding Shareholders of China Merchants Group, they are unconditionally consistent with the Company, and the opinions of the Company shall prevail. In March 2022, the Company transferred 43.00% of the shares held by China Merchants Group Port Holdings to its Hong Kong wholly-owned subsidiary Port Development (Hong Kong) Co., Ltd. Therefore, the Group holds 71.52% of the voting rights of China Merchants Group Port Holdings in total, and can control it.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

(XI) EQUITY IN OTHER ENTITIES - continued

1. Interests in subsidiaries - continued

(2) Significant non-wholly-owned subsidiaries

For the year of 2025

Name of the subsidiary	Proportion of ownership interest held by the non-controlling shareholders (%)	Profit or loss attributable to non-controlling shareholders in the current year	Dividends distributed to non-controlling shareholders in the current year	Closing balance of non-controlling interests at the end of the year
CM Port	50.33	4,353,804,976.08	1,168,378,259.06	62,386,045,963.64

For the year of 2024

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

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

(XI) EQUITY IN OTHER ENTITIES - continued

1. Interests in subsidiaries - continued

(3) Major financial information of significant non-wholly-owned subsidiaries

Name of the subsidiary	Closing Balance						Opening Balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
CM Port	16,951,536,855.85	137,055,044,454.74	154,006,581,310.59	23,735,547,354.21	21,470,010,459.46	45,205,557,813.67	15,225,606,631.78	135,382,012,965.53	150,607,619,597.31	22,281,042,457.07	21,803,874,037.96	44,084,916,495.03

Name of the subsidiary	Current Year				Prior Year			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
CM Port	12,441,209,669.47	7,443,789,947.75	8,736,642,698.20	6,368,687,421.03	10,990,023,251.60	7,477,357,716.48	6,371,332,629.59	5,708,869,820.55

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

(XI) EQUITY IN OTHER ENTITIES - continued

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

During this year, there were no changes of the Group in ownership interests in subsidiaries without losing control over the subsidiaries.

3. Interests in joint ventures and associates

(1) Significant joint ventures or associates

Investee	Principal place of business	Place of registration	Nature of business	Proportion of ownership interests held by the Group (%)		Proportion of voting rights (%)	Accounting treatment of investments in associates
				Direct	Indirect		
Associate							
SIPG	Shanghai, China	Shanghai, China	Port and container terminal business	-	28.06	28.06	Equity method
Ningbo Zhoushan	Ningbo, China	Ningbo, China	Port and container terminal business	20.98	2.10	23.08	Equity method

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

(XI) EQUITY IN OTHER ENTITIES - continued**4. Key financial information of significant associate**

Item	SIPG	
	Closing Balance / Current Year	Opening Balance / Prior Year
Current assets	47,413,401,186.78	48,744,038,847.45
Including: Cash and cash equivalents	31,597,464,469.62	32,830,782,585.55
Non-current assets	174,322,241,805.95	163,311,502,225.58
Total assets	221,735,642,992.73	212,055,541,073.03
Current liabilities	27,825,518,945.32	23,068,287,468.52
Non-current liabilities	37,978,516,336.38	41,578,448,514.91
Total liabilities	65,804,035,281.70	64,646,735,983.43
Net assets	155,931,607,711.03	147,408,805,089.60
Non-controlling interests	14,990,095,964.43	14,101,913,028.59
Net assets attributable to owners of the Company	140,941,511,746.60	133,306,892,061.01
Share of net assets calculated based on the proportion of ownership interests	39,541,866,969.29	37,392,583,223.11
Adjustments		
- Goodwill	2,427,508,397.27	2,427,508,397.27
- Others	213,133,462.53	222,282,154.18
Carrying amount of equity investments in associates	42,182,508,829.09	40,042,373,774.56
Fair value of publicly quoted equity investments in associates	35,399,715,619.90	39,971,634,611.40
Operating income	39,611,497,351.53	38,116,972,285.82
Financial expenses	630,411,404.37	504,486,954.24
Income tax expenses	3,257,029,262.19	2,652,365,896.79
Net profit	14,953,696,046.09	16,063,786,892.13
Net profit attributable to the owner of the parent company of the investee in the current year	13,564,589,175.03	14,954,353,821.25
Other comprehensive income	178,319.65	281,406,740.21
Total comprehensive income	14,953,874,365.74	16,345,193,632.34
Dividends received from associates in the current year	1,273,606,004.78	1,449,951,451.59

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

(XI) EQUITY IN OTHER ENTITIES - continued**4. Key financial information of significant associate - continued**

Item	Ningbo Zhoushan	
	Closing Balance / Current Year	Opening Balance/ Prior Year
Current assets	23,642,829,000.00	15,453,223,000.00
Including: Cash and cash equivalents	7,454,715,000.00	4,586,107,000.00
Non-current assets	99,776,714,000.00	97,445,761,000.00
Total assets	123,419,543,000.00	112,898,984,000.00
Current liabilities	24,178,804,000.00	17,449,594,000.00
Non-current liabilities	9,131,706,000.00	9,899,823,000.00
Total liabilities	33,310,510,000.00	27,349,417,000.00
Net assets	90,109,033,000.00	85,549,567,000.00
Non-controlling interests	9,361,536,000.00	7,256,126,000.00
Net assets attributable to owners of the Company	80,747,497,000.00	78,293,441,000.00
Share of net assets calculated based on the proportion of ownership interests	18,636,522,307.60	18,070,126,182.80
Adjustments		
- Goodwill	1,231,115,756.87	1,231,115,756.87
- Others	130,502,729.48	120,244,072.03
Carrying amount of equity investments in associates	19,998,140,793.95	19,421,486,011.70
Fair value of publicly quoted equity investments in associates	16,296,791,509.35	17,284,475,843.25
Operating income	31,020,365,000.00	28,702,311,000.00
Financial expenses	105,974,000.00	203,921,000.00
Income tax expenses	1,541,350,000.00	1,509,655,000.00
Financial expenses	105,974,000.00	203,921,000.00
Income tax expenses	1,541,350,000.00	1,509,655,000.00
Net profit	5,667,764,000.00	5,408,738,000.00
Net profit attributable to the owner of the parent company of the investee in the current year	5,162,938,000.00	4,897,513,000.00
Other comprehensive income	-102,098,000.00	110,866,000.00
Total comprehensive income	5,565,666,000.00	5,519,604,000.00
Dividends received from associates in the current year	619,547,445.81	408,578,523.82

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

(XI) EQUITY IN OTHER ENTITIES - continued

5. Summarized financial information of insignificant associates and joint ventures

Item	Closing Balance / Current Year	Opening Balance/ Prior Year
Joint ventures:		
Total carrying amount of investments	9,261,898,509.63	9,307,873,045.30
Aggregate of following items calculated based on the proportion of ownership interest		
- Net profit	299,080,492.93	367,446,997.79
- Other comprehensive income	60,392,562.78	161,730,408.57
- Total comprehensive income	359,473,055.71	529,177,406.36
Associates:		
Total carrying amount of investments	31,630,551,932.20	31,246,297,063.40
Aggregate of following items calculated based on the proportion of ownership interest		
- Net profit	1,038,238,586.18	757,730,103.41
- Other comprehensive losses (Income) ("- for losses)	489,612,977.27	-375,707,391.94
- Total comprehensive income	1,527,851,563.45	382,022,711.47

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

(XII) GOVERNMENT GRANTS

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

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

2. Liabilities involving government grants

Item	Opening Balance	New government grants	Amount included in non-operating income	Amount included in other income	Other changes	Closing Balance	Related to assets/income
Deferred income	1,268,975,316.61	8,876,921.27	-	51,963,816.21	-302,538,972.26	923,349,449.41	Related to assets
Total	1,268,975,316.61	8,876,921.27	-	51,963,816.21	-302,538,972.26	923,349,449.41	—

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

(XII) GOVERNMENT GRANTS - continued

3. Government grants included in profit or loss

Item	Current Year	Prior Year
Business development subsidy	106,275,887.50	75,662,052.93
Subsidy fund for Qianhai Comprehensive Bonded Zone	-	45,939,617.40
Special operation subsidy	1,300,000.00	3,184,128.00
Others	11,410,333.43	7,094,562.35
Total	118,986,220.93	131,880,360.68

(XIII) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

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

The Group adopts sensitivity analysis technique to analyse how the profit or loss for the period and shareholders' equity would have been affected by reasonably possible changes in the relevant risk variables. As it is unlikely that risk variables will change in an isolated manner, and the interdependence among risk variables will have significant effect on the amount ultimately influenced by the changes in a single risk variable, the following are based on the assumption that the change in each risk variable is on a stand-alone basis.

1. Risk management objectives and policies

The Group's risk management objectives are to achieve a proper balance between risks and yield, minimise the adverse impacts of risks on the Group's operation performance, and maximise the benefits of the shareholders and other stakeholders. Based on these risk management objectives, the Group's basic risk management strategy is to identify and analyse the Group's exposure to various risks, establish an appropriate maximum tolerance to risk, implement risk management, and monitors regularly and effectively these exposures to ensure the risks are monitored at a certain level.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

(XIII) FINANCIAL INSTRUMENTS AND RISKS MANAGEMENT - continued

1. Risk management objectives and policies - continued

1.1 Market risk

1.1.1 Currency risk

Currency risk is the risk that losses will occur because of changes in foreign exchange rates. The Group's exposure to the currency risk is primarily associated with HKD, USD, EUR and AUD. Except for part of the purchases and sales, the Group's other principal activities are denominated and settled in RMB. As at 31 December 2025, the balances of the Group's assets and liabilities are both denominated in functional currency, except that the assets and liabilities set out below are recorded using foreign currencies. Currency risk arising from the foreign currency balance of assets and liabilities may have impact on the Group's performance.

Item	Assets		Liabilities	
	Closing Balance	Opening Balance	Closing Balance	Opening Balance
HKD	35,333,835.31	506,851,221.94	456,993,404.43	36,479,381.62
USD	90,451,325.27	73,334,708.12	235,676,277.96	217,821,536.39
RMB (Note)	2,370,015,182.02	1,305,729,601.40	3,315,575,001.29	6,858,128,218.76
EUR	269,524,555.00	231,125,613.67	1,408,212.94	2,008,471.23
AUD	1,044,036,431.83	922,445,897.97	-	-
Total	3,809,361,329.43	3,039,487,043.10	4,009,652,896.62	7,114,437,608.00

Note: It refers to RMB financial assets and financial liabilities held by subsidiaries with non RMB currency as functional currency.

