



CHINA MERCHANTS PORT GROUP CO., LTD.

ANNUAL REPORT 2023

Date of disclosure: 2 April 2024

Chairman's Statement

Dear Shareholders,

I hereby present to you the annual report of China Merchants Port Group Co., Ltd. and its subsidiaries (the Company or CMPort) for the year ended 31 December 2023. On behalf of the Board, I would like to express my sincere gratitude to all of you for your long-term support to the Company.

The Company is a crucial vehicle for China Merchants Group to implement the development tasks of the "14th Five-Year Plan" and the strategy of Guangdong-Hong Kong-Macao Greater Bay Area. Serving not only as the core enterprise of China Merchants Group's port sector, the Company is also the capital operation and management platform for the group's global port assets, hence playing a key role in the consolidation and synergistic development of China Merchants Group's port assets. The Company has become a world-leading port investor, developer and operator.

By implementing new development concepts based on the new development stage and building a new development pattern, CMPort will strive to promote its high-quality development and become a high-quality worldclass comprehensive port service provider. While cultivating innovative businesses with a focus on core port businesses, strengthening the supporting role of scientific and technological innovation and building an independent and controllable terminal operating system, it will strive to build a smart and diverse port ecosystem. By actively exploring and participating in global port resource integration opportunities, optimizing the port network system on a continuous basis and strengthening external and internal coordination, we will provide customers with more economical, higher-quality, and more efficient service solutions and deepen strategic cooperation with customers, thus creating greater value for the Company and more returns for shareholders, and making an important contribution to maintaining the safety, stability, and smoothness of the supply chain.

REVIEW FOR THE YEAR

In 2023, the global economy continued to step a slow recovery from the influence of geopolitics and the conflict between Russia and Ukraine, showing some resilience. Extreme situations such as economic recession and deep-seated financial crisis that the international community was worried about have not occurred, but economic activity remains at a weak level and sluggish economic recovery still plagues most countries. Global economic growth has been keeping up a slower and uneven development as divergence among nations was increasingly intensifying, especially in emerging markets and developing economies. With the differentiation between regions becoming apparent and uncertainties increasing, which brought great challenges to the daily operation and management of enterprises. Facing the complicated external environment, the Company took "high-quality development" as its central task and "lean operation and global layout" as its guidance, to solidly advance endogenous growth as well as innovation and upgrading and give a strong and effective respond to the impact of unexpected factors, hence successfully completed various business tasks and enjoyed a good situation of high-quality development.

Financial performance: In 2023, the Company achieved operating income of RMB15.75 billion and a total profit of RMB8.8 billion. The net profit attributable to the parent company was RMB3.57 billion, up by 6.98% year-on-year, and the operating performance increased steadily, handing over a

satisfactory answer.

Business performance: In terms of container business, the Company handled a total container throughput of 180.195 million TEUs in 2023, up by 23.5% year-on-year, of which the container throughput handled by mainland port projects was 140.306 million TEUs, up by 33.4% year-on year; In terms of bulk cargo business, the Company handled a bulk cargo volume of 1,250 million tonnes in 2023, representing an increase of 69.6% year-on-year, mainly because the Company, as a strategic investor, completed the subscription for the A Shares of Ningbo Port issued under the non-public issuance of A Shares in 2021, and the business volume of Ningbo Port has been included in the Company's statistics from October 2022, bringing 31.374 million TEUs of containers and 490 million tonnes of bulk cargo increments in 2023.

In terms of key priorities, first, we achieved new breakthroughs in overseas expansion. The Company invested in the construction of the South Asia Commercial and Logistics Hub to further enhance the core competitiveness of overseas homebase ports. China Merchants Port, the holding subsidiary of the Company, signed a contract to acquire the equity of PT Nusantara Pelabuhan Handal Tbk (NPH) in Indonesia, which made an important breakthrough in the layout of Southeast Asia and will further share the opportunities from the rapid development of the RCEP region. Second, we made a new progress in the homebase port position. In 2023, the Company not only increased its domestic and overseas homebase port market share, but also further improved its service efficiency indicators and customer satisfaction, with explosive growth in HIPG RoRo and oil and gas businesses. Third, we explore new benefits in cost control. In 2023, adhering to the concept of "all costs are controllable" and advocating the cost control culture of "macro-cost control concept" and "little by little makes extraordinary", the Company formulated a combined action plan for quality and efficiency improvement to promote cost optimization in multiple dimensions and effectively promote profit improvement. Fourth, we achieved new achievements in smart technology. As CTOS progresses to version 5.0 and serves 15 customer companies in 6 countries, its influence continued to grow. "CM ePort " achieved full coverage of domestic main ports and terminals, providing customers one-stop intelligent services. Smart Management Platform (SMP) won the special prize of the 2023 Science and Technology Prize of China Port and Harbors Association. Fifth, ESG construction took a new step. In 2023, the Company was selected into the "ESG-Pioneer 100 Index of Central Enterprises (央企 ESG 先锋 100 指数)" and "China Securities Times ESG Top 100 Index (中证证券时报 ESG 百强指数)", and ranked in the list of "Most Valued ESG Top 100 of Chinese Listing Companies". Our subsidiary China Merchants Port's Morgan Stanley Capital International (MSCI) rating is "BB", having its rating rose two levels in a row.

OUTLOOK

Looking forward to 2024, the global economic recovery process is expected to remain slow and uneven, and the impact of major international events such as the Russia-Ukraine conflict, the Palestinian-Israeli conflict and the Red Sea crisis will remain for a long time. Global polarization continues to expand. Global economic and trade growth is at historically low levels, with a marked slowdown in the growth of developed economies and a projected relatively modest decline in the growth of emerging markets and developing economies. At the same time, large-scale global elections will bring more uncertainty, and the global political and economic situation will be complicated. 2024

is a critical year for China to implement the "14th Five-Year Plan". China will stay committed to the general principle of making advances while maintaining stable performance and its economic recovery is poised to undergo consolidation and strengthening and effectively improve the quality of the economy and promote its growth within a reasonable range. It is expected that the gradual implementation of various economic stabilization policies along with the continuous release of the effects of various trade agreements, China will further enhance the flow of elements of cross-border trade, strengthen the momentum of commodity import and export, and provide new growth opportunities for the port industry. In addition, the coordinated digital and green transformation and development of the port will also inject new vitality into the port industry.

2024 is a critical year to achieve the goals and tasks of the "14th Five-Year Plan". By focusing on digital intelligence technology and green technology to improve core competitiveness, the Company will take on the responsibility in this new journey to play the role of supporting functions of the industry, thereby enhancing its core capabilities. First, we will always stick to our original intentions and build strategic strength in unison with unbreakable faith. By strengthening the construction of headquarters capacity and enhancing the expansion capacity of overseas terminals, we will continue to push forward the implementation of various strategies. Second, consolidating what it has achieved and break new ground, play it by ear and, improve innovation and advance reform to create a leading force. We will strengthen collaborative innovation to transform and upgrade the port's main business by creating differentiated competitive advantages in digital intelligence technology and seizing the green technology development trend. Third, we will intensively cultivate and continue to optimize to build professional strength with lean operations. By insisting on quality and efficiency improvement, and completing the Center of Excellence (COE) working mechanism and team building, we will implement lean management in all aspects to strengthen cost control and strive to reduce costs and increase efficiency, so as to establish a professional, efficient and strong operation and management headquarters. Four, we will forge ahead and develop as a whole to build a high-quality development which is supported. We will co-ordinate the construction of strong ports, key projects, party building work and safe production, thereby pushing forward the high-quality development of CMPort to a new level!

APPRECIATION

In 2023, facing the tough external situation and a range of risk challenges, CMPort has adhered to strategic guidance and focused on endogenous growth as well as innovation and upgrading to significantly improve its lean operational capabilities and accelerate the pace of global restructuring, while all key tasks have progressed smoothly and performance has maintained a steady and upward trend. All of these could not be accomplished without the dedication of all of our staff and the support from our shareholders and investors, business partners and those in the society who have taken to heart the Group's interest. For this, I would like to extend my most sincere appreciation and deepest gratitude.

Feng Boming
Chairman

Part I Important Notes, Table of Contents and Definitions

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

Xu Song, the Company’s legal representative, Tu Xiaoping, the Company’s Chief Financial Officer, and Hu Shaode, the person-in-charge of the accounting organ hereby guarantee that the financial statements carried in this Report are factual, accurate and complete.

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

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

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

The Board has approved a final dividend plan as follows: based on the latest total 2,499,462,404 shares, a cash dividend of RMB5.80 (tax inclusive) per 10 shares is to be distributed to shareholders, with no bonus issue from either profit or capital reserves.

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

Table of Contents

Chairman’s Statement	1
Part I Important Notes, Table of Contents and Definitions	4
Part II Corporate Information and Key Financial Information	9
Part III Management Discussion and Analysis	17
Part IV Corporate Governance	62
Part V Environmental and Social Responsibility	106
Part VI Significant Events	114
Part VII Share Changes and Shareholder Information	149
Part VIII Preference Shares	159
Part IX Bonds	160
Part X Financial Statements	173

Documents Available for Reference

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

II. The 2023 Auditor's Report stamped by the accounting firm and signed and stamped by registered accountants; and

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

Definitions

Term	Definition
The “Company”, “CMPort” or “we”	China Merchants Port Group Co., Ltd., formerly known as “Shenzhen Chiwan Wharf Holdings Limited”
CMG	China Merchants Group Co., Limited
CMPort Holdings	China Merchants Port Holdings Company Limited (00144.HK)
CMGD	China Merchants Gangtong Development (Shenzhen) Co., Ltd., a Broadford Global majority-owned subsidiary in Shenzhen
CND Group	China Nanshan Development (Group) Inc.
Chiwan Wharf	Shenzhen Chiwan Wharf Holdings Limited (stock name: Chiwan Wharf/ Chiwan Wharf-B; stock code: 000022/200022)
Malai Storage	Shenzhen Malai Storage Co., Ltd.
CMPID	China Merchants Port Investment Development Company Limited
The “Assets Purchase via Share Offering”	Chiwan Wharf’s purchase of 1,313,541,560 ordinary CMPort Holdings shares from CMPID via share offering
Broadford Global	Broadford Global Limited, a wholly-owned subsidiary of CMG Hong Kong
CSRC	China Securities Regulation Commission
TEU	Twenty Foot Equivalent Unit
RCEP	Regional Comprehensive Economic Partnership
CM ePort	The wharf e-commerce platform, i.e. the unified customer service platform
Shunde New Port	Guangdong Yide Port Limited
Dongguan Machong	Dongguan Chiwan Port Service Co., Ltd.
SIPG	Shanghai International Port (Group) Co., Ltd.
CMICT	Ningbo Daxie China Merchants International Container Terminal Co., Ltd.
Ningbo Port	Ningbo Zhoushan Port Company Limited
Liaoning Port/ Dalian Port	Liaoning Port Co., Ltd., formerly known as Dalian Port (PDA) Company Limited
Yingkou Port	Yingkou Port Co., Ltd.
QQCTU	Qingdao Qianwan United Container Terminal Co., Ltd.
QQTU	Qingdao Qianwan United Terminal Co., Ltd.
Qingdao Dongjiakou	Qingdao Port Dongjiakou Ore Terminal Co., Ltd.
Laizhou Port	Yantai Port Group Laizhou Port Co. LTD
Tianjin Port Container Terminal	Tianjin Port Container Terminal Co., Ltd.
Shantou Port	Shantou CMPort Group Co., Ltd.
Zhangzhou Port	Zhangzhou China Merchants Port Co., Ltd.
Xiamen Port	Zhangzhou China Merchants Xiamen Port Affairs Co., Ltd.
Zhanjiang Port	Zhanjiang Port (Group) Co., Ltd.
CMCS	China Merchants Container Services Limited
Modern Terminals	Modern Terminals Limited
Taiwan Kao Ming Container	Kao Ming Container Terminal Corp.