The Group closely monitors the effects of changes in the foreign exchange rates on the Group's currency risk exposures. According to the current risk exposure and judgment on the exchange rate movements, the management considers it is unlikely that the exchange rate changes in the next year will result in significant loss to the Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

(XIII) FINANCIAL INSTRUMENTS AND RISKS MANAGEMENT - continued

1. Risk management objectives and policies - continued

1.1 Market risk - continued

1.1.1 Currency risk - continued

Sensitivity analysis on currency risk

The assumption for the sensitivity analysis on currency risk is that all the cash flow hedges and hedges of a net investment in a foreign operation are highly effective. On the basis of the above assumption, where all other variables are held constant, the reasonably possible changes in the foreign exchange rate may have the following pre-tax effect on the profit or loss for the period and shareholders' equity:

Item	Changes in exchange rate	Current Year		Prior Year	
		Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
All foreign currencies	5% increase against RMB	-47,277,990.96	-47,277,990.96	-277,619,930.87	-277,619,930.87
All foreign currencies	5% decrease against RMB	47,277,990.96	47,277,990.96	277,619,930.87	277,619,930.87
All foreign currencies	5% increase against USD	-7,261,247.63	-7,261,247.63	-7,224,341.41	-7,224,341.41
All foreign currencies	5% decrease against USD	7,261,247.63	7,261,247.63	7,224,341.41	7,224,341.41
All foreign currencies	5% increase against HKD	-21,082,978.46	-21,082,978.46	23,518,592.02	23,518,592.02
All foreign currencies	5% decrease against HKD	21,082,978.46	21,082,978.46	-23,518,592.02	-23,518,592.02
All foreign currencies	5% increase against EUR (including FCFA)	13,405,817.10	13,405,817.10	11,455,857.12	11,455,857.12
All foreign currencies	5% decrease against EUR (including FCFA)	-13,405,817.10	-13,405,817.10	-11,455,857.12	-11,455,857.12
All foreign currencies	5% increase against AUD	52,201,821.59	52,201,821.59	46,122,294.90	46,122,294.90
All foreign currencies	5% decrease against AUD	-52,201,821.59	-52,201,821.59	-46,122,294.90	-46,122,294.90

1.1.2 Interest rate risk - changes in cash flows

Risk of changes in cash flows of financial instruments arising from interest rate changes is mainly related to bank loans with floating interest rate. (See Note (VIII) 24 and Note (VIII) 34). The Group continuously and closely monitors the impact of interest rate changes on the Group's interest rate risk. The Group's policy is to maintain these borrowings at floating rates. Presently, the Group has no arrangement such as interest rate swaps.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

(XIII) FINANCIAL INSTRUMENTS AND RISKS MANAGEMENT - continued

1. Risk management objectives and policies - continued

1.1 Market risk - continued

1.1.2 Interest rate risk - changes in cash flows - continued

Sensitivity analysis on interest rate risk

Sensitivity analysis on interest rate risk is based on the following assumptions:

- Fluctuations of market interest rate can affect the interest income or expense of a financial instrument with floating interest rate;
- For a financial instrument at fair value with fixed interest rate, the fluctuations of market interest rate can only affect its interest income or expense;
- For a derivative financial instrument designated as hedging instrument, the fluctuations of market interest rate affect its fair value, and all interest rate hedges are expected to be highly effective;
- The changes in fair value of derivative financial instruments and other financial assets and liabilities are calculated using cash flow discounting method by applying the market interest rate at balance sheet date.

On the basis of above assumptions, where the other variables held constant, the pre-tax effect of possible and reasonable changes in interest rate on the profit or loss for the year and shareholders' equity are as follows:

Item	Changes in interest rate	Current Year		Prior Year	
		Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
Short-term borrowings and long-term borrowings	1% increase	-314,120,988.56	-314,120,988.56	-286,274,021.36	-286,274,021.36
Short-term borrowings and long-term borrowings	1% decrease	314,120,988.56	314,120,988.56	286,274,021.36	286,274,021.36

1.2 Credit risk

As at 31 December 2025, the Group's maximum exposure to credit risk which may cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees issued by the Group (without considering the available collateral or other credit enhancements) is arising from cash and bank balances (Note (VIII) 1), bills receivable (Note (VIII) 3), accounts receivable (Note (VIII) 4), other receivables (Note (VIII) 7), long-term receivables (Note (VIII) 11), etc. At the balance sheet date, the carrying amounts of the Group's financial assets represent its maximum exposure to credit risk. In addition, the Group's maximum credit risk exposure to credit losses includes the amount of financial guarantee contract as disclosed in (Note (XVII) 2) "Contingencies". For financial instruments measured at fair value, the book value reflects its risk exposure, but not the maximum risk exposure, and its maximum risk exposure will change with the change of future fair value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

(XIII) FINANCIAL INSTRUMENTS AND RISKS MANAGEMENT - continued

1. Risk management objectives and policies - continued

1.2 Credit risk - continued

In order to minimise the credit risk, the Group has delegated a department responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of financial assets at each balance sheet date to ensure that adequate provision for bad debts is made for relevant financial assets. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

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

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

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

1.3 Liquidity risk

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

As at 31 December 2025, the Group had total current liabilities in excess of total current assets of RMB 7,384,414,975.47. As at 31 December 2025, the Group had available and unused line of credit and bonds amounting to RMB 49,239,851,263.83, among which the amount available for the Group to withdraw and use exceeds the balance of net current liabilities by more than twelve months after the balance sheet date. The Group can obtain financial support from the available line of credit and bonds when needed. Therefore, the Group's management believes that the Group has no significant liquidity risk.

The following is the maturity analysis for financial assets and financial liabilities held by the Group which is based on undiscounted remaining contractual obligations:

Item	Carrying amount	Within 1 year	1 to 5 years	Over 5 years	Total
Short-term borrowings	19,775,820,831.32	20,352,475,904.75	-	-	20,352,475,904.75
Accounts payable	739,900,492.35	739,900,492.35			739,900,492.35
Other payables	2,034,923,078.95	2,034,923,078.95			2,034,923,078.95
Non-current liabilities due within one year	5,985,434,723.30	7,024,927,664.35	-	-	7,024,927,664.35
Other current liabilities	2,199,301,417.02	2,218,261,417.02	-	-	2,218,261,417.02
Long-term borrowings	7,439,956,123.50	-	5,655,365,514.96	2,343,604,818.11	7,998,970,333.07
Bonds payable	20,709,787,532.29	-	20,113,151,565.97	1,636,701,369.86	21,749,852,935.83
Lease liabilities	1,690,860,832.08	-	731,079,098.61	2,719,341,503.38	3,450,420,601.99
Long-term payables	3,715,144,055.04	-	891,844,488.69	4,790,769,972.72	5,682,614,461.41

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

(XIV) DISCLOSURE OF FAIR VALUE**1. Assets and liabilities measured at fair value at the end of the year**

Item	Fair value of closing balance of closing balance			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	-	7,578,824,365.75	-	7,578,824,365.75
Investments in other equity instruments	-	-	141,766,365.15	141,766,365.15
Receivables under financing	-	-	114,680,738.25	114,680,738.25
Other non-current financial assets	-	-	28,768,810.95	28,768,810.95
Total assets continuously measured at fair value	-	7,578,824,365.75	285,215,914.35	7,864,040,280.10

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

Item	Fair value of closing balance	Valuation techniques	Inputs
Financial assets held for trading	7,578,824,365.75	Cash flow discounting	Expected rate of return

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

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

Item	Fair value of closing balance	Valuation techniques	Inputs
Investments in other equity instruments	141,766,365.15	Income approach, Net asset method	expected profit distribution, discount rate, and carrying amount
Receivables under financing	114,680,738.25	Cash flow discounting	expected rate of return
Other non-current financial assets	28,768,810.95	Net asset method	carrying amount

The fair value of non-listed equity instruments included in equity instruments at fair value through profit or loss or other comprehensive income is determined using the income approach and net asset method. The fair value of debt investments is determined using the valuation method of the discounted cash flow method.

(XIV) DISCLOSURE OF FAIR VALUE - continued

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

The financial assets and liabilities not measured at fair value mainly include bills receivable, accounts receivable, other receivables, non-current assets due within one year, long-term receivables, short-term borrowings, bills payable, accounts payable, other payables, non-current liabilities due within one year, other current liabilities, lease liabilities, long-term borrowings, bonds payable and long-term payables etc.

The Group's management believes that the carrying amounts of financial assets and financial liabilities at amortised cost in the financial statements approximate their fair values.

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. Parent of the Company

Name of the Company	Related party relationship	Type of the entity	Place of registration	Nature of business	Issued share capital	Proportion of ownership interests held by the Company (%)	Proportion of voting power held by the Company (%)
Broadford	Parent	Private limited company (share limited)	Hong Kong	Investment holding	HKD 21,120,986,262	2.21	62.96 (Note)

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

2. Subsidiaries of the Company

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

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

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

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

3. Associates and joint ventures of the Company

Details of the Company's significant joint ventures and associates are set out in Note (XI) 3.

Other joint ventures or associates that have related party transactions with the Group in the current year, or formed balances of related party transactions with the Group in the prior year are as follows:

Name of joint venture or associate	Relationship with the Company
Port of Newcastle and its subsidiaries	Joint venture
Qingdao Qianwan West Port United Wharf Co., Ltd.	Joint venture
Qingdao Qianwan United Container Terminal Co., Ltd. (hereinafter referred to as "Qingdao Qianwan United ") and its subsidiaries	Joint venture
COSCO Logistics (Zhanjiang) Co., Ltd.	Joint venture
China Ocean Shipping Agency (Zhanjiang) Co., Ltd.	Joint venture
Yantai Port Group Laizhou Port Co., Ltd.	Joint venture
Qingdao Wutong Century Supply Chain Co., Ltd.	Joint venture
Qingdao Port Dongjiakou Ore Terminal Co., Ltd.	Joint venture
Euro-Asia Oceangate S.à r.l.	Joint venture
GREAT HORN DEVELOPMENT COMPANY FZCO	Associate
International Djibouti Industrial Parks Operation FZCo	Associate
Port de Djibouti S.A.	Associate
Terminal Link SAS	Associate
Nanshan Group and its subsidiaries	Associate
Shanggang Group and its subsidiaries	Associate
Shenzhen Baohong Technology Co., Ltd.	Associate
Tianjin Haitian Bonded Logistics Co., Ltd.	Associate
Chu Kong River Trade Terminal Co., Ltd.	Associate
Shantou International Container Terminals Limited	Associate
Shenzhen Chiwan Industrial Development Co., Ltd and its subsidiaries	Associate
CM Port Chuangrong (Shenzhen) Technology Co., Ltd.	Associate
New Land-Sea Corridor Operation (Zhanjiang) Co., Ltd.	Associate
Antong Holdings	Associate
RED SEA WORLD S.A.	Associate
Liaoning Port and its subsidiaries	Associate, controlled by the same ultimate controlling shareholder
Zhanjiang Sinotrans Chemical International Logistics Co., Ltd.	Associate, controlled by the same ultimate controlling shareholder
Lac Assal Investment Holding Company Limited	Associate, controlled by the same ultimate controlling shareholder
Zhanjiang Infrastructure Construction Investment Group Co., Ltd.	Minority shareholders of subsidiary
Yihai Kerry Arawana Holdings Co., Ltd.	Minority shareholders of subsidiary

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

4. Other related parties of the Company

Name of other related parties	Relationship with the Company
China Marine Shipping Agency Guangdong Co., Ltd.	Controlled by the same ultimate controlling shareholder
Hoi Tung (Shanghai) Company Limited	Controlled by the same ultimate controlling shareholder
South China Sinotrans Supply Chain Management Co., Ltd.	Controlled by the same ultimate controlling shareholder
EuroAsia Dockyard Enterprise and Development Limited	Controlled by the same ultimate controlling shareholder
Qingdao Bonded Logistics Park Sinotrans Warehousing Logistics Co., Ltd.	Controlled by the same ultimate controlling shareholder
Qingdao Sinotrans Supply Chain Management Co., Ltd.	Controlled by the same ultimate controlling shareholder
Shenzhen Foreign Forwarding International Freight Co., Ltd.	Controlled by the same ultimate controlling shareholder
Shenzhen Nanyou (Holdings) Ltd. and its subsidiaries	Controlled by the same ultimate controlling shareholder
Sinotrans Shenzhen Qianhai Supply Chain Management Ltd.	Controlled by the same ultimate controlling shareholder
Shenzhen Qianhai Shekou Free Trade Investment Development Co. Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants International Shipping Agency (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Real Estate Co., Ltd.	Controlled by the same ultimate controlling shareholder
Shenzhen Merchants to Home Technology Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Shenzhen Ro-Ro Shipping Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Property Management (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Marine Shipping Agency Shenzhen Co., Ltd.	Controlled by the same ultimate controlling shareholder
Yiu Lian Dockyards (Shekou) Limited	Controlled by the same ultimate controlling shareholder
Yiu Lian Dockyards Limited	Controlled by the same ultimate controlling shareholder
China Merchants International Cold Chain (Shenzhen) Company Limited	Controlled by the same ultimate controlling shareholder
China Merchants Group Finance Company Limited	Controlled by the same ultimate controlling shareholder
China Merchants Investment Development Company Limited	Controlled by the same ultimate controlling shareholder
China Merchants Finance Lease (Shanghai) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Finance Lease (Tianjin) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchant Food (China) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Zhangzhou Development Zone Power Supply Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Securities Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Traffic Import and Export Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans Changhang Group Limited	Controlled by the same ultimate controlling shareholder
Guangdong Sinotrans Shipping Co., Ltd	Controlled by the same ultimate controlling shareholder
Sinotrans Central China Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans (HK) Shipping Limited	Controlled by the same ultimate controlling shareholder
Sinotrans (Djibouti) Bonded Logistics Co., Ltd	Controlled by the same ultimate controlling shareholder
CMHK	Controlled by the same ultimate controlling shareholder

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

4. Other related parties of the Company - continued

Name of other related parties	Relationship with the Company
Sinoway Shipping Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants-Logistics Shenzhen Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Zhangzhou Development Zone Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Ocean Shipping Agency Shenzhen Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans Container Lines Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dalian Port Construction Supervision Consulting Co., Ltd.	Controlled by the same ultimate controlling shareholder
Shenzhen West Port Security Service Co., Ltd.	Controlled by the same ultimate controlling shareholder
Qingdao Sinotrans Mining Technology Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Surplus Property Management Co., Ltd.	Controlled by the same ultimate controlling shareholder
Hong Kong Haitong Co., Ltd.	Controlled by the same ultimate controlling shareholder
Haitong Haihui (Shanghai) Technology Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dalian Jingang United Auto International Trade Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans Container Transportation (Hainan) Co., Ltd.	Controlled by the same ultimate controlling shareholder
CIAO International Limited	Controlled by the same ultimate controlling shareholder
China Merchants Logistics Group (Tianjin) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Life Insurance Company Limited	Controlled by the same ultimate controlling shareholder
Ocean Offshore 2403 Limited	Controlled by the same ultimate controlling shareholder
Zhangzhou Development Zone China Merchants Water Service Co., Ltd.	Controlled by the same ultimate controlling shareholder
Qingdao Sinotrans Logistics Co., Ltd.	Controlled by the same ultimate controlling shareholder
Haitong (Shenzhen) Trade Co., Ltd.	Controlled by the same ultimate controlling shareholder
Khor Ambado FZCo	Significantly influenced by the ultimate controlling shareholder
China Merchants Bank Co., Ltd.	Significantly influenced by the ultimate controlling shareholder
China Merchants (Shenzhen) Power Supply Co., Ltd.	Significantly influenced by the ultimate controlling shareholder
Merchants Port City	Significantly influenced by the ultimate controlling shareholder

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

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

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions

(1) Rendering and receipt of services

Related party	Content of transaction	Pricing method and decision procedures of related transactions	Current Year	Prior Year
Rendering of services:				
Antong Holdings and its subsidiaries	Service income	Negotiation	183,425,922.18	176,859,159.34
COSCO Logistics (Zhanjiang) Co., Ltd.	Service income	Negotiation	160,059,105.02	225,947,824.45
China Ocean Shipping Agency (Zhanjiang) Co., Ltd.	Service income	Negotiation	65,253,354.03	79,233,370.18
Sinotrans Container Transportation (Hainan) Co., Ltd.	Service income	Negotiation	30,360,054.63	6,131,576.11
China Merchants International Shipping Agency (Shenzhen) Co., Ltd.	Service income	Negotiation	26,896,356.56	21,010,835.23
CIAO International Limited	Service income	Negotiation	24,410,550.76	8,880,824.63
China Marine Shipping Agency Guangdong Co., Ltd.	Service income	Negotiation	21,188,065.75	35,584,126.70
Sinotrans Container Lines Co., Ltd.	Service income	Negotiation	19,881,157.88	17,893,748.17
Qingdao Qianwan United and its subsidiaries	Service income	Negotiation	17,532,172.80	24,252,170.73
Yiu Lian Dockyards (Shekou) Limited	Service income	Negotiation	15,731,288.81	11,901,121.11
China Ocean Shipping Agency Shenzhen Co., Ltd.	Service income	Negotiation	8,960,748.62	11,097,445.63
South China Sinotrans Supply Chain Management Co., Ltd.	Service income	Negotiation	8,706,595.03	1,719,316.58
Sinotrans Shenzhen Qianhai Supply Chain Management Ltd.	Service income	Negotiation	7,735,941.43	10,909,073.38
China Merchants International Cold Chain (Shenzhen) Company Limited	Service income	Negotiation	7,313,064.96	7,292,368.68
New Land-Sea Corridor Operation (Zhanjiang) Co., Ltd.	Service income	Negotiation	5,944,398.23	4,288,394.23
Liaoning Port and its subsidiaries	Service income	Negotiation	5,540,080.74	5,172,690.67
China Merchants Investment Development Company Limited	Service income	Negotiation	5,487,311.33	6,943,066.05
Shenzhen Baohong Technology Co., Ltd.	Service income	Negotiation	5,362,761.39	5,383,991.91
Qingdao Sinotrans Mining Technology Co., Ltd.	Service income	Negotiation	5,241,046.33	1,862,160.41
Shenzhen Foreign Forwarding International Freight Co., Ltd.	Service income	Negotiation	4,976,416.56	1,076,981.63
Sinoway Shipping Ltd.	Service income	Negotiation	4,513,120.66	3,896,159.47
Qingdao Bonded Logistics Park Sinotrans Warehousing Logistics Co., Ltd.	Service income	Negotiation	4,260,105.97	3,816,815.84
China Marine Shipping Agency Shenzhen Co., Ltd.	Service income	Negotiation	2,917,185.25	4,232,109.18
Qingdao Qianwan West Port United Wharf Co., Ltd.	Service income	Negotiation	2,431,065.71	2,266,358.07
Shanghai Port Group	Service income	Negotiation	2,361,696.23	2,265,469.82
Yantai Port Group Laizhou Port Co., Ltd.	Service income	Negotiation	2,075,471.70	2,075,471.68
Other related parties	Service income	Negotiation	21,108,956.42	51,267,351.32
Port of Newcastle and its subsidiaries	Interest income	Negotiation	81,538,614.85	74,581,122.68
China Merchants Group Finance Company Limited	Interest income	Negotiation	58,333,565.48	50,639,773.00
China Merchants Bank Co., Ltd.	Interest income	Negotiation	35,222,580.54	42,250,797.70
Terminal Link SAS	Interest income	Negotiation	12,136,959.77	12,543,736.17
Tianjin Haitian Bonded Logistics Co., Ltd.	Interest income	Negotiation	1,020,955.28	1,137,311.05

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(1) Rendering and receipt of services - continued