CICT	Colombo International Container Terminals Ltd.
HIPG	Hambantota International Port Group
TCP	TCP Participações S.A.
LCT	Lome Container Terminal Ltd.
TICT	Tin-Can Island Container Terminal Ltd.
PDSA	Port de Djibouti S.A.
Kumport	Kumport Liman Hizmetleri ve Lojistik Sanayi ve Ticaret Anonim Sirketi
TL	Terminal Link S.A.S.
CMBL	China Merchants Bonded Logistics Co., Ltd.
China Merchants Hoi Tung	China Merchants Hoi Tung Trading Company Limited
NPH	PT Nusantara Pelabuhan Handal TBK
Haixing Harbor	Shenzhen Haixing Harbor Development Co., Ltd.
SASAC of the State Council	State-Owned Assets Supervision and Administration Commission of the State Council
CMB	China Merchants Bank Co., Ltd.
Seaport Group	Zhejiang Provincial Seaport Investment & Operation Group Co. Ltd.
Ningbo Zhoushan Port Group	Ningbo Zhoushan Port Group Co., Ltd.
Cyber Chic	Cyber Chic Company Limited, a wholly-owned subsidiary of the Company's majority-owned subsidiary China Merchants Port Holdings Company Limited
The cninfo website	www.cninfo.com.cn
SZSE	Shenzhen Stock Exchange
The "Articles of Association"	The Articles of Association of China Merchants Port Group Co., Ltd.
RMB	Expressed in the Chinese currency of Renminbi
RMB'0,000	Expressed in tens of thousands of Renminbi
RMB'00,000,000	Expressed in hundreds of millions of Renminbi (unless otherwise specified)

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

Part II Corporate Information and Key Financial Information

I Corporate Information

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

II Contact Information

	Board Secretary	Securities Representative
Name	Li Yubin	Hu Jingjing
Address	24/F, China Merchants Port Plaza, 1 Gongye 3rd Road, Zhaoshang Street, Nanshan, Shenzhen, PRC	24/F, China Merchants Port Plaza, 1 Gongye 3rd Road, Zhaoshang Street, Nanshan, Shenzhen, PRC
Tel.	+86 755 26828888	+86 755 26828888
Fax	+86 755 26886666	+86 755 26886666
Email address	Cmpir@cmhk.com	Cmpir@cmhk.com

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

Stock exchange website where this Report is disclosed	http://www.szse.cn
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Media and website where this Report is disclosed	<i>Securities Times, China Securities Journal, Shanghai Securities News, and</i> www.cninfo.com.cn
Place where this Report is lodged	Board Office

IV Change to Company Registered Information

Unified social credit code	91440300618832968J
Change to principal activity of the Company since going public (if any)	On 14 December 2018, the Company changed its business scope registered with the industrial and commercial administration. The new business scope includes: construction, management and operation of ports and wharves; bonded warehousing of various goods for import and export; development, construction and operation of supporting parks in ports; loading, unloading, transshipment, warehousing and transportation of international and domestic goods and processing of goods; devanning and LCL operations, cleaning, repairing, manufacturing and leasing of containers; international freight forwarding; vehicle and ship leasing; the provision of ship and port services including the provision of fuels, supplies and daily necessities for ships; ship towing (no operation using foreign ships); leasing and repair services of port facilities, equipment and machinery; import and export of various goods and technologies on a self-operation or agency basis, excluding the goods and technologies restricted or forbidden for import and export by the state; port logistics and port information technology consulting services; technical development and services in respect of modern logistics information systems; supply chain management and related services; design of logistics plans; engineering project management; development, research and consulting services in respect of port engineering technologies. (In respect of any operations that require approval according to law, the approval must be obtained before operation).
Every change of controlling shareholder since incorporation (if any)	<p>1. On 8 June 2018, as the ownership of 209,687,067 Chiwan Wharf shares formerly held by CND Group and 161,190,933 Chiwan Wharf shares formerly held by Malai Storage was officially transferred to CMGD, CMGD, holding 57.52% of the Company's outstanding share capital, became the controlling shareholder of the Company. Meanwhile, CMG remains the actual controller of the Company.</p> <p>2. On 26 December 2018, the Company issued RMB-denominated ordinary shares (A-shares) at RMB21.46/share to CMPID for the acquisition of the 1,313,541,560 CMPort Holdings ordinary shares that it held. Upon the Acquisition, the Company's total share capital has become 1,793,412,378 shares. Meanwhile, as Broadford Global controls an 87.81% aggregated voting right in the Company (direct interests and interests through CMPID and CMGD), it is the direct controlling shareholder of the Company. Meanwhile, CMG remains the actual controller of the Company.</p> <p>3. Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd. subscribed for 576,709,537 shares of the Company offered in a non-public manner at RMB18.50 per share. The subscribed shares were floated on Shenzhen Stock Exchange on 12 October 2022. Upon the Acquisition, Broadford Global directly holds the Company's equity and controls an</p>

	63.02% aggregated voting right in the Company through controlling CMPID and CMGD. Broadford Global is the direct controlling shareholder of the Company. Meanwhile, CMG remains the actual controller of the Company.
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V Other Information

The independent audit firm hired by the Company:

Name	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Office address	30/F, 222 Yan An Road East, Huangpu District, Shanghai, P.R.C.
Accountants writing signatures	Li Weihua, and Wang Hongmei

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

Name	Office address	Representatives	Period of supervision
China International Capital Corporation Limited	27/F and 28/F, Tower 2, China World Trade Center, 1 Jianguomenwai Avenue, Chaoyang District, Beijing	Wu Jiaqing, and Peng Yanzhe	12 October 2022 - 31 December 2023
China Merchants Securities Co., Ltd.	No.111, Fuhua Yi Road, Futian Street, Futian District, Shenzhen, Guangdong, P.R.China	Wang Dawei, and Li Mingze	12 October 2022 - 31 December 2023

VI Key Financial Information

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

Yes No

On November 30, 2022, the Ministry of Finance promulgated the Interpretation of Accounting Standards for Business Enterprises No. 16, in which the provision that "deferred income tax related to assets and liabilities arising from single transactions does not apply to the accounting treatment of initial recognition exemption" took effect on January 1, 2023. The Company has implemented the above provisions since January 1, 2023, adopted the retrospective adjustment method for accounting treatment, and restated the comparative annual financial statements.

	2023	2022		2023-over-2022 change	2021	
		Before	Restated		Restated	Before
Operating revenue (RMB)	15,750,475,780.22	16,230,489,127.55	16,230,489,127.55	-2.96%	15,283,808,174.60	15,283,808,174.60
Net profit attributable to the listed	3,571,800,762.16	3,337,446,222.82	3,338,693,816.70	6.98%	2,685,829,204.07	2,685,752,918.53

company's shareholders (RMB)							
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	3,339,226,783.73	3,345,170,153.81	3,365,017,880.33	-0.77%	2,355,700,274.23	2,373,623,431.15	
Net cash generated from/used in operating activities (RMB)	6,579,606,635.17	6,920,377,390.35	6,920,377,390.35	-4.92%	6,510,326,570.48	6,510,326,570.48	
Basic earnings per share (RMB/share)	1.43	1.61	1.61	-11.18%	1.40	1.40	
Diluted earnings per share (RMB/share)	1.43	1.61	1.61	-11.18%	1.40	1.40	
Weighted average return on equity (%)	6.35%	7.54%	7.54%	-1.19%	6.99%	6.99%	
	31 December 2023	31 December 2022		Change of 31 December 2023 over 31 December 2022 (%)	31 December 2021		
		Before	Restated	Restated	Before	Restated	
Total assets (RMB)	198,557,296,667.26	197,525,530,887.76	197,587,102,447.31	0.49%	175,984,101,168.66	176,040,600,182.21	
Equity attributable to the listed company's shareholders (RMB)	58,847,592,947.55	54,267,143,304.02	54,291,425,886.65	8.39%	39,801,188,662.13	39,822,241,022.30	

Indicate by tick mark whether the lower of the net profit attributable to the listed company's shareholders before and after exceptional gains and losses was negative for the last three accounting

years, and the latest independent auditor's report indicated that there was uncertainty about the Company's ability to continue as a going concern.

Yes No

Indicate by tick mark whether the lower of the net profit attributable to the listed company's shareholders before and after exceptional gains and losses was negative.

Yes No

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

Total share capital at the end of the last trading session before the disclosure of this Report (share)	2,499,462,404
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Fully diluted earnings per share based on the latest total share capital above:

Fully diluted earnings per share based on the latest total share capital above (RMB/share)	1.4290
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VII Accounting Data Differences under China's Accounting Standards for Business Enterprises (CAS) and International Financial Reporting Standards (IFRS) and Foreign Accounting Standards

1. Net Profit and Equity under CAS and IFRS

Applicable Not applicable

No difference for the Reporting Period.

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

Applicable Not applicable

No difference for the Reporting Period.

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

Applicable Not applicable

VIII Key Financial Information by Quarter

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	3,693,584,257.97	4,101,677,313.02	3,960,045,863.71	3,995,168,345.52
Net profit attributable to the listed company's shareholders	850,039,606.18	1,052,295,153.25	1,246,983,201.06	422,482,801.67
Net profit attributable to the listed company's shareholders before exceptional gains and losses	724,465,592.72	1,076,927,780.43	1,201,169,655.63	336,663,754.95
Net cash generated from/used in operating activities	699,050,929.84	1,611,794,376.12	1,578,995,551.67	2,689,765,777.54

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

Yes No

IX Exceptional Gains and Losses

Unit: RMB

Item	2023	2022	2021	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	231,205,985.85	-104,372,804.10	233,551,553.79	The subsidiary of the Company was publicly listed on the Beijing Equity Exchange to transfer 45% of the equity of Ningbo Daxie, and recognized the long-term equity investment disposal income of 205,336,602.02 yuan, which was recognised as exceptional gain this year.
Government grants recognised in current profit or loss (exclusive of those that are closely related to the Company's normal business operations and given in accordance with defined criteria and in compliance with government policies, and have a	149,238,503.34	150,227,881.76	270,061,990.27	-

continuing impact on the Company's profit or loss)				
Gain or loss on fair-value changes in financial assets and liabilities held by a non-financial enterprise, as well as on disposal of financial assets and liabilities (exclusive of the effective portion of hedges that arise in the Company's ordinary course of business)	73,352,800.52	-129,033,650.11	221,242,275.17	The price of Qingdao Port shares held by Company has increased compared to the beginning of the year, and the fair value loss has decreased year-on-year due to the conversion of Antong Holdings to equity method accounting.
Capital occupation charges on a non-financial enterprise that are charged to current profit or loss	194,897,544.80	189,123,975.49	232,343,789.35	-
Reversed portions of impairment allowances for receivables which are tested individually for impairment	52,962,785.14	18,730,660.58	93,196.96	-
Current profit or loss on subsidiaries obtained in business combinations involving enterprises under common control from the period-beginning to combination dates, net	-	-	-3,255,790.50	-
Custodian fees earned from entrusted operation	-	-	1,663,396.22	-
Non-operating income and expense other than the above	12,810,280.19	216,674,035.87	-4,065,501.22	-
Other gains and losses that meet the definition of exceptional gain/loss	-	-213,574,591.16	-	-
Less: Income tax effects	145,340,260.29	6,703,875.74	175,837,436.29	-

Non-controlling interests effects (net of tax)	336,553,661.12	147,395,696.22	463,667,986.37	-
Total	232,573,978.43	-26,324,063.63	312,129,487.38	--

Particulars about other gains and losses that meet the definition of exceptional gain/loss:

Applicable Not applicable

No such cases for the Reporting Period.

Explanation of why the Company reclassifies recurrent gain/loss as an exceptional gain/loss item listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

Applicable Not applicable

No such cases for the Reporting Period.