Related party	Content of transaction	Pricing method and decision procedures of related transactions	Current Year	Prior Year
Receipt of services:				
Shenzhen Chiwan Industrial Development Co., Ltd and its subsidiaries	Service expenditure	Negotiation	63,437,864.16	60,383,382.87
Shenzhen Nanyou (Holdings) Ltd. and its subsidiaries	Service expenditure	Negotiation	27,626,951.49	36,049,247.11
Qingdao Qianwan West Port United Wharf Co., Ltd.	Service expenditure	Negotiation	14,027,138.61	20,836,557.33
China Merchants Investment Development Company Limited	Service expenditure	Negotiation	13,278,955.07	5,407,766.54
Shenzhen West Port Security Service Co., Ltd.	Service expenditure	Negotiation	13,262,603.30	12,075,631.88
COSCO Logistics (Zhanjiang) Co., Ltd.	Service expenditure	Negotiation	9,776,026.07	3,833,081.95
International Djibouti Industrial Parks Operation FZCo	Service expenditure	Negotiation	7,017,008.60	10,914,744.17
Yiu Lian Dockyards Limited	Service expenditure	Negotiation	6,972,981.32	7,591,973.82
China Merchants-Logistics Shenzhen Co., Ltd.	Service expenditure	Negotiation	5,864,244.69	2,342,750.95
China Merchants (Shenzhen) Power Supply Co., Ltd.	Service expenditure	Negotiation	5,405,707.68	8,934,659.73
China Merchants Zhangzhou Development Zone Power Supply Co., Ltd.	Service expenditure	Negotiation	4,773,226.73	5,339,186.66
China Merchants Property Management (Shenzhen) Co., Ltd.	Service expenditure	Negotiation	4,453,957.21	2,668,909.49
Shenzhen Merchants to Home Technology Co., Ltd.	Service expenditure	Negotiation	4,687,477.54	2,380,710.29
Liaoning Port and its subsidiaries	Service expenditure	Negotiation	4,135,993.38	11,984,893.16
China Merchants Surplus Property Management Co., Ltd.	Service expenditure	Negotiation	3,425,914.92	1,349,520.67
China Merchants Shenzhen Ro-Ro Shipping Co., Ltd.	Service expenditure	Negotiation	3,115,797.45	3,400,014.78
Sinotrans (Djibouti) Bonded Logistics Co., Ltd	Service expenditure	Negotiation	2,760,536.83	647,189.51
China Merchants Life Insurance Company Limited	Service expenditure	Negotiation	2,620,060.12	-
Guangdong Sinotrans Shipping Co., Ltd	Service expenditure	Negotiation	2,539,165.13	1,017,209.17
China Merchant Food (China) Co., Ltd.	Service expenditure	Negotiation	2,346,484.64	2,650,674.80
Zhangzhou Development Zone China Merchants Water Service Co., Ltd.	Service expenditure	Negotiation	2,289,168.30	-
China Merchants Bank Co., Ltd.	Service expenditure	Negotiation	2,223,229.30	3,728,413.83
Haitong Haihui (Shanghai) Technology Co., Ltd	Service expenditure	Negotiation	2,135,015.05	296,918.61
Other related parties	Service expenditure	Negotiation	24,181,425.24	69,599,130.06
China Merchants Bank Co., Ltd.	Purchase of structured deposits	Negotiation	12,210,000,000.00	7,260,000,000.00
China Merchants Bank Co., Ltd.	Interest expense	Negotiation	60,658,343.65	72,154,609.27
China Merchants Group Finance Company Limited	Interest expense	Negotiation	32,877,199.14	36,451,832.93
Ocean Offshore 2403 Limited	Interest expense	Negotiation	6,747,197.02	-
China Merchants Finance Lease (Tianjin) Co., Ltd.	Interest expense	Negotiation	3,536,983.75	3,483,279.42
China Merchants Finance Lease (Shanghai) Co., Ltd.	Interest expense	Negotiation	-	2,356,009.46

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)**

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(2) Leases with related parties

The Group as the lessor:

Name of the lessee	Type of leased assets	Pricing method and decision procedures of related transactions	Lease income recognised in the current year	Lease income recognised in the prior year
Qingdao Qianwan West Port United Wharf Co., Ltd.	Port and terminal facilities	Negotiation	17,168,242.49	14,351,518.19
Qingdao Bonded Logistics Park Sinotrans Warehousing Logistics Co., Ltd.	Port and terminal facilities	Negotiation	5,088,364.64	5,375,787.11
Qingdao Sinotrans Supply Chain Management Co., Ltd.	Buildings and structures	Negotiation	4,797,960.58	4,811,101.79
China Traffic Import and Export Co., Ltd.	Buildings and structures	Negotiation	3,869,907.41	5,179,670.76
Qingdao Sinotrans Mining Technology Co., Ltd.	Port and terminal facilities	Negotiation	3,562,917.83	4,750,557.12
Qingdao Qianwan United and its subsidiaries	Buildings and structures	Negotiation	3,499,481.46	3,508,252.92
Qingdao Wutong Century Supply Chain Co., Ltd.	Buildings and structures	Negotiation	2,565,010.92	2,713,039.19
Qingdao Sinotrans Logistics Co., Ltd.	Port and terminal facilities	Negotiation	2,477,691.42	2,477,668.56
Haitong (Shenzhen) Trade Co., Ltd.	Buildings and structures	Negotiation	2,462,532.60	2,811,192.84
China Merchants Securities Co., Ltd	Buildings and structures	Negotiation	2,458,235.85	2,460,986.37
CM Port Chuangrong (Shenzhen) Technology Co., Ltd.	Port and terminal facilities	Negotiation	2,321,467.98	2,577,426.36
Yiu Lian Dockyards (Shekou) Limited	Buildings and structures	Negotiation	2,052,603.46	2,149,478.11
Other related parties	Buildings and structures, Port and terminal facilities	Negotiation	9,344,668.62	10,106,892.93
Total	— —	— —	61,669,085.26	63,273,572.25

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(2) Leases with related parties - continued

The Group as the lessee:

Name of the lessor	Type of leased assets	Short-term lease expenses or expenses on leases of low-value assets that are accounted for using simplified approach		Variable lease payments that are not included in the measurement of lease liabilities		Rental paid		Interest expenses on lease liabilities		Addition to right-of-use assets	
		Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
China Merchants Shekou Industrial Zone Holdings Co., Ltd	Port and terminal facilities, Land use right	306,224.00	-	-	-	44,066,799.39	33,671,185.02	1,587,229.84	2,627,207.77	-	6,841,334.09
EuroAsia Dockyard Enterprise and Development Limited	Port and terminal facilities	-	-	-	-	15,072,619.95	16,267,717.80	383,677.34	452,003.87	-	-
Shenzhen Qianhai Shekou Free Trade Investment Development Co., Ltd	Land use right	14,277,045.89	7,718,862.46	-	-	7,780,990.03	8,413,560.00	-	-	-	-
Nanshan Group and its subsidiaries	Buildings and structures, Port and terminal facilities, Land use right, Others	122,873.40	458,524.82	-	-	4,548,686.64	72,495,152.94	9,439,152.47	1,549,113.49	373,165,903.84	-
China Merchants Finance Lease (Tianjin) Co., Ltd.	Port and terminal facilities	-	-	-	-	2,491,841.67	25,037,299.24	3,536,983.75	3,627,216.64	-	-
Others	Machinery and equipment, Buildings and structures, Port and terminal facilities, Land use right, Others	2,142,297.24	2,213,002.01	-	-	5,138,359.72	90,570,525.17	153,444.84	2,707,383.66	-	5,583,342.98
Total		16,848,440.53	10,390,389.29	-	-	79,099,297.40	246,455,440.17	15,100,488.24	10,962,925.43	373,165,903.84	12,424,677.07

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(3) Related party guarantees

The Group as the guarantor:

Secured party	Credit line	Guaranteed amount	Commencement date	Maturity date	The guarantee has been completed or not
For the year of 2025					
Terminal Link SAS (Note 1)	57,247,051.41	57,247,051.41	11 June 2013	2033	No
Khor Ambado FZCo (Note 3)	202,429,440.00	158,095,856.92	24 May 2019	2032	No
Terminal Link SAS (Note 2)	231,950,400.00	113,655,696.00	25 January 2023	2030	No
Total	491,626,891.41	328,998,604.33	— —	— —	— —
For the year of 2024					
Terminal Link SAS (Note 1)	58,245,642.59	58,245,642.59	11 June 2013	2033	No
Khor Ambado FZCo (Note 3)	207,025,920.00	167,923,750.92	24 May 2019	2032	No
Terminal Link SAS (Note 2)	237,217,200.00	116,236,428.00	25 January 2023	2030	No
Total	502,488,762.59	342,405,821.51	— —	— —	— —

Note 1: In previous years, CMA CGM S.A., another shareholder of Terminal Link SAS, an associate of the Group, provided 100% guarantee for the bank loan financing and other liabilities of Terminal Link SAS. The Group makes a commitment to CMA CGM S.A. to provide guarantee for the bank loan financing and other liabilities to Terminal Link SAS in accordance with the 49% equity ratio of Terminal Link SAS held by the Group. The actual guaranteed amount is RMB 57,247,051.41 as at 31 December 2025. If any guarantee liability occurs, the Group will compensate CMA CGM S.A..

Note 2: The Group and CMA CGM S.A. provide guarantee for bank loan financing and other liabilities of the associated company Terminal Link SAS according to their shareholding ratio. The actual guarantee amount on 31 December 2025 is RMB 113,655,696.00.

Note 3: Khor Ambado FZCo is a related party of the ultimate controlling shareholder of the Group. The Group and other shareholders of Khor Ambado FZCo provide guarantees for its bank loan financing and other liabilities in proportion to their shareholding. The actual guarantee amount on 31 December 2025 is RMB 158,095,856.92.

Note 4: For the related guarantees provided by the Group, please refer to Note (VIII) 39 for the details of credit impairment losses for this year.

The Group as the guaranteed party:

Guarantor	Credit line	Guaranteed amount	Commencement date	Maturity date	The guarantee has been completed or not
For the year of 2025					
SINOTRANS SOUTH CHINA COMPANY LIMITED (Note 5)	1,079,100,000.00	409,805,329.57	26 June 2019	1 July 2034	No
For the year of 2024					
SINOTRANS SOUTH CHINA COMPANY LIMITED (Note 5)	1,079,100,000.00	438,097,430.82	26 June 2019	1 July 2034	No

Note 5: Refer to Note (VIII) 34.