Part III Management Discussion and Analysis

I. Industry Overview of the Company during the reporting period

1. External environment analysis

(1) Macroeconomic environment

In 2023, the global economy showed its resilience to some extent. Even though some extreme circumstances of the international community's concern, such as economic recession and deep-rooted financial crisis, were not observed, most countries have been plagued by the sluggish economic recovery. In view of the continuous adjustment of the global economic landscape, severe geopolitical situations, frequent regional conflicts, a rampant backlash against globalization, the markedly rising unilateralism and protectionism, price fluctuations in the commodity market, persistent inflation and the accumulated global financial market risks, the global economic development has been faced with risks and challenges. The widening global divergence, especially in emerging markets and developing economies, has become increasingly pronounced among regions, bringing more uncertainties to global economic development and not conducive to a sound recovery of the global economy. According to the "World Economic Outlook" published by the International Monetary Fund ("IMF") in January 2024, the global economy in 2023 was expected to increase by 3.1% year-on-year, representing a decrease of 0.4 percentage points. Specifically, developed economies were expected to grow by 1.6%, representing a decrease of 1.0 percentage points year-on-year, while emerging markets and developing economies were expected to grow by 4.1%, keeping flat year-on-year. According to the report published by the U.S. Department of Commerce, the U.S. GDP grew by 2.5% year-on-year in 2023, up 0.6% quarter-on-quarter. According to statistics of Eurostat, affected by the technical recession experienced by the economy, in 2023, the Eurozone GDP was expected to grow by 0.5% year-on-year, among which German GDP dropped by 0.3% year-on-year, and in the fourth quarter of 2023, French GDP kept flat quarter-on-quarter, up 0.9% year-on-year in the year. In the third quarter, Japanese GDP recorded its first negative quarterly growth since 2023, and was expected to drop by 0.5% quarter-on-quarter. With the improvement of exports and private consumption, in the fourth quarter of 2023, South Korea's GDP grew by 0.6% quarter-on-quarter, and up 1.4% year-on-year in the year. In terms of global trade, the volume of global trade was expected to grow by 0.8% in 2023, far below half the forecast in April 2023, which was mainly due to a slowdown in trade affected by inflation in developed countries and certain regions.

In the face of a complex and interwoven international environment, China has adhered to the general principle of seeking progress while maintaining stability, made solid efforts to promote high-quality development and focused on expanding domestic demand, improving the economic structure, boosting confidence and preventing and defusing risks, which could be seen from the constantly effective macro-control policies and increasingly improved market demand. According to the statistics of the National Bureau of Statistics of China, China's GDP increased by 5.2% in 2023, taking the lead among the global major economies in terms of economic growth. On the whole, China has survived under the external economic downward pressure, continued to stabilize the scale and

improve the structure, constantly gathered positive strength through various precise and targeted domestic policies, showing an overall positive development trend. According to the statistics published by the General Administration of Customs of the People's Republic of China, the total value of imports and exports of trade in goods in China amounted to RMB41.76 trillion in 2023, representing an increase of 0.2% year-on-year, among which the total export value was RMB23.77 trillion, representing an increase of 0.6% year-on-year, and the total import value was RMB17.99 trillion, representing a decrease of 0.3% year-on-year.

The global industrial and supply chain showed a development trend toward fragmentation and regionalization. RCEP has continually delivered policy dividends within two years after its being into effect, and industrial cooperation among its members has been constantly deepened, which has further resulted in the significantly reduced intra-regional trade costs, providing real benefits to participants and helping stabilize regional economic development through win-win cooperation. In 2023, the RMB-denominated imports and exports of China, Singapore, Vietnam, Australia and other members increased by 2.2%, 5.0% and 9.8%, respectively. The development of digital intelligence technologies such as big data, artificial intelligence, cloud computing, Internet of Things and blockchain provide new directions for the international economy and trade, reduce information asymmetry issues arising in trade, change the international supply-demand relationship, exert a profound impact on the trade model, structure and pattern, and gradually promote and improve the platform-based trade ecosystem, which will further improve the utilization rate of production factors and the efficiency of trade operations.

Looking ahead to 2024, the global economy will maintain its slow growth but remain to be sluggish, with a moderate recovery in international trade. The global economy maintained its slow recovery due to uncertainties arising from macro-systemic risks. If the "black swan" events such as the spread of the conflict between Russia and Ukraine concur and increase, it may result in inflation and the reoccurrence of strong unpredictable fluctuations in bulk commodities, which may disturb the economic growth of various countries. On the other hand, the recovery of the services sector and the decline in core inflation provide favorable support for the economic development in 2024. The IMF expects the global economy to grow by 3.1% in 2024, among which advanced economies, emerging market and developing economies grow by 1.5% and 4.1%, respectively.

In 2024, in order to further promote economic recovery, there are certain difficulties and challenges to be overcome by China, mainly including insufficient effective demand, overcapacity in some industries, weak social expectations, numerous latent risks, blockades in the domestic economic circulation and rising complexity, severity and uncertainty in the external environment, which will exert certain pressure on economic growth. However, relying on China's mature and complete industrial and supply chain production advantage and hypermarket superiority, China's imports and exports occupy a vital position in the international market, plus the coordinated development of the digital economy and the green economy, laying a good foundation for accelerating the construction of a modern industrial system. In the next stage, the Chinese government will continue to take the domestic market as the mainstay while letting domestic and foreign markets boost each other, and the open and huge Chinese market will continue to support the economy through its imports and exports.

(2) Market environment of the port and shipping industry

The international shipping industry has been deeply affected by the remodeling of the global industrial and supply chain, resulting in significant adjustment of the route layout in 2023. In order to ensure the security and stability of the supply chain, developed countries have implemented strong policy intervention in the global industrial and supply chain that has been in good and long-time operation, promoting chain links to develop toward short chain, nearshoring and friendshoring. Due to the concurrence and increase of "black swan" events such as the spread of the conflict between Russia and Ukraine, a chain effect such as route detour and a surge in shipping costs/freight rates triggered by "Houthi factor (胡塞因素)", the maritime interests of several countries have been damaged. The transshipment of the global trade in goods has also been interfered, with increased instabilities in global shipping and global supply chain.

In 2023, uncertainties in the container market increased, resulting in a supply-demand imbalance in container shipping market. On the demand side, the purchasing managers' index (PMI) for the global manufacturing fell back, and the overall demand for container shipping was weak. The Baltic and International Maritime Council (BIMCO) forecast global container traffic growth of -0.5% to 0.5% in 2023. On the supply side, the global shipyards delivered a total of 350 container ships in 2023, with a total capacity of 2.20 million TEU, breaking the record of 1.70 million TEU delivered in 2015, nearly double the number and total capacity delivered last year, and the supply of capacity far outweighs the growth of demand, thus there is less room and possibility for container freight rates to rise in the short term. It is expected that more capacity will be unleashed in 2024, and shipping companies will face greater pressure on the operation. Therefore, such companies will focus on cost control and business diversification to ensure profits, including optimizing fleet capacity, reducing charter costs, slow sailing, extending to both ends of the shipping logistics chain and investing in zero-carbon fields.

Affected by the global economy and trade and the international shipping industry, the global major hub locations recorded a weak growth of container throughput, but the production situation of Asian ports presented a certain resilience, in the second half of 2023, except for the continuous decline in container throughput in European and American ports, the container throughput in major ports in other regions was back to growth. Drewry, a shipping consultancy, expected global port throughput growth of 3% between 2024 and 2027. The total container business volume handled at global major hub locations decreased slightly, mainly due to significant business volume decline in Europe and North America. According to the statistics of Alphaliner, a shipping consultancy, the total container throughput of the world's top 20 ports amounted to 277.99 million TEUs for the first three quarters of 2023, representing a decrease of 0.4% year-on-year, and the container throughput growth varied among regions. Benefiting from the overall recovery of China's economic performance, the effect of economy-driven trade has been lasting, and the foreign trade maintains its stable growth and quality improvement, and the business volume handled by ports in mainland China keeps its growth trend, still ranking the world. According to the data released by the National Bureau of Statistics, in 2023, China's mainland ports completed a cumulative container throughput of 310.34 million TEU, an increase of 4.9%. The cumulative cargo throughput of 17 billion tons, an increase of 8.2%.

(3) The Company's industry position

The Company is a leading global port investor, developer and operator. As one of the top port operators in the world, the Company has the resource endowment and unique advantages to build a world-class comprehensive port service provider. In terms of scale, as at the end of the reporting period, the Company has established a relatively complete port network across major hub locations along coastal China, with its presence in 51 ports in 26 countries and regions including Asia, Africa, Europe, Oceania, South and North America. In 2023, according to the statistics of Alphaliner, the Company's equity throughput of containers ranked third among the global port operators in terms of the growth of top 20 ports in the third quarter. In terms of quality, the master terminals controlled by the Company have occupied various market and regional leading positions, continued to promote ESG construction, and strived to create an ESG port benchmark in the industry. In addition, leveraging on the good ground of port technology and based on the CTOS system self-developed by CMPort, the Company has worked out the worldwide first full-case, full-time, all-regime and multi-factor traditional container terminal upgrading solution, and has built the trade facilitation platform for the Guangdong-Hong Kong-Macao Greater Bay Area through blockchain technology, which has been extended to 30 terminals to help enhance the trade facilitation level in the Greater Bay Area. In terms of performance, the Company has continually promoted high-quality development and has been an industry leader in terms of net profit margin and overall labour productivity and other indicators.

II. Principal activities of the Company during the reporting period

The Company's core business includes major port business and comprehensive development business, and the nurturing business includes smart technology business and ecological extension business.

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

In terms of the comprehensive development business, leveraging on the innovative park business models and services, the Company conducts in-depth exploration of synergy value between ports and parks, and provides customers with diversified value-added services, including warehousing leasing, customs clearance, division or merger of cargoes, documentation services, amongst others, in Shenzhen Qianhaiwan Bonded Port Zone, Qingdao Qianwan Bonded Port Zone, Tianjin Dongjiang Bonded Port Zone, Djibouti International Free Trade Zone, Hambantota Industrial Park,.

In terms of the smart technology business, the Company utilizes cutting-edge digital technology to fully leverage its advantages of big data and rich application scenarios, drives its industrial

digitalization and digital industrialization, and provides customers with premium port services through smart port solutions, an open platform for smart ports and smart port technology operations.

In terms of the ecological extension business, which is based on ports as the core and includes port tugboat service, tallying business and engineering supervision and management business, the Company integrates the port ecological service resources, promotes the collaboration and cooperation between the upstream and downstream of the port logistics value chain and lays a key focus on the openness and sharing of resources, to advance the smooth trade development as well as the efficient operation of the logistics, information flow and capital flow of the port service chain and further help customers reduce costs and increase efficiency.

The main business segments of the Company are as follows:

Business segments		Business content
Core business	Major port business	<p>Port investment:</p> <ul style="list-style-type: none"> ●The Company puts emphasis on its presence in global major hub locations, gateway ports and regions with huge market potential, rapid economic growth and promising development, in order to capture investment opportunities in ports, logistics and related infrastructure, and further improve the global port network. <p>Port operation:</p> <ul style="list-style-type: none"> ●Containers: The Company provides ship berthing, loading and unloading services to ship companies, offers container storage service to ship companies and cargo owners and provides overhead box services to tractor companies. The Company also engages in the businesses of division or merger of cargoes in containers, container leasing and container maintenance; ●Bulk cargoes: the Company is engaged in bulk cargo handling and transportation in port zones, as well as storage services in yards. The major types of cargoes handled include food, steel, woods and sandstones.
	Comprehensive development business	<p>The Company provides various services, including warehouse/yard leasing, loading and unloading in warehouses/yards, customs clearance and division or merger of cargoes at terminals, intermodal transportation, logistics and transportation and value-added warehousing services for clients (including logistics companies, trading companies or cargo owners). Relying on the port-surrounding land resources, the Company conducts the comprehensive development to enhance the land value as well as the value of commercial properties, and provides its customers with quality property leasing and other related services.</p>
Nurturing business	Smart technology	The Company focuses on smart port solutions, an open platform for smart ports and smart port technology operation, accelerates the

	business	industry upgrading from "digitization" to "digital intelligence", continues to empower the core businesses of port production, management, service and ecology, and injects new momentum into port enterprises through digital technology.
	Ecological extension business	The business is based on ports as the core and includes port tugboat service, tallying business and engineering supervision and management business, and the Company integrates the port ecological service resources, promotes the collaboration and cooperation between the upstream and downstream of the port logistics value chain and lays a key focus on the openness and sharing of resources, to advance the smooth trade development as well as the efficient operation of the logistics, information flow and capital flow of the port service chain and further help customers reduce costs and increase efficiency.

III. Core Competitiveness Analysis

1. Sound shareholder background and resource integration capability

CMG, the de facto controller of the Company, was the Hundred Years' central State-owned enterprises starting with port shipping logistics business that owns excellent reputation and resources available in the industry.

Founded in 1872, CMG is an integrated and diversified key enterprise under the direct administration of the PRC central government, also a one of the four major Chinese enterprises in Hong Kong with two global companies counted on Fortune Global 500 list. Currently, it mainly focuses on three core industries, namely transportation & logistics, integrated finance and comprehensive development of cities and industrial zones. In recent years, CMG successively realized the transformation from these three primary industries to the three major platforms of industrial management, financial services, investment and capital operation, and also began to deploy its footprint in big health, testing and other sectors.

CMG's Transportation & Logistics Business Department includes port, highway, energy shipping, logistics, naval architecture and marine engineering businesses, and has a wide range of coordinated space for industrial chain service. Acceleration of international development and improvement on logistics network layout will effectively bolster CMPort's capabilities related to create a world-class port investment and operation platform which can give a global push as well as an interconnected international port comprehensive service system.

2. Professional and high-efficiency global port investment capability

The Company focuses on port investment, grasps global trend and seizes opportunities in region to achieve full-process and full-cycle management on investments.

As an important carrier for domestic and overseas port investment and operation of CMG, CMPort has over 20 years of experience for port investment and over 10 years thereof for overseas investment.

A scientific and professional investment management system has been set up with a research team specialized in investment global which owns a wealth of experience in policy research, industry analysis, risk control, fund raising, post-investment management. The Company continues to work in development of global industrial supply chain, keeps up with major strategic opportunities in domestic and dynamic investment opportunities in overseas and properly invests in hub and gateways of strategic significance around the world.

The Company strives to balance its investment portfolio within the regional and life cycle of ports. Adhering to the principle of “extensive consultation, joint development and shared benefits”, its overseas business has developed local-based business operation and formed a community of shared future based on the consolidation of connectivity and cooperation and expanded new international cooperation, to the greater extent that capability strengthened in coping with various risks such as industry fluctuations, trade conflicts and emergencies.

3. Fleshing out the port comprehensive management capability

The Company has committed to port operation and improved comprehensive management capability through application of digital intelligence technology and integrated platform.

The Company endeavors to operation management of port business for years, based on digital management and cost control with aiming at improving quality and efficiency, and thus forms an industry-leading port operational management system. Self-developed Smart Management Platform (“SMP”) is a united platform that runs through the whole process, connects the whole scene, and docks the whole system of the enterprise, so as to achieve comprehensive digital management of business process. It provides a one-stop operating model for the Decision-making personnel, Management and Executive to support the management decision based on the presentation and analysis of global business core data. In addition, the Company keeps applying measures of cost control and forms a complete system thereof, and achieves cost savings and efficiency gains in practice and effectivity manner with respect of process optimization, resource conservation, technological innovation, realizing its potential according to such policy and optimized allocation. The port comprehensive management capability of the Group sustained for years has marked a good reputation in the industry.

4. Continuously optimized supply chain comprehensive service capability

The Company adheres to create values on the port-centered blockchain as well as the port-linked logistics chain.

With the objective of becoming a high-quality and world-class comprehensive port service provider, the Company keeps enhancing corporate value. Firstly, in respect of the advanced comprehensive development capability, taking port business as the core and leveraging the synergy of different port zones as well as city-industry integration, the Company explores the comprehensive port development model of “Port-Park-City”. Based on the traditional loading and discharging and ancillary services at ports, it gradually established the comprehensive development model offering high value-added

services to enterprises. Currently, the Company has participated in promoting the comprehensive port development model of “Port-Park-City” in various overseas regions and has achieved remarkable results and helped foster new profit growth points for the Company. Secondly, in respect of modern comprehensive logistics service capability, in view that the shipping and port sectors gradually shifted to form alliances, the Company is actively integrating its domestic and overseas port assets and capitalises on its relatively complete global port network to provide customers with comprehensive port logistics service solutions, forming its unique competitive strength based on resources such as maritime logistics, land transportation, storage, logistics and trading from CMG.

5. Self-innovative intelligent port construction capability

The Company rises to the call of the industry, pushing for traditional industrial upgrading, and its progress sets the direction of intelligent port construction.

The Company sticks into the promotion of digitalization transformation, leads technologies innovation and industrial application by combining with new technology and development and releases overall solutions for smart ports featuring CMPort’s characteristics. In terms of the core production system between the port and the park, although the self-developed system of CMIT, a high-tech enterprise under the Company broke the monopoly of foreign suppliers, it still stresses the importance of intensifying related scientific research, with strengths concentrated on new structure and intelligent upgrade of CTOS system. In terms of industrial network platform construction, we have updated comprehensive service platform to 3.0 version, i.e., “CM ePort 3.0” which is based on global port network of the Company to provide the port shipping logistics industry with the one-stop port integrating services including intelligent logistics, intelligent port as well as intelligent finance and business. The construction of intelligent port ecology circle leverages such system for achieving innovation of port business model. In terms of the construction of intelligent port, Mawan Smart Port of the Company taking a lead from traditional bulk terminals upgraded to 5G intelligent port that integrating 5G, Beidou system, artificial intelligence, automation and other scientific and intelligence technologies. It has greatly improved productivity, green degree and management level of the port and achieved good economic and social benefits. With the SMP as the main achievement, "Research and Application of Comprehensive Smart Management Platform for Large Port Groups based on Big Data Analysis" of CMPort was awarded the special prize of the 2023 Science and Technology Prize of China Port and Harbors Association, playing a demonstration role in the industry.

IV. Core business analysis

1. Port business review

(1) Overview of port business

In 2023, the Company’s ports handled a total container throughput of 180.195 million TEUs, up 23.5% year-on-year, and a bulk cargo volume of 1,250 million tonnes, up 69.6% year-on-year, which was mainly thanks to the business volume of Ningbo Port included in the Company since October 2022, contributing business increment of the Company with container throughput of 31.374 million

TEUs and bulk cargo throughput of 490 million TEUs in the year. For container business, the Company's ports in Mainland China handled a container throughput of 140.306 million TEUs, representing a year-on-year increase of 33.4%, and ports in Hong Kong and Taiwan regions contributed a total container throughput of 5.825 million TEUs, representing a year-on-year decrease of 15.5%, with the total container throughput handled by the Company's overseas ports of 34.064 million TEUs, representing a year-on-year increase of 0.6%. In terms of bulk cargo business, the Company's ports in Mainland China handled a bulk cargo volume of 1,248 million tonnes, up 70.0% year-on-year, with the bulk cargo volume handled by the Company's overseas ports of 6.915 million tonnes, up 25.2% year-on-year.

Table 3-1 Throughput of the Company and changes in 2023

Item	2023	2022	Changes
Container throughput ('0,000 TEU)	18,019.5	14,594.8	23.5%
Among which: Mainland China	14,030.6	10,517.4	33.4%
Hong Kong and Taiwan	582.5	689.7	-15.5%
Overseas	3,406.4	3,387.7	0.6%
Bulk cargo volume ('0,000 tonnes)	125,449.6	73,953.4	69.6%
Among which: Mainland China	124,758.1	73,400.8	70.0%
Overseas	691.5	552.6	25.2%

Note: 1. The statistics represents the total throughput of the holding subsidiaries, associates and joint ventures of the Company; 2. On September 2022, the Company being a strategic investor has completed the subscription of 2021 non-public A share issuance of Ningbo Port, representing holding 23.08% equities of Ningbo Port in total and became the second largest shareholder of such company. As such, the Company has been including the business volume of Ningbo Port since October 2022.

(2) Operation condition of port business by region

Table 3-2 Container throughput of the Company and changes in 2023 (in '0,000 TEU)

Region and port company			2023	2022	Changes
Pearl River Delta	Holding company	West Shenzhen Port Zone	1,358.2	1,332.3	1.9%
		Shunde New Port	38.5	41.0	-6.0%
	Joint stock company	Chu Kong River Trade Terminal	87.9	87.1	0.9%
Yangtze River Delta	Joint stock company	SIPG Group	4,915.8	4,730.0	3.9%
	Joint stock company	Ningbo Zhoushan Port	4,272.0	1,134.6	276.5%

Bohai Rim	Joint stock company	Tianjin Port Container Terminal	822.2	848.1	-3.1%
		QQCTU	1,065.0	934.9	13.9%
		Liaoning Port Co., Ltd.	1,143.8	1,089.7	5.0%
South-East region	Holding company	Zhangzhou Port	35.6	33.2	7.2%
		Shantou Port	164.4	163.0	0.9%
South-West	Holding	Zhanjiang Port	127.1	123.4	3.0%
Hong Kong and Taiwan	Holding company /Joint stock company	CMCS/Modern Terminals	415.5	484.9	-14.3%
	Joint stock company	Taiwan Kao Ming Container	167.0	204.8	-18.5%
Overseas	Holding company	CICT	324.8	321.5	1.0%
		TCP	125.3	115.6	8.4%
		LCT	160.1	160.3	-0.1%
	Joint stock company	TL	2,544.1	2,575.9	-1.2%
		Kumport	131.7	120.9	8.9%
		PDSA	88.7	63.5	39.7%
		TICT	31.7	30.0	5.7%
Total			18,019.5	14,594.8	23.5%

Note: On September 2022, the Company being a strategic investor has completed the subscription of 2021 non-public A share issuance of Ningbo Port, representing holding 23.08% equities of Ningbo Port in total and became the second largest shareholder of such company. As such, the Company has been including the business volume of Ningbo Port since October 2022.

Table 3-3 Bulk cargo volume handled by the Company and changes in 2023 (in '0,000 tonnes)

Region and port company		2023	2022	Changes	
Pearl River Delta	Holding company	West Shenzhen Port Zone	1,616.1	1,860.5	-13.1%
		Dongguan Machong	1,701.6	1,501.5	13.3%
	Shunde New Port	660.9	627.1	5.4%	
	Joint stock company	Chu Kong River Trade Terminal	398.7	424.8	-6.1%
Yangtze River Delta	Joint stock company	SIPG Group	8,401.0	7,817.0	7.5%
	Joint stock company	Ningbo Zhoushan Port	64,533.0	15,094.0	327.5%

Bohai Rim	Joint stock company	QQTU	1,392.2	1,363.8	2.1%
		Qingdao Port Dongjiakou	7,463.7	7,221.1	3.4%
		Liaoning Port Co., Ltd.	25,126.6	25,442.4	-1.2%
		Laizhou Harbour Affairs	2,021.3	1,907.5	6.0%
South-East region	Holding company	Zhangzhou Port	916.6	838.3	9.3%
		Xia Men Bay Terminals	619.6	607.5	2.0%
		Shantou Port	461.6	381.4	21.0%
South-West region	Holding company	Zhanjiang Port	9,445.0	8,313.9	13.6%
Overseas	Holding company	HIPG	245.6	129.4	89.8%
		Joint stock company	Kumport	44.8	14.5
	PDSA		401.1	408.6	-1.8%
Total			125,449.6	73,953.4	69.6%

Note: On September 2022, the Company being a strategic investor has completed the subscription of 2021 non-public A share issuance of Ningbo Port, representing holding 23.08% equities of Ningbo Port in total and became the second largest shareholder of such company. As such, the Company has been including the business volume of Ningbo Port since October 2022.