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(4) Borrowings and loans with related parties

Related party	Amount	Commencement date	Maturity date	Description
2025				
Borrowings				
China Merchants Bank Co., Ltd.	1,672,217,483.07	Actual borrowing date	Agreed repayment date	Short-term borrowings
China Merchants Bank Co., Ltd.	786,838,830.68	Actual borrowing date	Agreed repayment date	Long-term borrowings
China Merchants Group Finance Company Limited	276,992,067.79	Actual borrowing date	Agreed repayment date	Short-term borrowings
China Merchants Group Finance Company Limited	421,567,628.72	Actual borrowing date	Agreed repayment date	Long-term borrowings
Ocean Offshore 2403 Limited	135,714,720.00	Actual borrowing date	Agreed repayment date	Long-term payables
Yihai Kerry Arawana Holdings Co., Ltd.	36,658,499.40	Actual borrowing date	Agreed repayment date	Long-term payables
Total	3,329,989,229.66	— —	— —	— —
2024				
Borrowings				
China Merchants Bank Co., Ltd.	1,298,369,781.25	Actual borrowing date	Agreed repayment date	Short-term borrowings
China Merchants Bank Co., Ltd.	1,336,953,012.50	Actual borrowing date	Agreed repayment date	Long-term borrowings
China Merchants Group Finance Company Limited	268,456,381.95	Actual borrowing date	Agreed repayment date	Short-term borrowings
China Merchants Group Finance Company Limited	59,158,045.05	Actual borrowing date	Agreed repayment date	Long-term borrowings
Total	2,962,937,220.75	— —	— —	— —

Note 1: As at 31 December 2025, the total credit lines of the Group from the related parties China Merchants Bank Co., Ltd. and China Merchants Group Finance Co., Ltd. are RMB 5,208,300,000.00 and RMB 10,000,000,000.00 respectively.

(5) Asset transfer from related parties

Related party	Content of transaction	Pricing method and decision procedures of related transactions	Current Year	Prior Year
Sinotrans Container Lines Co., Ltd.	Transfer of equity investment	Negotiation	124,800,000.00	-
Zhanjiang Sinotrans Chemical International Logistics Co., Ltd.	Contribution of land use right	Valuation	52,122,355.00	-
Zhanjiang Sinotrans Chemical International Logistics Co., Ltd.	Transfer of land use right	Valuation	43,972,744.00	-
Shantou International Container Terminals Limited	Reduce of registered capital	Registered capital	-	120,000,000.00
RED SEA WORLD S.A.	Equity investment	Fair value	-	160,855,674.82
Hoi Tung (Shanghai) Company Limited	Fixed assets	Negotiation	4,373,097.35	2,876,106.19
Dalian Jingang United Auto International Trade Co., Ltd.	Fixed assets	Negotiation	1,526,353.98	2,454,981.76
Dalian Jingang United Auto International Trade Co., Ltd.	Construction in progress	Negotiation	6,368,176.96	-
Dalian Jingang United Auto International Trade Co., Ltd. and its subsidiary	Construction in progress	Negotiation	7,806,951.99	1,651,790.19
Ocean Offshore 2403 Limited	Construction in progress	Negotiation	3,437,294.42	-
Hong Kong Haitong Co., Ltd.	Construction in progress	Negotiation	1,572,861.85	15,893,828.70
Other related parties	Construction in progress	Negotiation	401,512.05	3,518,918.32
Total	— —	— —	246,381,347.60	307,251,299.98

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

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

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(6) Compensation for key management personnel

Item	Current Year	Prior Year
Compensation for key management personnel	19,426,155.25	17,310,521.40

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

(1) Amounts due from related parties

Item	Related party	Closing Balance	Opening Balance
Cash and bank balances	China Merchants Bank Co., Ltd.	1,859,504,299.96	3,404,002,420.98
	China Merchants Group Finance Company Limited	4,733,188,415.27	4,745,991,554.35
	Total	6,592,692,715.23	8,149,993,975.33
Accounts receivable	COSCO Logistics (Zhanjiang) Co., Ltd.	20,909,052.72	12,222,891.71
	Antong Holdings and its subsidiaries	14,331,644.37	9,901,450.77
	Sinotrans Container Transportation (Hainan) Co., Ltd.	5,490,141.47	2,350,603.78
	Sinotrans (HK) Shipping Limited	4,192,924.81	1,188,868.03
	Sinotrans Container Lines Co., Ltd.	2,759,474.70	4,496,476.26
	Liaoning Port and its subsidiaries	2,270,387.91	2,358,141.87
	GREAT HORN DEVELOPMENT COMPANY FZCO	2,152,921.44	2,201,806.92
	China Ocean Shipping Agency Shenzhen Co., Ltd.	2,038,931.07	3,778,789.25
	Yiu Lian Dockyards (Shekou) Limited	1,409,897.20	355,728.00
	Sinotrans Central China Co., Ltd.	1,247,021.25	27,768.35
	China Merchants Investment Development Company Limited	1,220,166.04	3,439,600.00
	Nanshan Group and its subsidiaries	1,288,469.27	337,492.97
	China Merchants Logistics Group (Tianjin) Co., Ltd.	-	3,109,502.50
	Other related parties	9,712,084.91	13,888,769.02
Total	69,023,117.16	59,657,889.43	

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

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

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

6. Amounts due from/to related parties - continued

(1) Amounts due from related parties - continued

Item	Related party	Closing Balance	Opening Balance
Dividends receivable	Shanggang Group and its subsidiaries	326,565,642.25	326,565,642.25
	Nanshan Group and its subsidiaries	111,042,000.00	148,056,000.00
	Qingdao Port Dongjiakou Ore Terminal Co., Ltd.	68,175,602.27	-
	Merchants Port City	35,771,044.77	38,809,044.77
	Euro-Asia Oceangate S.à r.l.	28,485,290.83	23,881,469.17
	Port of Newcastle and its subsidiaries	7,264,990.21	-
	China Ocean Shipping Agency Shenzhen Co., Ltd.	-	10,575,000.00
	COSCO Logistics (Zhanjiang) Co., Ltd.	-	5,649,001.16
	Qingdao Wutong Century Supply Chain Co., Ltd.	-	1,190,109.26
	Total	577,304,570.33	554,726,266.61
Other receivables	Chu Kong River Trade Terminal Co., Ltd.	32,841,079.20	37,374,974.40
	Port de Djibouti S.A.	24,776,520.00	-
	Shenzhen Qianhai Shekou Free Trade Investment Development Co., Ltd.	7,222,330.00	6,310,000.00
	Ocean Offshore 2403 Limited	7,028,800.00	-
	China Merchants Investment Development Company Limited	5,710,073.55	3,837,775.52
	Shenzhen Nanyou (Holdings) Ltd. and its subsidiaries	3,994,120.74	31,299,652.92
	International Djibouti Industrial Parks Operation FZCo	1,891,143.64	293,452.73
	EuroAsia Dockyard Enterprise and Development Limited	1,526,824.77	1,565,400.24
	China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	1,166,408.40	1,166,408.40
	CMHK	1,059,673.20	2,300,860.48
	Other related parties	2,668,491.95	3,954,388.97
	Total	89,885,465.45	88,102,913.66
Prepayments	China Merchants Life Insurance Company Limited	3,126,654.88	-
	Other related parties	1,095,819.45	306,332.45
	Total	4,222,474.33	306,332.45
Non-current assets due within one year	Tianjin Haitian Bonded Logistics Co., Ltd.	-	34,300,000.00
	China Merchants Finance Lease (Tianjin) Co., Ltd.	-	733,025.11
	Total	-	35,033,025.11
Long-term receivables	Port of Newcastle and its subsidiaries	1,032,950,257.96	920,674,796.27
	Terminal Link SAS	239,062,457.32	215,013,954.38
	Tianjin Haitian Bonded Logistics Co., Ltd.	34,300,000.00	-
	Other related parties	539,722.23	1,058,295.37
	Total	1,306,852,437.51	1,136,747,046.02

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

6. Amounts due from/to related parties - continued

(2) Amounts due to related parties

Item	Related party	Closing Balance	Opening Balance
Short-term borrowings	China Merchants Bank Co., Ltd.	1,093,426,099.97	1,298,369,781.25
	China Merchants Group Finance Company Limited	191,124,984.44	180,132,916.65
	Total	1,284,551,084.41	1,478,502,697.90
Accounts payable	Antong Holdings and its subsidiaries	17,869,057.61	17,869,057.61
	Nanshan Group and its subsidiaries	9,459,413.49	7,793,894.49
	China Merchants (Shenzhen) Power Supply Co., Ltd.	7,849,882.40	7,491,614.83
	Shenzhen Chiwan Industrial Development Co., Ltd and its subsidiaries	5,883,063.90	5,886,136.82
	COSCO Logistics (Zhanjiang) Co., Ltd.	3,959,010.47	111,854.40
	Liaoning Port and its subsidiaries	2,956,796.42	5,020,956.61
	Yiu Lian Dockyards Limited	2,304,412.28	1,831,651.56
	EuroAsia Dockyard Enterprise and Development Limited	2,275,716.26	1,562,589.15
	International Djibouti Industrial Parks Operation FZCo	2,013,472.16	-
	Qingdao Qianwan West Port United Wharf Co., Ltd.	1,709,239.56	2,302,401.72
	China Merchants Investment Development Company Limited	1,603,085.74	1,916,766.44
	Shenzhen West Port Security Service Co., Ltd.	1,227,570.98	991,318.88
	Other related parties	11,585,506.37	27,129,981.41
Total	70,696,227.64	79,908,223.92	
Advance payments received	Other related parties	641,753.44	1,020,627.96
Contract liabilities	CIAO International Limited	1,500,000.00	-
	Other related parties	1,909,613.77	990,669.32
	Total	3,409,613.77	990,669.32
Dividends payable	China Merchants Zhangzhou Development Zone Co., Ltd.	105,526,928.23	79,792,513.04
	Yiu Lian Dockyards Limited	22,924,685.89	-
	Zhanjiang Infrastructure Construction Investment Group Co., Ltd.	-	52,542,231.24
	Total	128,451,614.12	132,334,744.28
Other payables	CMHK	309,403,432.24	3,518.95
	Lac Assal Investment Holding Company Limited	79,952,643.76	81,768,095.74
	Antong Holdings and its subsidiaries	6,340,341.84	4,743,266.37
	Nanshan Group and its subsidiaries	4,667,248.90	1,487,524.53
	Liaoning Port and its subsidiaries	4,050,509.93	1,752,579.27
	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	3,465,204.79	6,930,409.58
	CIAO International Limited	2,999,920.00	2,999,920.00
	Sinotrans Shenzhen Qianhai Supply Chain Management Ltd.	1,220,440.54	1,744,765.30
	China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	156,779.63	2,975,713.65
	China Merchants Investment Development Company Limited	-	3,559,625.15
	Other related parties	11,382,893.37	14,317,754.41
	Total	423,639,415.00	122,283,172.95