Pearl River Delta region

The West Shenzhen Port Zone handled a total of container throughput of 13.582 million TEUs, up 1.9% year-on-year, and a bulk cargo volume of 16.161 million tonnes, down 13.1% year-on-year, which was influenced by business structure adjustment in West Shenzhen Port Zone. Shunde New Port handled a container throughput of 0.385 million TEUs, down 6.0% year-on-year, which was mainly influenced by the supply and demand in the international shipping market with the lower demand for import and export from Europe and America; and a bulk cargo volume of 6.609 million tonnes, up 5.4% year-on-year, mainly benefiting from the increase of steel volume driven by rising demand from manufacturing enterprises. Dongguan Machong handled a bulk cargo volume of 17.016 million tonnes, representing an increase of 13.3% year-on-year, mainly due to the expansion of grain-forage market. Chu Kong River Trade Terminal handled a total of container throughput of 0.879 million TEUs, up 0.9% year-on-year, and a bulk cargo volume of 3.987 million tonnes, down 6.1% year-on-year.

Yangtze River Delta region

SIPG handled a container throughput of 49.158 million TEUs, up 3.9% year-on-year, and a bulk cargo volume of 84.01 million tonnes, up 7.5% year-on-year, mainly due to the lower base in the same period last year. Ningbo Zhoushan Port handled a container throughput of 42.72 million TEUs, and a bulk cargo volume of 645.33 million tonnes.

Bohai Rim region

QQCTU delivered a container throughput of 10.65 million TEUs, up 13.9% year-on-year, mainly benefiting from the adjustment of business policies and more routes. QQTU delivered a bulk cargo volume of 13.922 million tonnes, up 2.1% year-on-year. Qingdao Port Dongjiakou handled a bulk cargo volume of 74.637 million tonnes, representing a year-on-year increase of 3.4%. Liaoning Port Co., Ltd. handled a container throughput of 11.438 million TEUs, up 5.0% year-on-year, mainly benefiting from the recovery of vessels in the foreign trade routes; and a bulk cargo volume of 251.266 million tonnes, down 1.2% year-on-year. Laizhou Harbour Affairs handled a container throughput of 20.213 million tonnes, representing a year-on-year increase of 6.0%, mainly benefiting from the expansion of crude oil business. Tianjin Port Container Terminal handled a container throughput of 8.222 million TEUs, representing a year-on-year decrease of 3.1%.

South-East region

Zhangzhou Port handled a container throughput of 0.356 million TEUs, up 7.2% year-on-year, mainly benefiting from sources expansion of weighted boxes in hinterland trade and increased routes and increment brought by sea-rail joint transportation, and a bulk cargo volume of 9.166 million tonnes, up 9.3% year-on-year, which was mainly due to the supportive policies of food and wood business. Xia Men Bay Terminals handled a bulk cargo volume of 6.196 million tonnes, representing a year-on-year increase of 2.0%. Shantou Port handled a container throughput of 1.644 million TEUs, up 0.9% year-on-year, and a bulk cargo volume of 4.616 million tonnes, up 21.0% year-on-year, mainly benefiting from business growth in coal import.

South-West region

Zhanjiang Port handled a container throughput of 1.271 million TEUs, up 3.0% year-on-year, and a bulk cargo volume of 94.45 million tonnes, up 13.6% year-on-year, mainly benefiting from expansion of iron ore, coal and food business.

Hong Kong and Taiwan regions

CMCS and Modern Terminals in Hong Kong delivered a total of container throughput of 4.155 million TEUs, representing a year-on-year decrease of 14.3%, which was influenced by annually decreased transfer business in Hong Kong and recovery of domestic supply business to Hong Kong. Kao Ming Container in Taiwan handled a total of container throughput of 1.67 million TEUs, representing a year-on-year decrease of 18.5%, mainly caused by decreased transfer business.

Overseas regions

In Sri Lanka, CICT handled a container throughput of 3.248 million TEUs, representing a year-on-year increase of 1.0%, which represents increased market share and unchanged competitive advantage in regional markets. HIPG handled bulk cargo volume of 2.456 million tonnes, up 89.8% year-on-year, mainly benefiting from expansion of oil and gas business; RO-RO volume handled by HIPG

was 0.7 million vehicles, up 25% year-on-year, consolidating its position as the regional transfer centre. TCP in Brazil handled a container throughput of 1.253 million TEUs, representing a year-on-year increase of 8.4%, mainly benefiting from further business structure optimization and increased market shares of weighted boxes and refrigerators. LCT in Togo handled a container throughput of 1.601 million TEUs, representing a year-on-year decrease of 0.1%. TICT in Nigeria handled a container throughput of 0.317 million TEUs, representing a year-on-year increase of 5.7%. Port de Djibouti S.A. (PDSA) in Djibouti handled a container throughput of 0.887 million TEUs, up 39.7% year-on-year, mainly benefiting from expansion of international transfer business, and a bulk cargo volume of 4.01 million TEUs, down by 1.8% year-on-year. In Turkey, Kumport handled a container throughput of 1.317 million TEUs, up 8.9% year-on-year, mainly benefiting from new-added airline, and a bulk cargo volume of 0.448 million tonnes, up 208.4% year-on-year, mainly benefiting from increasingly rising building materials exported. Terminal Link handled a container throughput of 25.441 million TEUs, representing a year-on-year decrease of 1.2%.

2. Implementation of business plan during the Reporting Period

During the Reporting Period, in face of the complicated and changing situation for global supply chain, the Company adhered to the general thrust of seeking progress while maintaining stability, continued to overcome challenges and record steady growth by focusing on “high-quality development” and endogenous growth as well as innovation and upgrade, made breakthrough in “finely developing in Southeast Asia” and progress in lean operation as well as continuously broke through the bottlenecks of homebase ports, and achieved better performance with higher quality with respect to construction of homebase ports, technological innovation, market expansion, operation management, deepening reform, comprehensive development, ESG construction and other aspects.

(1) As for the construction of homebase ports, strengthening regional position and extending value chain. The business volume of the West Shenzhen homebase port recorded a steady growth. The container business created a record high in its market share in foreign trade in the Guangdong-Hong Kong-Macao Greater Bay Area, representing a better performance than the overall level of the Guangdong-Hong Kong-Macao Greater Bay Area. In addition, the coordinated ports model in the Guangdong-Hong Kong-Macao Greater Bay Area has been promoted to other regions on an ongoing basis. The Company efficiently propelled the development of the coordinated ports system covering the West Shenzhen Port Zone and the river ports in the Pearl River Delta region by integrating the functions of the blockchain platform of the coordinated port and the barge scheduling platform of the Pearl River Delta region, which helped significantly streamline trade and logistics development in the Greater Bay Area; With further consolidating the leading position of bulk cargo operations, the Company continued to rank first in terms of its domestic market share of imported wheat, meals and compound fertilizer. For Sri Lanka homebase port, the Company continued to promote the construction of the international shipping hubs in South Asia. CICT continued to optimize the structure of shipping routes by focusing on local volume of containers and consolidating the foundation and created a record high in terms of its market share of local containers; the Company continued to extend its industry chain and build a logistics ecosphere. With the official initiating of trade and logistics project in South Asia, the Company made efforts to transform it into a new business growth point. HIPG continued to strengthen its core competitiveness by enhancing its foundation of

RORO operations and actively exploring RORO value-added services, and also collaborated with Sinopec in joint marketing of fuel oil, which contributed to a new breakthrough in refueling for main channel ships and a history high in the business volume of RORO vehicles and fuel oil.

(2) In terms of technological innovation, promoting digital innovation and constructing smart port. CMIT, a subsidiary of the Company, continued to increase investment in R&D of technologies, steadily implemented the critical task to implement the structural upgrade of the Container Terminal Operation System (CTOS) of Ministry of Transport, continued to optimize the proposal of autonomous driving technology, sped up the R&D and promotion of products of comprehensive service platform of “CM ePort”, and constantly promoted management delegation of the Smart Management Platform (SMP). In 2023, significant results were made in implementing the critical task of CTOS; “CM ePort” succeeded in entirely covering the domestic master terminals controlled by the Company to provide customers with one-stop intelligent services; The construction of data base of CMPort, business process platform, data indicator platform and global monitoring center has been finished on the “SMP” platform, and was comprehensively applied into the process management and operation analysis of enterprises. The project won the first prize in the operation management category of the first State-Owned Enterprise Digital Scene Professional Competition by SASAC and the Special Award for Science and Technology Progress Award issued by the China Ports & Harbours Association in 2023.

(3) In terms of overseas expansion, implementing key projects and making breakthroughs in key areas. In April 2023, an agreement on the South Asia Commercial and Logistics Hub in Colombo Port was officially signed. The project, with a total investment of US\$392 million, is implemented by adopting the “Build-Operate-Transfer (BOT)” model, will provide a superior logistics and warehousing facility, and will offer the full gamut of services such as container disassembling and loading, bonded warehousing, free port operations, warehouse leasing and harbour trade logistics. The project will not only significantly improve the logistics services there, but will also attract more business and container volumes to Colombo Port, further strengthening the position of Colombo Port as an important hub in South Asia. In November 2023, China Merchants Port (a holding subsidiary of the Company) acquired 51% of the shares of PT Nusantara Pelabuhan Handal Tbk (NPH) at a consideration of approximately US\$61.20 million and will become its controlling shareholder. NPH is a company listed on the Indonesia Stock Exchange and principally engaged in the provision of container, multipurpose and general terminal services and provision of engineering services for port equipment. It operates two container terminals at Jakarta Port, the largest port in Indonesia. This acquisition is a great progress for the Company to expand its business in Southeast Asia and will further enable the Company to share the dividends brought by the rapid development of the RCEP region.

(4) In terms of operation management, facilitating intelligence-driven operation and deepening lean management. By taking SMP as a starting point, the Company built a one-stop comprehensive management platform of CMPort, supporting the business analysis of all modules, namely containers, bulk cargos, logistics park, comprehensive development and intelligent technology. SMP takes digital technology as the key force and applies smart tools to drive the transformation of means, modes and concepts of the operation and management of CMPort. At present, the Company has substantially

realized the classification and management of information of lifetime of assets, the standardization and online presence of major business processes. Besides, the Company also optimizes the engineering management system and strengthens lifecycle management of major projects; optimizes its profitability and constantly developed measures to enhance its quality and efficiency; optimizes and reshapes its business and financial analysis framework to strictly control the increase of cost and expenses; deepens cost control to form a normalization mechanism of cost reduction and higher efficiency. The streamline operation of the Company has achieved phased results.

(5) In terms of deepening reform, deeply implementing the “Double-Hundred Action” and stimulating Company vitality. The Company has deeply implemented the “Double-Hundred Action”. By focusing on "improving the core competitiveness of the enterprise and enhancing core functions", the Company developed a reform implementation plan of the "Double Hundred Action" for CMPort (2023-2025) and working record, specifying the goals, tasks, timetable and road map in the next round of reform. In 2023, the Company has achieved full coverage of tenure system and contractual management, improved the market-oriented salary distribution mechanism, strengthened the performance salary dual benchmarking, and explored the construction of a diversified and international incentive system that combines short and medium term incentives, and supplements cash and equity incentives. In May 2023, SASAC of the State Council released the special appraisal results of “Double-Hundred Enterprises” of 2022 and the Company received “Excellent” title for its outstanding achievements and remarkable reform results.

(6) In terms of comprehensive development, domestic parks advancing together and overseas parks developing against the trend. China Merchants Bonded has achieved effective utilization of new warehouses at a rate of over 95%. The export service platform for new energy vehicles has performed well. Qingdao Bonded has maintained a stable occupancy rate, and diversified self-operated business, achieving a doubled inbound logistics year-on-year. The Hambantota Port Industrial Park has further explored the market, and realized a significant improvement on the quality of customers. In 2023, 12 new customers have signed contracts to settle in the park, contributing to a total of 51 companies settled in; the Djibouti International Free Trade Zone has signed contracts with 351 companies, with container yard fully occupied and warehouse occupied over 96%.