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

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

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

6. Amounts due from/to related parties - continued

(2) Amounts due to related parties - continued

Item	Related party	Closing Balance	Opening Balance
Other current liabilities	China Merchants Investment Development Company Limited	12,922,678.94	-
	Liaoning Port and its subsidiaries	755,883.15	-
	China Merchants Bank Co., Ltd.	596,666.67	-
	Other related parties	943,076.91	-
	Total	15,218,305.67	-
Non-current liabilities due within one year	China Merchants Group Finance Company Limited	307,767,555.63	153,940,240.06
	China Merchants Bank Co., Ltd.	251,962,126.24	115,025,994.45
	Nanshan Group and its subsidiaries	126,190,230.53	-
	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	32,080,134.08	37,080,955.45
	Ocean Offshore 2403 Limited	28,115,200.00	-
	China Merchants Finance Lease (Tianjin) Co., Ltd.	-	40,241,960.67
	EuroAsia Dockyard Enterprise and Development Limited	-	14,776,413.72
	Other related parties	1,581,487.09	2,585,085.02
Total	747,696,733.57	363,650,649.37	
Long-term borrowings	China Merchants Bank Co., Ltd.	968,696,138.04	1,316,000,000.00
	China Merchants Group Finance Company Limited	725,208,087.03	658,012,389.53
	Total	1,693,904,225.07	1,974,012,389.53
Lease liabilities	Nanshan Group and its subsidiaries	253,660,100.77	-
	China Merchants International Cold Chain (Shenzhen) Company Limited	276,491.76	1,182,801.92
	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	-	32,067,795.24
	Total	253,936,592.53	33,250,597.16
Long-term payables	China Merchants Finance Lease (Tianjin) Co., Ltd.	109,846,754.96	31,964,366.45
	Ocean Offshore 2403 Limited	99,961,134.57	-
	Yihai Kerry Arawana Holdings Co., Ltd.	36,658,499.40	-
	Total	246,466,388.93	31,964,366.45

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

(XVI) SHARE-BASED PAYMENTS

1. Equity instruments

Type of targets granted	Granted in the current year		Exercised in the current year		Unlocked in the current year		Lapsed in the current year	
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount
Management	-	-	351,400.00	1,142,050.00	-	-	13,500.00	43,875.00

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

Type of targets granted	Outstanding stock option at the end of current year	
	Range of exercise prices	Remaining term of contract
Management	RMB 12.51 to RMB 14.76	13 months

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

(XVI) SHARE-BASED PAYMENTS - continued

2. Equity-settled share-based payments

The method used to determine the fair value of equity instruments at the grant date	The cost of granted stock options was estimated using the Black Scholes Model.
The basis for determining the number of exercisable equity instruments	At each balance sheet date in the vesting period, the best estimate was made and the estimated number of exercisable equity instruments was modified according to the latest changes in the number of employees who can exercise the rights and other subsequent information.
Reasons for the significant difference between the estimates of the current year and the estimates of prior year	Nothing
The aggregate amount of equity-settled share-based payments that is included in capital reserve	-

Pursuant to the *Official Reply on the Implementation of the Stock Option Incentive Plan of China Merchants Port Group Co., Ltd.* by State-owned Assets Supervision and Administration Commission of the State Council (No. 748 [2019], SASAC), which was deliberated and approved by the 1st Extraordinary General Meeting of the Company in 2020 on 3 February 2020, the Company implemented a stock option plan with effect from 3 February 2020 to grant 238 incentive recipients 17,198,000 stock options with an exercise price of RMB17.80 per share. With a lockup period of 24 months from the grant date, the stock options are exercisable upon expiry of the 24-month lockup period in the premise that the vesting conditions are satisfied. The stock options are exercisable in three batches, specifically, 40% for the first batch (after 24 months but within 36 months subsequent to the grant date), 30% for the second batch (after 36 months but within 48 months subsequent to the grant date) and the remaining 30% for the third batch (after 48 months but within 84 months subsequent to the grant date). Each stock option entitles the holder to subscribe for one ordinary share of the Company.

On 5 March 2021, the granting of stock option (reserved portion) under stock option 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. The Company uniformly adjusted the exercise price from RMB 15.50 per share to 14.76 per share in respect of the first batch of stock option granted under the stock option incentive plan (phase I), and the exercise price of the reserved portion of stock option from RMB 13.25 per share to 12.51 per share on 31 August 2025.

As at 31 December 2025, as 1 of the incentive targets for the first batch of stock option granted under the stock option incentive plan (phase I) have lost the qualification to participate in the company's incentive plan, the board of directors of the Company decided to cancel in total of 13,500 shares of stock option granted but not yet exercised by such persons.

As at the date on which the financial statements are issued, 192 incentive targets who can exercise the rights for the third vesting period of the stock option (1st batch) under the stock option incentive plan (phase I) included: (1) 187 incentive targets who met the designated grades in the performance assessment, holding 100% of the stock option (totalling 3,408,900 shares) for the third vesting period of the stock option (1st batch) under the stock option incentive plan (phase I) of the Company and satisfying the criteria of exercise; and (2) 5 incentive targets who met the designated grades in the performance assessment, holding 80% of the stock option (totalling 60,480 shares) for the third vesting period of the stock option (1st batch) under the stock option incentive plan (phase I) of the Company and satisfying the criteria of exercise. The second vesting period of the stock option (reserved portion) under the stock option incentive plan (phase I) targets to total 3 persons who can exercise the rights. The 3 incentive targets have met the designated grades in the performance assessment, and 100% of stock option for the second vesting period of the stock option (reserved portion) under the stock option incentive plan (phase I) of the Company held by them have satisfied the criteria of exercise, granting 265,000 shares of exercisable stock option for the second vesting period of the stock option (reserved portion) under the stock option incentive plan (phase I).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

(XVI) SHARE-BASED PAYMENTS - continued

3. Share-based payment expenses in the current year

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

(XVII) COMMITMENTS AND CONTINGENCIES

1. Significant commitments

Item	Closing Balance	Opening Balance
Commitments that have been entered into but have not been recognised in the financial statements		
- Commitment to make contributions to the investees	2,469,326,880.09	68,882,165.47
- Commitment to acquire and construct long-term assets	3,381,159,873.68	2,891,660,439.17
Total	5,850,486,753.77	2,960,542,604.64

2. Contingencies

Item	Closing Balance	Opening Balance
Contingent liabilities brought by external litigations (Note 1)	963,662,048.81	804,570,710.82
Guarantee for borrowings of related parties (Note 2)	222,911,237.19	342,405,821.51
Total	1,186,573,286.00	1,146,976,532.33

Note 1: This mainly represents the significant contingent liabilities arising from the litigations between TCP and its subsidiaries and local tax authority, employee or former employee of TCP and its subsidiaries in Brazil at as the year end. The amount involved in the pending litigation is RMB 881,304,260.01. At the same time, for the pending litigation existing before the Group's acquisition of TCP, the counter compensation agreement in favour of the Group will be executed by the original TCP shareholders who sell shares. According to the counter compensation agreement, the original TCP shareholders need to compensate the Group for contingent liabilities, and the amount of compensation should not exceed the predetermined amount and the specified period. According to the latest estimates of the management of the Company, the above pending litigation is unlikely to lead to the outflow of economic benefits from the enterprise. Therefore, the Group has not recognised the estimated liabilities for the contingent liabilities caused by the above pending litigation.

(XVII) COMMITMENTS AND CONTINGENCIES - continued

2. Contingencies - continued

Note 2: As at 31 December 2025, the guarantees provided by the Group for related parties are detailed in Note (XV) 5.

Except for the above-mentioned contingencies, as at 31 December 2025, the Group had no other major guarantees and other contingencies that need to be explained.

(XVIII) EVENTS AFTER THE BALANCE SHEET

According to the profit distribution plan for the year 2025 passed at the 6th meeting of the 11th Board held by the Company on 31 March 2026, the Company distributed cash dividends of RMB 7.99 (including tax) for every ten shares based on 2,481,897,185 shares held in the repurchase special account deducted from the total share capital as of 24 March 2025, totaling RMB 1,983,035,850.82. The above-mentioned dividends distribution plan is yet to be reviewed and approved by the shareholders' meeting.

(XIX) OTHER SIGNIFICANT EVENTS

1. Segment reporting

(1) Basis for determining reporting segments and accounting policies

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

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

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

Ports operation

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

(XIX) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

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

Ports operation - continued

The Group's ports operation is presented as follows:

(a) Mainland China, Hong Kong and Taiwan

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

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

Bonded logistics operation

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

Other operations

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

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

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

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

The revenue from a major customer of ports operation amounts to RMB 2,909,072,284.64, representing 16.87% (2024: 14.25%) of the Group's operating income for 2025.

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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

(XIX) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Financial information of reporting segments

Segment financial information for 2025 is as follows:

Item	Ports operation						Bonded logistics operation	Others	Unallocated amount	Total
	Mainland China, Hong Kong and Taiwan				Other locations	Sub-total				
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Others						
Operating income	6,846,460,971.70	624,606.56	28,724,541.44	3,102,625,214.92	6,448,810,395.23	16,427,245,729.85	644,652,943.44	174,483,854.56	-	17,246,382,527.85
Operating costs	3,759,872,234.74	8,518,229.88	14,775,255.63	2,602,356,247.42	2,713,413,778.81	9,098,935,746.48	367,307,647.16	189,943,854.64	-	9,656,187,248.28
Segment operating profit ("-" for losses)	3,086,588,736.96	-7,893,623.32	13,949,285.81	500,268,967.50	3,735,396,616.42	7,328,309,983.37	277,345,296.28	-15,460,000.08	-	7,590,195,279.57
Taxes and surcharges	38,873,568.46	1,075,744.28	1,089,548.48	53,520,036.21	216,311,120.77	310,870,018.20	26,387,183.19	24,342,004.60	5,474,194.67	367,073,400.66
Administrative expense	390,397,339.80	4,144,076.00	10,548,678.67	269,300,696.08	345,726,287.70	1,020,117,078.25	55,153,639.32	1,124,950.94	456,995,623.88	1,533,391,292.39
R&D expenses	153,732,534.35	-	-	24,017,739.17	-	177,750,273.52	-	-	-	177,750,273.52
Financial expenses	55,546,113.57	-6,720,778.10	-1,179,741.20	49,383,507.07	77,987,521.81	175,016,623.15	28,646,078.40	3,620,138.27	1,297,558,072.27	1,504,840,912.09
Other income	128,492,668.02	1,225,456.48	46,094.81	30,416,158.41	-	160,180,377.72	12,008,552.31	237,823.39	-	172,426,753.42
Investment income ("-" for losses)	88,917,035.64	4,995,379,562.85	203,431,537.60	26,182,460.37	730,228,943.85	6,044,139,540.31	166,126,606.46	188,011,112.87	23,242,868.11	6,421,520,127.75
Including: Investment income from associates and joint ventures	34,016,486.64	4,995,379,562.85	203,431,537.60	17,532,425.97	730,228,943.85	5,980,588,956.91	166,126,606.46	188,011,112.87	-	6,334,726,676.24
Gains from changes in fair value ("-" for losses)	40,183,500.98	-	-	223,064.44	-	40,406,565.42	-	-	1,967,561.64	42,374,127.06
Losses on credit impairment ("-" for losses)	-502,737.37	-	-	-170,485,159.21	-12,559,983.11	-183,547,879.69	-107,068,741.24	-	-	-290,616,620.93
Impairment losses ("-" for losses)	1,610.64	-	-	-	-4,329,769.64	-4,328,159.00	-5,744,701.74	-	-	-10,072,860.74
Gains from asset disposals ("-" for losses)	710,056.40	-	-	6,528,344.28	615,155.94	7,853,556.62	-22,302.10	-	-439,495.46	7,391,759.06
Operating profit ("-" for losses)	2,705,841,315.09	4,990,212,353.83	206,968,432.27	-3,088,142.74	3,809,326,033.18	11,709,259,991.63	232,457,809.06	143,701,842.37	-1,735,256,956.53	10,350,162,686.53

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

(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

Segment financial information for 2025 is as follows: - continued

Item	Ports operation						Bonded logistics operation	Others	Unallocated amount	Total
	Mainland China, Hong Kong and Taiwan				Other locations	Sub-total				
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Others						
Non-operating income	19,256,372.65	-	501,000.72	6,305,235.57	48,982,118.65	75,044,727.59	2,335,316.32	1,234,449.91	5,305,155.61	83,919,649.43
Non-operating expenses	8,469,920.94	-	318,381.18	10,079,391.06	25,144,753.70	44,012,446.88	39,632.50	324.74	13,742,994.40	57,795,398.52
Total profit ("-" for losses)	2,716,627,766.80	4,990,212,353.83	207,151,051.81	-6,862,298.23	3,833,163,398.13	11,740,292,272.34	234,753,492.88	144,935,967.54	-1,743,694,795.32	10,376,286,937.44
Income tax expenses	511,549,622.08	171,299,444.75	23,315,315.43	19,061,016.86	686,607,741.29	1,411,833,140.41	33,376,875.90	24,961,456.88	123,541.76	1,470,295,014.95
Net profit ("-" for losses)	2,205,078,144.72	4,818,912,909.08	183,835,736.38	-25,923,315.09	3,146,555,656.84	10,328,459,131.93	201,376,616.98	119,974,510.66	-1,743,818,337.08	8,905,991,922.49
Segment assets	27,957,368,640.78	64,378,877,385.23	9,053,291,782.90	26,858,430,038.04	42,154,538,054.25	170,402,505,901.20	4,625,899,703.24	16,104,573,524.32	13,881,718,365.92	205,014,697,494.68
Total assets in the financial statements	205,014,697,494.68									
Segment liabilities	7,988,185,415.44	1,528,571,908.42	153,535,028.20	6,949,241,867.46	6,489,715,269.73	23,109,249,489.25	502,211,469.97	405,870,077.64	49,696,318,258.97	73,713,649,295.83
Total liabilities in the financial statements	73,713,649,295.83									
Supplementary information:										
Depreciation and amortisation	1,130,965,853.52	6,156,013.81	958,604.59	867,941,806.96	1,028,266,510.30	3,034,288,789.18	94,867,041.17	154,302,489.89	33,045,575.42	3,316,503,895.66
Interest income	37,407,017.36	183,144.94	205,273.19	12,285,000.71	164,893,257.45	214,973,693.65	1,632,212.09	951,685.61	161,963,235.50	379,520,826.85
Interest expense	80,502,888.97	7,531,845.28	-	61,436,579.58	316,813,564.59	466,284,878.42	25,465,633.19	7,434,952.02	1,410,822,062.18	1,910,007,525.81
Investment income from long-term equity investments under equity method	34,016,486.64	4,995,379,562.85	203,431,537.60	17,532,425.97	730,228,943.85	5,980,588,956.91	166,126,606.46	188,011,112.87	-	6,334,726,676.24
Long-term equity investments under equity method	1,765,517,195.58	62,180,649,623.04	8,921,065,067.61	1,690,443,296.44	12,737,031,194.98	87,294,706,377.65	1,762,892,422.67	14,015,501,264.55	-	103,073,100,064.87
Non-current assets other than long-term equity investments	19,301,776,769.54	386,871,093.56	13,374,075.21	20,184,101,596.42	25,220,591,656.05	65,106,715,190.78	2,555,373,093.56	3,174,056,395.60	626,726,319.92	71,462,870,999.86

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

(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

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

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

(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

Segment financial information for 2024 is as follows: - continued

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Unless otherwise specified, the monetary unit shall be RMB)

(XIX) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(3) Degree of reliance on major customers

The total operating income derived from the top five customers of the Group is RMB 6,214,186,018.61, accounting for 36.03% of the Group's operating income.

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

1. Other receivables

1.1 Summary of other receivables

Item	Closing Balance	Opening Balance
Dividends receivable	148,813,646.87	965,690,879.89
Other receivables	1,027,288,388.73	1,447,751,781.79
Total	1,176,102,035.60	2,413,442,661.68

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

(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	Closing Balance	Opening Balance	Reason for outstanding	Impaired or not and the determination basis
Dividend receivable aged less than 1 year	707,086.83	816,439,596.16	— —	— —
Including: Port Development (Hong Kong) Co., Ltd.	-	805,654,800.00	— —	No
Chiwan Shipping (Hong Kong) Limited	707,086.83	209,796.16	— —	No
China Ocean Shipping Agency Shenzhen Co., Ltd.	-	10,575,000.00	— —	No
Dividend receivable aged more than 1 year	148,106,560.04	149,251,283.73	— —	— —
Including: Wharf Holdings Hong Kong	147,680,363.88	147,680,363.88	Relevant procedures are being handled and past dividends are being paid in succession	No
Chiwan Shipping (Hong Kong) Limited	209,796.16	1,354,519.85	Relevant procedures are being handled and past dividends are being paid in succession	No
Others	216,400.00	216,400.00	Lack of funds	No
Sub-total	148,813,646.87	965,690,879.89	— —	— —
Less: Provision for bad debts	-	-	— —	— —
Total	148,813,646.87	965,690,879.89	— —	— —

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

(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	Closing Balance			Opening Balance		
	Book value	Proportion (%)	Provision for bad debts	Book value	Proportion (%)	Provision for bad debts
Within 1 year (including 1 year)	1,023,107,397.74	99.56	-	1,447,405,298.82	99.95	-
1 to 2 years (including 2 years)	3,852,675.52	0.37	-	18,167.50	-	-
2 to 3 years (including 3 years)	-	-	-	-	-	-
More than 3 years	711,772.07	0.07	383,456.60	711,772.07	0.05	383,456.60
Total	1,027,671,845.33	100.00	383,456.60	1,448,135,238.39	100.00	383,456.60

(2) Disclosure of other receivables by nature

Item	Closing Balance	Opening Balance
Amounts due from related parties	1,016,519,073.17	1,438,029,807.71
Advance payments	8,755,449.49	5,779,708.72
Others	2,397,322.67	4,325,721.96
Sub-total	1,027,671,845.33	1,448,135,238.39
Less: Provision for bad debts	383,456.60	383,456.60
Total	1,027,288,388.73	1,447,751,781.79

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

(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) Disclose by bad debt provision method

Credit rating	Closing Balance					Opening Balance					Reason for provision
	Book value		Provision for bad debts		Carrying amount	Book value		Provision for bad debts		Carrying amount	
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)		
A	1,027,288,388.73	99.96	-	-	1,027,288,388.73	1,447,751,781.79	99.97	-	-	1,447,751,781.79	— —
B	-	-	-	-	-	-	-	-	-	-	— —
C	-	-	-	-	-	-	-	-	-	-	— —
D	383,456.60	0.04	383,456.60	100.00	-	383,456.60	0.03	383,456.60	100.00	-	Not expected to be recovered
Total	1,027,671,845.33	100.00	383,456.60	0.04	1,027,288,388.73	1,448,135,238.39	100.00	383,456.60	0.03	1,447,751,781.79	— —

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(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) Movements of provisions for bad and doubtful debts

Item	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	
As at 1 January 2025	-	-	383,456.60	383,456.60
Balance of other receivables as at 1 January 2025				
- Transfer to Stage 2	-	-	-	-
- Transfer to Stage 3	-	-	-	-
- Reverse to Stage 2	-	-	-	-
- Reverse to Stage 1	-	-	-	-
Provision for the year	-	-	-	-
Reversal for the year	-	-	-	-
Transfer out due to derecognition of financial assets (including direct write-down)	-	-	-	-
Other changes	-	-	-	-
As at 31 December 2025	-	-	383,456.60	383,456.60

(5) Details of bad debt provision

Category	Opening Balance	Changes for the year					Closing Balance
		Provision	Recovery or reversal	Effect of changes in the scope of consolidation	Charge-off or write-off	Other changes	
Provision for bad debts assessed on an individual basis	383,456.60	-	-	-	-	-	383,456.60
Provision for bad debts assessed on a portfolio basis	-	-	-	-	-	-	-
Total	383,456.60	-	-	-	-	-	383,456.60

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

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

(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 Company has no other receivables written off during the year.