(7) In terms of ESG construction, actively implementing the ESG concept and having won multiple awards. In 2023, under the guidance of the ESG strategic plan, the Company further improved the comprehensive ESG management system, compiled an ESG work manual and promoted the ESG upgrade of overseas projects. By focusing on main port business and industry priorities, the Company fully leveraged its sufficient resources to promote more distinctive ESG practices. The Company has been selected into the "China ESG Listed Companies First 100" list and "China Top 100 ESG Listed Companies", and has also been included in the "CSI Securities Times ESG Top 100 Index". In 2023, the MSCI rating of China Merchants Port (the Company's holding subsidiary), was upgraded by two levels from "CCC" to "BB".

3. Revenue and Cost Analysis

(1) Breakdown of Operating Revenue

Unit: RMB

	2023		2022		Change (%)
	Operating revenue	As % of total operating revenue (%)	Operating revenue	As % of total operating revenue (%)	
Total	15,750,475,780.22		16,230,489,127.55		-2.96%
By operating division					
Port operations	15,036,273,586.66	95.47%	15,626,802,064.84	96.28%	-3.78%
Bonded logistics service	532,670,444.04	3.38%	445,592,537.09	2.75%	19.54%
Property development and investment	181,531,749.52	1.15%	158,094,525.62	0.97%	14.82%
By operating segment					
Mainland China, Hong Kong and Taiwan	10,958,608,605.93	69.58%	12,105,380,701.20	74.58%	-9.47%
Other countries and regions	4,791,867,174.29	30.42%	4,125,108,426.35	25.42%	16.16%

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

Unit: RMB

	Operating revenue	Cost of sales	Gross profit margin	YoY change in operating revenue (%)	YoY change in cost of sales (%)	YoY change in gross profit margin (%)
By operating division						
Port operations	15,036,273,586.66	8,796,081,230.13	41.50%	-3.78%	-3.90%	0.08%
By operating segment						
Mainland China, Hong Kong and Taiwan	10,958,608,605.93	7,201,809,031.78	34.28%	-9.47%	-7.22%	-1.60%
Other countries and regions	4,791,867,174.29	2,116,377,675.97	55.83%	16.16%	12.09%	1.60%

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

Applicable Not applicable

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

Yes No

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

Applicable Not applicable

(5) Breakdown of Cost of Sales

Unit: RMB

Operating division	Item	2023		2022		Change (%)
		Cost of sales	As % of total cost of sales (%)	Cost of sales	As % of total cost of sales (%)	
Port operations	Loading and unloading services	8,796,081,230.13	94.40%	9,153,516,391.90	94.85%	-3.90%
Bonded logistics service	Logistics service	289,816,313.93	3.11%	280,270,213.56	2.90%	3.41%
Other	Properties	232,289,163.69	2.49%	216,675,107.48	2.25%	7.21%

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

Yes No

On 8 August 2023, the transfer of 45% equity interest in Ningbo Daxie China Merchants International Terminals Co., Ltd. (hereinafter referred to as “Ningbo Daxie”) by the Company’s subsidiary Cyber Chic Company Limited through public tender was completed. The Company no longer holds equity interests in Ningbo Daxie, which is thus no longer a subsidiary within the scope of the Company's consolidated financial statements.

The Company’s subsidiary China Merchants International Technology Co., Ltd. (hereinafter referred to as “CMIT”) transferred 100% equity interests in Yingkou Port Information Technology Co., Ltd. (hereinafter referred to as “YPIT”) and 79.03% equity interests in Dalian Port Logistics Network Co., Ltd. (hereinafter referred to as “DPN”) to Liaoning Port Co., Ltd. (hereinafter referred to as “Liaoning

Port”). YPIT and DPN completed the alteration of their registered information with the competent industrial and commercial administration in association with the aforesaid transaction in November 2023. As such, YPIT and DPN are no longer subsidiaries within the scope of the Company's consolidated financial statements.

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

Applicable Not applicable

(8) Major Customers and Suppliers

Major customers:

Total sales to top five customers (RMB)	4,223,089,383.16
Total sales to top five customers as % of total sales of the Reporting Period (%)	26.81%
Total sales to related parties among top five customers as % of total sales of the Reporting Period (%)	0.00%

Top five customers:

No.	Customer	Sales revenue contributed for the Reporting Period (RMB)	As % of total sales revenue (%)
1	Customer A	2,007,111,746.88	12.74%
2	Customer B	754,791,701.68	4.79%
3	Customer C	737,970,284.02	4.69%
4	Customer D	396,722,960.42	2.52%
5	Customer E	326,492,690.16	2.07%
Total	--	4,223,089,383.16	26.81%

Other information about major customers:

Applicable Not applicable

Major suppliers:

Total purchases from top five suppliers (RMB)	789,890,887.34
Total purchases from top five suppliers as % of total purchases of the Reporting Period (%)	12.33%
Total purchases from related parties among top five suppliers as % of total purchases of the Reporting Period (%)	0.00%

Top five suppliers:

No.	Supplier	Purchase in the Reporting Period (RMB)	As % of total purchases (%)
1	Supplier A	329,518,663.16	5.14%

2	Supplier B	141,671,251.97	2.21%
3	Supplier C	139,554,424.91	2.18%
4	Supplier D	96,633,378.98	1.51%
5	Supplier E	82,513,168.32	1.29%
Total	--	789,890,887.34	12.33%

Other information about major suppliers:

Applicable Not applicable

4. Expense

Unit: RMB

	2023	2022	Change (%)	Reason for any significant change
Administrative expense	1,776,641,155.38	1,765,094,736.51	0.65%	–
Finance costs	1,839,113,328.14	2,258,713,672.42	-18.58%	Mainly due to the impact of exchange rate changes, the net exchange loss caused by foreign exchange adjustment decreased year-on-year
R&D expense	223,739,072.07	287,706,178.70	-22.23%	Mainly due to the decrease in R&D expenditure this year

5. R&D Investments

Main R&D project	Project purpose	Project progress	Objective to be achieved	Expected impact on the Company
Project for developing the core technology in TOS for automated container terminal	Develop a new generation of automated production management system for container terminal, that is controlled in an integrated, intelligent and coordinated manner, applicable to traditional container terminals. Adopt multi-platform,	It is now under development.	Comprehensively create a new generation of CTOS product based on microservice architecture driven by big data, with the focus on the digitalised and intelligent upgrading of traditional container terminals.	Have standardised product functions with external applications designed with more plugins. Meet customer needs at a low cost and be more efficient in replication and promotion.

	distributed and microservice architecture, driven by big data, and develop core algorithms and make breakthroughs based on AI technology and operations optimisation technology, to reshape the intelligent integrated operation and control mode and technology system of container terminals.			
Intelligent bulk cargo wharves	It aims to address the difficulties of the production organization and intelligent management of the bulk cargo wharves and focus on efficiency improvement, cost control, security guarantee, standardized management, and environmental protection to drive sustainable and green development of the port.	It has been put into operation and will be improved on an on-going basis.	Its objective is to realize routine dual-flow loading, unloading, and mixing, significantly improve loading capacity while improving the capabilities of the wharves and mixing operation, and reduce wharf operating personnel.	The implementation capacity can be driven to improve and a green port can be constructed through technical transformation, thus creating intelligent bulk cargo wharves.
R&D of the CM ePort V3.0 product	As the port business handling platform for external customers of each port of the CM Port Group, it aims to maximumly realize the online processing of offline business processes of the port's customers.	It has been applied to nine wharves.	Its objective is to realize the online operation of the ship service module, documentation service module, container service module, bulk cargo service module, commercial service module, regulation service module, inquiry services, and customer services.	The dispersive customer service demands of each wharf will be integrated to become the unified external customer service portal of the CM Port Group.
Energy and carbon management platform	The professional management system is used for accurate collection and refined	It has been released.	Build eight major business modules, including comprehensive cockpit, enterprise information	Manage and monitor carbon emissions more effectively, facilitating the adoption of appropriate energy-

	management of energy consumption data of subordinate units under CM Port Group, which empowers it to enhance the effectiveness of energy and carbon management through statistics, measurement and analysis on carbon emissions.		management, data collection, energy and carbon analysis, early warning center, knowledge center, project management and control, and back-office management. Roll out functions such as remote docking of electrical energy data and one-button push of the Group's energy saving and environmental protection management system.	saving and emission reduction measures. Be able to follow progress in the implementation of emission reduction projects. Perform environmental protection responsibility to promote sustainable development.
R&D project for unmanned driving dispatch system supporting mixed traffic	Develop the solution of autonomous driving system at the terminal, and dispatch the fleet to ensure the mixed traffic of automatic driving vehicles and manned vehicles.	It is now under development.	Build a set of scheduling and management system for unmanned container truck fleet, where the existing production system CTOS at the terminal can connect with unmanned trucks, to manage the unmanned truck fleet in a unified manner and conduct the horizontal automated transportation within the port area.	Enrich the functions of CTOS products to enhance the support for terminals in horizontal automated transportation scenario and significantly improve the intelligent level and core competitiveness of such products. Support both the upgrading of traditional terminals and the production and operation of fully automated terminals in terms of horizontal transportation automation.
Function enhancement of the intelligent whole-field dispatching module of tractors	Based on the Mawan Smart Port system, it aims to utilize such technologies as AI, 5G, Beidou positioning, and digital twin technology to dispatch tractors within the whole field of the three ports of West Shenzhen to improve tractor efficiency.	It is now under development and fine-tuning.	Its objective is to visualize the positions of all tractors at the port in the transportation process and optimize and improve the efficiency of tractors in West Shenzhen ports.	It will improve the overall efficiency of tractors in West Shenzhen ports as well as the safe production environment, save energy, reduce carbon emissions, and reduce the cost of a single container.
Visual security information platform of the South China	Make port facility security more intelligent, build the framework of digital security	It is now under development.	Facilitate the digital upgrading of port security through information technology and provide more	Build digitalised port security to support heavy and complex security work by strengthening security

Management Center	management information platform, and integrate various security modules. Provide interfaces for later interconnection with managing units to realize data sharing for safety supervision and real-time management of internal safety information.		comprehensive, accurate and real-time security management information.	monitoring and standardizing security business operation procedures.
Customs clearance project for the Greater Bay Area Blockchain	It aims to connect all customs offices in the Greater Bay Area, achieve mutual connectivity, mutual trust and mutual recognition among customs areas, and realize dynamic and real-time monitoring of goods declaration, release, inspection and arrival and departure at hub ports.	It is now under customized development, optimization and expansion.	Its objective is to establish core port logistics data standards and platforms with blockchain network technology as the basis of scientific and technological innovation to simplify the cargo clearance procedures, enhance the comprehensive competitive strength of ports, and realize the innovation of supervision technology and mode.	It will facilitate the expansion of waterway transport transfer business in the Guangdong-Hong Kong-Macao Greater Bay Area, improve the dominant role and core competitiveness of Shenzhen Western Port Area in the market, innovate the technology application of smart port scenarios, extend and expand intelligent financial services, and contribute to the sustainable and healthy development of intelligent port new ecology.

Details about R&D personnel:

	2023	2022	Change (%)
Number of R&D personnel	758	1,028	-26.26%
R&D personnel as % of total employees	5.52%	6.51%	-0.99%
Education background	——	——	——
Bachelor's degree	431	665	-35.19%
Master's degree	51	73	-30.14%
Doctoral degree	2	2	0%
Others	274	288	-4.86%
Age structure	——	——	——
Below 30	182	209	-12.92%
30~40	312	401	-22.19%
Over 40	264	418	-36.84%

Note: The data of R&D personnel from 2022 will be counted according to the index definition of Ministry of Transport.

Details about R&D investments:

	2023	2022	Change (%)
R&D investments (RMB)	243,835,440.24	295,509,765.04	-17.49%
R&D investments as % of operating revenue	1.55%	1.82%	-0.27%
Capitalized R&D investments (RMB)	54,083,098.04	38,808,729.08	39.36%
Capitalized R&D investments as % of total R&D investments	22.18%	13.13%	9.05%

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

Affected by the transfer of Ningbo Daxie and the split of CMIT, the number of R&D personnel of the company declined in 2023. Excluding the above factors, the number of R&D personnel of the company will be 618 in 2022, an increase of 22.65% in 2023.

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

Applicable Not applicable

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

Applicable Not applicable

6. Cash Flows

Unit: RMB

Item	2023	2022	Change (%)
Subtotal of cash generated from operating activities	17,000,495,102.94	17,929,072,211.60	-5.18%
Subtotal of cash used in operating activities	10,420,888,467.77	11,008,694,821.25	-5.34%
Net cash generated from/used in operating activities	6,579,606,635.17	6,920,377,390.35	-4.92%
Subtotal of cash generated from investing activities	35,753,871,407.49	43,633,757,210.28	-18.06%
Subtotal of cash used in investing activities	31,986,686,794.41	57,597,705,841.12	-44.47%

Net cash generated from/used in investing activities	3,767,184,613.08	-13,963,948,630.84	126.98%
Subtotal of cash generated from financing activities	35,969,147,411.79	59,806,176,788.35	-39.86%
Subtotal of cash used in financing activities	43,953,840,588.20	52,289,938,319.06	-15.94%
Net cash generated from/used in financing activities	-7,984,693,176.41	7,516,238,469.29	-206.23%
Net increase in cash and cash equivalents	2,451,304,159.48	839,954,233.26	191.84%

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

Cash used in investing activities declined 44.47% year-on-year, primarily driven by the decreased equity investments and structured deposits purchases.

Net cash generated from investing activities rose 126.98% year-on-year, primarily driven by a bigger reduction in cash used in investing activities than in cash generated from investing activities.

Cash generated from financing activities declined 39.86% year-on-year, primarily driven by the receipt of funds raised through a private placement of A-stock shares last year, with no comparable fund raising activities in the current year.

Net cash generated from financing activities declined 206.23% year-on-year, primarily driven by a larger reduction in cash generated from financing activities than in cash used in financing activities.

The net increase in cash and cash equivalents increased 191.84% year-on-year, mainly driven by the combined impact of operating, financing and investing cash flows.

Explanation of why net cash generated from/used in operating activities varies significantly from net profit of the Reporting Period:

Applicable Not applicable

V Analysis of Non-main Businesses

Unit: RMB

	Amount	As % of total profit	Main source/reason	Recurrent or not
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Investment income	6,348,676,940.80	72.15%	Income from investments in associates and joint ventures, which were mainly due to the net profit of Shanghai Port this year	Yes
Change in fair value gain or loss	73,352,800.52	0.83%	-	Not
Asset impairment	-191,297,311.28	-2.17%	Mainly due to the provision of asset impairment losses	Not
Non-operating income	87,302,024.12	0.99%	-	Not
Non-operating expense	97,072,840.72	1.10%	-	Not
Other income	224,389,260.77	2.55%	Mainly due to obtain government subsidies	Not
Gain/loss on disposal of assets	36,759,532.61	0.42%	-	Not

VI Analysis of Assets and Liabilities

1. Significant Changes in Asset Composition

Unit: RMB

	31 December 2023		1 January 2023		Change in percentage (%)	Main reason for any significant change
	Amount	As % of total assets	Amount	As % of total assets		
Monetary assets	16,079,646,178.24	8.10%	13,615,928,739.40	6.89%	1.21%	Changes in expenditures on operating, investing and financing activities
Accounts receivable	1,103,901,466.25	0.56%	1,276,149,689.44	0.65%	-0.09%	Deconsolidation of CMICT and enhanced collection of payments
Inventory	218,898,192.87	0.11%	225,122,821.48	0.11%	0.00%	-
Investment real estate	4,958,374,968.79	2.50%	5,123,690,119.56	2.59%	-0.09%	-
Long-term equity investment	96,666,117,776.27	48.68%	92,364,293,919.05	46.75%	1.93%	The swift to the equity method for the measurement

						of the investment in Antong Holdings, as well as share of profits and dividends from investee enterprises
Fixed assets	28,986,538,326.35	14.60%	32,033,326,083.50	16.21%	-1.61%	Deconsolidation of CMICT and the provision for depreciation
Projects under construction	2,909,817,281.46	1.47%	2,413,844,407.64	1.22%	0.25%	Increased engineering inputs
Right assets	9,441,668,311.22	4.76%	9,342,642,222.33	4.73%	0.03%	-
Short-term borrowings	15,714,045,288.97	7.91%	7,164,338,366.18	3.63%	4.28%	Increased short-term borrowings
Contract liability	142,080,101.00	0.07%	141,899,551.03	0.07%	0.00%	-
Long-term payables	18,227,543,954.71	9.18%	12,390,099,177.85	6.27%	2.91%	Increased long-term borrowings
Lease liability	1,001,172,206.92	0.50%	948,350,914.04	0.48%	0.02%	-
Held-for-trading financial assets	4,568,806,108.84	2.30%	2,998,781,599.63	1.52%	0.78%	Changes in structured deposits
Notes receivable	325,150,195.09	0.16%	36,395,000.00	0.02%	0.14%	Increased bank acceptance bills
Non-current assets due within one year	17,451,380.98	0.01%	902,225,293.93	0.46%	-0.45%	Renewal of PON shareholder advance due within one year, which was transferred to long-term receivables
Long-term receivables	3,856,466,116.99	1.94%	5,661,327,499.07	2.87%	-0.93%	Recovery of TL shareholder loan and Renewal of PON shareholder advance

Other non-current financial assets	877,576,442.83	0.44%	1,745,740,896.41	0.88%	-0.44%	The swift to the equity method for the measurement of the investment in Antong Holdings
Non-current liabilities due within one year	6,817,404,289.25	3.43%	11,641,223,688.95	5.89%	-2.46%	Decreased bonds payable due within one year
Other current liabilities	2,143,842,534.53	1.08%	3,161,147,525.96	1.60%	-0.52%	Decreased super-short-term financings

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

√ Applicable □ Not applicable

Asset	Source	Asset value (RMB'0,000)	Location	Operations	Control measures to protect asset safety	Return generated (RMB'0,000)	As % of the Company's net asset value	Material impairment risk (yes/no)
Equity assets	Acquired via share offering	15,123,090.34	Hong Kong	Port investment and operations	Appointing director, supervisor and senior management /According to the political, economic and legal environment of different countries and regions, establish a targeted internal control system and early warning system.	646,669.76	83.59%	No
Other information	N/A							

2. Assets and Liabilities at Fair Value

Unit: RMB

Item	Beginning amount	Gain/loss on fair-value changes in the Reporting Period	Cumulative fair-value changes through equity	Impairment allowance made in the Reporting Period	Purchased in the Reporting Period	Sold in the Reporting Period	Other changes	Ending amount
Financial assets								
Held-for-trading financial assets (exclusive of derivative financial assets)	2,998,781,599.63	49,197,662.35	-	-	29,767,450,209.48	28,197,763,397.26	-48,859,965.36	4,568,806,108.84
Other non-current financial assets	1,745,740,896.41	24,155,138.17	-	-	-	2,000,000.00	-890,319,591.75	877,576,442.83
Other equity instrument investment	171,945,275.02	-	3,205,467.88	-	-	-	-17,689,094.74	157,461,648.16
Subtotal of financial assets	4,916,467,771.06	73,352,800.52	3,205,467.88	-	29,767,450,209.48	28,199,763,397.26	-956,868,651.85	5,603,844,199.83

Receivables financing	163,766,913.10	-	-	-	-	-	-161,765,243.64	2,001,669.46
Total of the above	5,080,234,684.16	73,352,800.52	3,205,467.88	-	29,767,450,209.48	28,199,763,397.26	-1,118,633,895.49	5,605,845,869.29
Financial liabilities	-	-	-	-	-	-	-	-

Details of other changes:

Other changes in trading financial assets were mainly due to changes in structured deposits.

The main reasons for other changes in investments in other equity instruments were due to the disposal of Ningbo Daxie.

Other changes in other non-current financial assets were primarily attributable to the transfer of equity investments in Antong Holdings to long-term equity investment in associates.

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

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

Yes No

3. Restricted Asset Rights as at the Period-End

The restricted monetary assets were RMB46,535,456.14 of security deposits and the frozen funds.

The carrying value of fixed assets as collateral for bank loans was RMB291,001,239.59.

The carrying value of intangible assets as collateral for bank loans was RMB457,654,685.65.

VII Investments Made

1. Total Investment Amount

Investment Amount in 2023 (RMB)	Investment Amount in 2022 (RMB)	Change (%)
1,935,029,905.71	19,688,903,358.82	-90.17%

2. Major Equity Investments Made in the Reporting Period

Applicable Not applicable

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

□ Applicable √ Not applicable

4. Financial Investments

(1) Securities Investments

Unit: RMB

Variety of securities	Code of securities	Name of securities	Initial investment cost	Accounting measurement model	Beginning carrying value	Gain/loss on fair value changes in the Reporting Period	Cumulative fair value changes recorded into equity	Purchased in the Reporting Period	Sold in the Reporting Period	Gain/loss in the Reporting Period	Ending carrying value	Accounting item	Source
Stock	6198	Qingdao Port	124,405,138.80	Fair value method	139,233,775.66	16,703,109.95	-	-	-	11,040,295.43	158,062,729.23	Other non-current financial assets	Own funds
Stock	601298	Qingdao Port	331,404,250.30	Fair value method	628,320,000.00	63,840,000.00	-	-	-	30,161,600.00	692,160,000.00	Other non-current financial assets	Own funds

Stock	400032	Petrochemical A1	3,500,000.00	Fair value measurement method	382,200.00	-	-	-	-	-	382,200.00	Other equity instruments in investment	Own funds
Stock	400009	Guangjia n1	27,500.00	Fair value measurement method	17,000.00	-	-	-	-	-	17,000.00	Other equity instruments in investment	Own funds
Stock	600179	Antong Holdings	391,956.73	Fair value measurement method	950,457,051.17	-57,896,503.19	-	-	-	-	-	None	Own funds
Total			459,728,845.83	--	1,718,410,026.83	22,646,606.76	0.00	0.00	0.00	41,201,895.43	850,621,929.23	--	--

Note: As at 31 December 2023, the Company and a subsidiary of the Company, Zhanjiang Zhongli Ocean Shipping Tallying Co., LTD., held a combined 6.83% equity interest in Antong Holdings and assigned one director to Antong Holdings, thus the Company had a significant influence on Antong Holdings and its equity investment in Antong Holdings was changed from other non-current financial assets to long-term equity investment in associates.

(2) Investments in Derivative Financial Instruments

Applicable Not applicable

5. Use of Funds Raised

(1) Overall Usage of Funds Raised

Unit: RMB'0,000

Year	Way of raising	Total funds raised	Net proceeds	Total funds used in the Current Period	Accumulative fund used	Total funds with usage changed	Accumulative funds with usage changed	Proportion of accumulative funds with usage changed	Total unused funds	The usage and destination of unused funds	Amount of funds raised idle for over two years
2022	Private placement	1,066,912.64	1,063,253.33	852,717.05	2,313,092.05	0	0	0%	0	--	0
Total	--	1,066,912.64	1,063,253.33	852,717.05	2,313,092.05	0.00	0	-	0	--	0

Explanation of overall usage of funds raised

Pursuant to the Reply of China Securities Regulatory Commission on the Approval of the Private Placement of China Merchants Port Group Co., Ltd. (ZJXX [2022] No. 1657), the Company issued, in a private placement, a total of 576,709,537 shares of RMB-denominated ordinary shares (A-shares) to specified investors at a fixed price of RMB18.50/share, raising a total of RMB10,669,126,434.50, with the net amount after deducting issuance costs (exclusive of tax) being RMB10,632,533,330.40. The actual amount deposited in the raised funds account was RMB10,642,126,434.50 (inclusive of to-be-deducted other issuance costs of RMB9,593,104.10). Following the arrival of the aforesaid funds on 15 September 2022, Deloitte Touche Tohmatsu Certified Public Accountants LLP verified the funds raised in the private placement on 16 September 2022 and issued a Capital Verification Report (DSB (Y) Z (22) No. 00471).