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

Name of entity	Book value	Aging	Proportion to total other receivables (%)	Provision for credit impairment at the end of the year	Nature
Wharf Holdings Hong Kong	722,029,073.17	Within 1 year (including 1 year)	70.26	-	Loan to related parties
Dongguan Port Affairs	283,298,800.00	Within 1 year (including 1 year)	27.57	-	Loan to related parties
China Merchants Investment Development Company Limited	5,710,073.55	Within 1 year (including 1 year), 1-2 years	0.56	-	Advance payment for transactions
Shekou Container Terminal Co., Ltd.	3,227,148.00	Within 1 year (including 1 year)	0.31	-	Loan to related parties
Chiwan Container Terminal Co.,Ltd	1,792,860.00	Within 1 year (including 1 year)	0.17	-	Loan to related parties
Total	1,016,057,954.72	— —	98.87	-	— —

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

(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	Investment cost	Opening Balance	Changes for the year								Closing Balance	Provision for impairment at the closing balance
			Increase	Decrease	Investment income under equity method	Other comprehensive income	Other equity movements	Cash dividends or profit declared	Provision for impairment	Others		
I. Subsidiaries												
Shenzhen Chiwan Port Development Co., Ltd. (Note 1)	206,283,811.09	206,283,811.09	392,406,780.85	-	-	-	-	-	-	-	598,690,591.94	-
Zhanjiang Port	3,381,825,528.52	3,381,825,528.52	-	-	--	--	--	--	--	--	3,381,825,528.52	-
Chiwan Container Terminal Co., Ltd.	421,023,199.85	421,023,199.85	-	-	--	-	--	--	--	--	421,023,199.85	-
Sanya Merchants Port Development Co., Ltd.	2,040,000.00	2,040,000.00	-	-	-	-	-	-	--	--	2,040,000.00	-
Shenzhen Chiwan International Freight Agency Co., Ltd. (Note 1)	5,500,000.00	5,500,000.00	-	-5,500,000.00	-	--	--	--	--	--	--	-
Wharf Holdings Hong Kong (Note 1)	1,070,000.00	1,070,000.00	-	-329,991.42	--	--	--	--	--	--	740,008.58	-
CM International Tech	130,462,575.02	130,462,575.02	-	-	--	-	--	--	--	--	130,462,575.02	-
Dongguan Shenchowan Port Affairs Co., Ltd. (Note 1)	186,525,000.00	186,525,000.00	-	-186,525,000.00	--	-	--	-	-	-	-	-
Chiwan Shipping (Hong Kong) Limited (Note 1)	1,051,789.43	1,051,789.43	-	-1,051,789.43	--	-	--	-	-	-	-	-
Shenzhen Chiwangang Container Co. Ltd.	250,920,000.00	250,920,000.00	-	-	--	--	--	--	--	--	250,920,000.00	-
CM Port	181,479,422.23	181,479,422.23	-	-	--	--	--	-	--	--	181,479,422.23	-
Dongguan Shenchowan Wharf Co., Ltd. (Note 1)	175,000,000.00	175,000,000.00	-	-175,000,000.00	--	-	--	--	--	--	--	-
Shenzhen Chiwan Tugboat Co., Ltd. (Note 1)	24,000,000.00	24,000,000.00	-	-24,000,000.00	-	-	-	-	--	--	-	-
Ports Development (Hong Kong) Limited	29,203,045,326.23	29,203,045,326.23	-	-	-	-	-	-	-	-	29,203,045,326.23	-
Guangdong Yide Port Co., Ltd.	131,866,700.00	131,866,700.00	-	-	-	-	--	-	-	-	131,866,700.00	-
Zhoushan RoRo	193,314,814.00	106,104,786.00	-	-	-	-	-	-	--	--	106,104,786.00	43,605,014.00
Shunkong Port	240,013,200.00	240,013,200.00	-	-	-	-	--	-	-	-	240,013,200.00	-
Sub-total	34,735,421,366.37	34,648,211,338.37	392,406,780.85	-392,406,780.85	--	--	--	--	--	--	34,648,211,338.37	43,605,014.00
II. Associates												
China Merchants Bonded Logistics Co., Ltd.	304,536,629.73	393,184,304.83	-	-	41,558,784.24	-	-	-	-52,642,901.24	-	382,100,187.83	-
China Merchants Northeast Asia Development & Investment Co., Ltd.	1,000,000,000.00	1,021,905,232.79	-	-	3,210,194.75	-	2,000.41	-	-	-	1,025,117,427.95	-
Ningbo Zhoushan Port Company Limited	15,820,766,202.96	17,532,047,355.93	-	-	1,083,273,143.30	-21,711,673.04	16,639,132.80	-563,297,386.70	-	-	18,046,950,572.29	-
Antong Holdings	771,935,435.37	963,996,902.74	-	-135,217,143.73	69,159,085.92	-83,346.28	-	-	-	-	897,855,498.65	-
Sub-total	17,897,238,268.06	19,911,133,796.29	-	-135,217,143.73	1,197,201,208.21	-21,795,019.32	16,641,133.21	-615,940,287.94	--	--	20,352,023,686.72	-
III. Joint ventures												
Fujian Zhaohang Logistics Management Partnership (Limited Partnership)	450,000,000.00	637,858,949.05	-	-	41,203,800.62	-53,599.82	-	-	-	-	679,009,149.85	--
Shenzhen Gangteng Internet Technology Co., Ltd.	15,000,000.00	8,225,982.88	-	-	-1,512,501.65	-	1,097,560.99	-	-	--	7,811,042.22	--
Yantai Port Group Laizhou Port Co., Ltd.	749,655,300.00	803,852,105.71	-	-	975,707.34	-16,000.00	-752,919.68	-19,271,356.08	-	-	784,787,537.29	-
Sub-total	1,214,655,300.00	1,449,937,037.64	-	-	40,667,006.31	-69,599.82	344,641.31	-19,271,356.08	-	-	1,471,607,729.36	-
Total	53,847,314,934.43	56,009,282,172.30	392,406,780.85	-527,623,924.58	1,237,868,214.52	-21,864,619.14	16,985,774.52	-635,211,644.02	-	-	56,471,842,754.45	43,605,014.00

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

- continued

2. Long-term equity investments - continued

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

Note 1: This year, our company will transfer 90% equity of Shenchiwan Tugboat, 43.75% equity of Dongguan Wharf, 41.45% equity of Dongguan Port Affairs, 100% equity of Chiwan Shipping, and 100% equity of Shenchiwan Freight Agency to Shenchiwan Development for free. The subsidiary of our company, Wharf Holdings Hong Kong, transferred its 43.55% equity in Dongguan Wharf, 56.25% equity in Dongguan Port Affairs, 10% equity in Shenchiwan Tugboat, and 4% equity in Chiwan Container Terminal Co.,Ltd. To Shenchiwan Development.

3. Operating income and operating costs

Item	Current Year		Prior Year	
	Income	Cost	Income	Cost
Principal operation	-	-	-	-
Other operations	21,190,068.20	3,739,443.84	18,456,183.80	3,739,443.84
Total	21,190,068.20	3,739,443.84	18,456,183.80	3,739,443.84

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

- continued

4. Investment income

(1) Details of investment income

Item	Current Year	Prior Year
Income from long-term equity investments	2,573,422,379.01	2,414,410,688.27
Including: Income from long-term equity investments accounted for using the equity method	1,237,868,214.52	1,154,581,593.08
Income from long-term equity investments accounted for using the cost method	1,346,072,190.00	1,259,829,095.19
Income from disposal of equity	-10,518,025.51	-
Investment income from disposal of financial assets held for trading	43,444,715.61	28,210,701.38
Income from investments in other equity instruments	9,664,500.00	10,575,000.00
Total	2,626,531,594.62	2,453,196,389.65

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

In accordance with *Regulation on the Preparation of Information Disclosures by Companies Issuing Securities No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings Per Share (2010 revised)* issued by the CSRC and relevant accounting standards, the Group's weighted average return on net assets, earnings per share and diluted earnings per share for the year of 2025 are calculated as follows:

Profit in reporting period	Weighted average return on net assets (%)	EPS	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders	7.3513%	1.8540	1.8537
Net profit attributable to ordinary shareholders after deducting non-recurring profit or loss	7.0743%	1.7841	1.7838

SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2025

2. BREAKDOWN OF NON-RECURRING PROFIT OR LOSS

In accordance with the provisions of China Securities Regulatory Commission's *Explanatory Announcement No. 1 on Information Disclosure for Companies Making Public Offering - Non-recurring Profit or Loss (Revised in 2023)*, the Group's non-recurring profit or loss for the year ended 31 December 2025 is as follows:

Item	Amount	Remark
Gains or losses on disposal of non-current assets, including those charged off for which provision for impairment of assets has been made	-18,117,060.19	
Government grants recognised in profit or loss (other than grants which are closely related to the Company's business, in line with the national regulations, enjoyed under established standards and have a continuous impact on the Company's profit or loss)	118,986,220.93	
Income earned from lending funds to non-financial institutions and recognised in profit or loss	94,696,529.90	
The excess of attributable fair value of identifiable net assets over the consideration paid for subsidiaries, associates and joint ventures	-	
Gains or losses on exchange of non-monetary assets	3,320,297.91	
Gains or losses on entrusted investments or asset management	-	
Losses on assets due to force majeure, e.g., natural disasters	-	
Gains or losses on debt restructuring	-	
Lump-sum costs incurred by the enterprises as a result of the discontinuation of relevant business activities, e.g., expenditure for layoff of employees, etc.	-14,869,617.41	
Gains from transactions with unfair transaction price	-	
Net profit or loss of subsidiaries recognised as a result of business combination of enterprises under common control from the beginning of the year up to the business combination date	-	
Gains or losses arising from contingencies other than those related to normal operating business	-	
Gains or losses from changes in fair value of financial assets and financial liabilities held by non-financial enterprises other than effective hedging operation relating to the Company's normal operations, and gains or losses from disposal of financial assets and financial liabilities	126,067,007.70	
Reversal of provision for accounts receivable that are tested for impairment individually	11,455,120.96	
Gains or losses on entrusted loans	-	
Gains or losses from changes in fair value of investment properties that are subsequently measured using the fair value model	-	
One-time effect of adjustments in tax laws and accounting laws and regulations on profit or loss for the period	-	
Custodian fees earned from entrusted operation	-	
Share-based payment expenses recognised once due to the cancellation or modification of equity incentive plans	-	
For cash-settled share-based payments, gains or losses arising from changes in fair value of employee benefits payable after the vesting date	-	
Other non-operating income or expenses other than above	37,794,746.74	
Other profit or loss that meets the definition of non-recurring profit or loss	3,856,538.50	
Sub-total	363,189,785.04	
Tax effects	-41,848,650.46	
Effects of non-controlling interests (after tax)	-147,536,278.02	
Total	173,804,856.56	