As of 31 December 2023, a total of RMB23,130,920,541.98 of raised funds had been used, including: (1) RMB10,727,170,541.98 used after the arrival of the raised funds, including RMB7,600,000,000.00 for supplementing working capital and repaying debts in 2022 and RMB3,127,170,541.98 for supplementing working capital and repaying debts in 2023; (2) RMB3,750,000.00 for paying issuance costs; (3) RMB7,800,000,000.00 for purchasing structured deposits (2022: RMB4,900,000,000.00; 2023: RMB2,900,000,000.00); (4) RMB500,000,000.00 for purchasing seven days call deposits (2022: RMB200,000,000.00; 2023: RMB300,000,000.00); (5) RMB4,100,000,000.00 for purchasing term deposits (2022: RMB1,900,000,000.00; 2023: RMB2,200,000,000.00).

As of 31 December 2023, the interest income in the account of raised funds minus service charges stood at RMB24,371,574.15 (2022: RMB17,445,775.40; 2023: RMB6,925,798.75); the amount of structured deposits redeemed was RMB7,800,000,000.00 (2022: RMB4,100,000,000.00; 2023: RMB3,700,000,000.00); the amount of income from structured deposits was RMB31,427,525.11 (2022: RMB10,056,182.64; 2023: RMB21,371,342.47); the amount of term deposits redeemed was RMB4,100,000,000.00 (2023: RMB4,100,000,000.00); the amount of income from term deposits was RMB28,079,452.66 (2023: RMB28,079,452.66); the amount of seven days call deposits redeemed was RMB500,000,000.00 (2023: RMB500,000,000.00); and the amount of income from seven days call deposits was RMB4,915,555.56 (2023: RMB4,915,555.56).

As of 31 December 2023, the raised funds had been used up, and the balance in the account of raised funds was nil. So far, the account of raised funds has been cancelled.

(2) Commitment Projects of Fund Raised

Unit: RMB'0,000

Committed investment project and super raise fund arrangement	Change d or not (including partial changes)	Committed investment amount	Investment amount after adjustment (1)	Investment amount in the Reporting Period	Accumulative investment amount as of the period-end (2)	Investment schedule as the period-end (3) = (2)/(1)	Date of reaching intended use of the project	Realized income in the Reporting Period	Whether reached anticipated income	Whether occurred significant changes in project feasibility
Committed investment project										

Replenishing working capital and repaying debt	No	1,063,253.33	1,063,253.33	312,717.05	1,072,717.05	100.89%	-	N/A	N/A	N/A
Subtotal of committed investment project	--	1,063,253.33	1,063,253.33	312,717.05	1,072,717.05	--	--	N/A	--	--
Super raise fund arrangement										
N/A										
Subtotal of super raise fund arrangement	--	-	-	-	-	--	--	0	--	--
Total	--	1,063,253.33	1,063,253.33	312,717.05	1,072,717.05	--	--	N/A	--	--
Condition and reason for not reaching the schedule and anticipated income (by specific items)	N/A									
Notes of condition of significant changes occurred in project feasibility	N/A									
Amount, usage and schedule of super raise fund	N/A									
Changes in implementation address of investment project	N/A									
Adjustment of implementation mode of investment project	N/A									
Upfront investment and transfer of investment project	N/A									
Use of idle raised funds for cash management purposes	<p>On September 29, 2022, the Company held the 7th Temporary meeting of the 10th Board of Directors in 2022 and the 4th Temporary meeting of the 10th Board of Supervisors in 2022, deliberating and passing the Motion on Using Idle Raised Funds for Cash Management, and agreed that the Company would use idle raised funds with a total amount not exceeding RMB10 billion for cash management. The funds in the above quota can be used on a rolling basis, and the quota is valid for 12 months from the date of the approval of the proposal by the Board of Directors of the Company, and the idle cash management of the raised funds will be returned to the raised funds account after the expiration.</p> <p>As of December 31, 2023, the Company used temporarily idle raised funds to purchase structured deposits of RMB7.8 billion, of which: RMB4.9 billion in 2022 and RMB2.9 billion in 2023; Purchase a seven-day notice deposit of RMB500 million, including RMB200 million in 2022 and RMB300 million in 2023; Purchased time deposits of RMB4.1 billion, including RMB1.9 billion in 2022 and RMB2.2 billion in 2023. The aforementioned structured deposits, seven-day notice deposits and time deposits have all been redeemed. During the year, cash management generated revenue of RMB54.3664 million.</p>									
Amount of surplus in project implementation and the reasons	Income from wealth management and interest income									

Usage and destination of unused funds	N/A (account cancelled)
Problems incurred in fund using and disclosure or other condition	N/A

(3) Re-purposed Raised Funds

Applicable Not applicable

The company did not change the project of raising funds in the Reporting Period.

VIII Sale of Major Assets and Equity Investments

1. Sale of Major Assets

Applicable Not applicable

No such cases in the Reporting Period.

2. Sale of Major Equity Investments

Transaction party	Equity investment sold	Date of sale	Transaction price (RMB '0,000)	Net profit contributed to the Company from the period -begin to the date of sale (RMB '0,000)	Effect on the Company	Ratio of the net profit contributed by the sale of the equity investment to the Company's total profit (%)	Pricing principle	Related-party transaction or not	Relationship between the transaction party and the Company	Equity investment involved has been all transferred or not	Executed as scheduled or not; if not, give reasons and measures taken	Disclosure date	Index to disclosed information
Ningbo Zhoushan Port Company Limited	45% equity interests in Ningbo Daxie China Merchants International	8 August 2023	1,845,000.00		Effective utilization of asset resources, realization of asset		Through public tender	No	N/A	Yes	Yes	22 March 2023	Announcement No. 2023-021 on the Transfer of 45% Equity Interest in Ningbo

	l Conta iner Termi nal Co., Ltd.				value and optimi sation of geogr aphica l locati ons								Daxie China Merchan ts Internati onal Terminal s Co., Ltd. by a Majority -owned Subsidia ry through Public Tender, Announc ement No. 2023- 046 on Progress of the Transfer of 45% Equity Interest in Ningbo Daxie China Merchan ts Internati onal Terminal s Co., Ltd. by a Majority -owned Subsidia ry through Public Tender, and Announc ement No. 2023- 063 on Progress of the Transfer of 45% Equity Interest
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Subsidiary	How subsidiary was obtained or disposed in the Reporting Period	Effects on overall operations and operating performance
Dalian Port Logistics Network Co., Ltd.	Transfer upon negotiation	No significant impact
Yingkou Port Information Technology Co., Ltd.	Transfer upon negotiation	No significant impact
Ningbo Daxie China Merchants International Container Terminal Co., Ltd.	Transfer upon negotiation	No significant impact
FORTUNE CENTRE GROUP LIMITED	Newly incorporated	No significant impact
SOUTH ASIA COMMERCIAL AND LOGISTICS HUB LIMITED	Newly incorporated	No significant impact
Zhanjiang Zhangang Technology Co., LTD	De-registered	No significant impact

Notes of major holding companies and joint stock companies

There is no information on major holding companies and joint stock companies for the Company to disclose during the Reporting Period.

X. Structured Bodies Controlled by the Company

Applicable Not applicable

XI Outlook for the Future Development of the Company

1. Layout and trends of the industry

In terms of the international economy and trade, the global economic structure continues to undergo profound adjustments, and the impact of major international events such as the Russia-Ukraine conflict, the Palestinian-Israeli conflict and the Red Sea crisis will remain for a long time. The widening global divergence, especially in emerging markets and developing economies, has become increasingly pronounced among regions. Meanwhile, the elections in major countries will bring more uncertainty to the world, which have an adverse effect on the steady recovery of the global economy. However, the recovery of service industry and the decline of core inflation will be favorable supporting factors for economic development for the coming year.

In terms of the domestic economy and trade, China continues to advance the “14th Five-Year Plan” in a strong and orderly manner. By adhering to the general tone of striving for progress while maintaining stability, China accelerates its construction of a new development pattern and focuses on promoting high-quality development to comprehensively deepen reform and opening-up while implementing the new development philosophy fully, accurately and comprehensively. China will consolidate and strengthen the positive trend of economic recovery and continuously promote effective economic improvement in quality and reasonable growth in quantity. With policies to stabilize economy gradually implemented and effects of trade agreements continuously released, the

liquidity of transnational trade elements will be further improved, the momentum of import and export of commodities will be strengthened, economy and trade will stay within a reasonable ambit and the steady development of port industry will be promoted.

In recent years, across the world are spreading unprecedented changes. Port, as a major carrier and part of international trade flow, has played a significant role in global trade and transport systems. Global port operators have seized opportunities of the times, made efforts to improve the quality of port services, continuously enlarged the sphere of influence of the ports, strengthened the collaborative effects with other logistics participants and provided clients with higher-quality and more comprehensive logistics solutions. Resources competition among international ports will continue, which will bring new opportunities and challenges to the port industry. In the future, the port industry will develop towards the following trends:

(1) Globalization of port network. With the pushed process of international economic integration and the exacerbated competition in port markets globalization, the demand for port transformation and upgrade is no longer a desperate pursuit to maximize port handling capacity and corporate economic benefits. Instead, it makes the maximization of the long-term value of ports a target. The Company should continue to complete and enrich the globalization layout of ports, identify acquisition projects with investing potential, actively explore ports with strategic significance, and further improve the competence, influence and sustainability of the corporate.

(2) Integration of port services. The prominent issue of global supply chain and the acceleration of regionalization and localization of industrial chain have further driven the expansion and reform of the port industry. While focusing on the major port business, the Company should actively expand its port expansion business, carry out innovative port commercial modes, propose professional and customized logistics solutions, and provide clients with logistics services that are more flexible, secure and efficient.

(3) Digitalization of port operation. Port digitalization extent is outperforming the impact of physical infrastructure upgrades in increasing the port production efficiency. The breakthrough and innovation of digital techniques will accelerate the upgrade of the industry from “digitalization” to “digital intelligence” and continuously empower the core businesses, such as the production, management, services and ecology of the port. Digital technology infuses the port enterprises with new momentum.

(4) Green and low-carbon ports. Port is a traditional tremendous source of energy consumption and carbon emission. Governments around the world and international institutions have made a new request for green transformation to achieve the “Double Reduction” goal for energy consumption and total amount of emission. In *IMO Preliminary Strategy for Greenhouse Gas Emission Reduction from Ships*, the International Maritime Organization required that, the average carbon emission intensity per unit of transport work of global shipping industry shall decrease by at least 40% by 2030 compared with 2008. The green and low-carbon transformation of port industry is not only in line with the strategic demand by the country, but also makes an important contribution to the global green environment and sustainable development.

2. Development strategy

The Company is committed to becoming a world-class comprehensive port service provider, base itself in a new stage of development, implement the new development philosophy fully and faithfully. In pursuit of high-quality growth, it will accelerate technological leadership and innovation-driven development, achieve global scientific layout and balanced development, provide first-class comprehensive port service professional solutions, seek more returns for shareholders, support local economic and industrial development, and contribute to the development of the port industry.

Firstly, in respect of the domestic homebase port strategies, the Company will seize the opportunity arising from the supply-side reform and based on the goal of “regional consolidation and enhancement of synergy”, seek for opportunities for consolidation and cooperation on an ongoing basis across the five main coastal regions with a view to further expanding and improving the ports network layout within China. The Group will lead a new direction for the consolidation of regional ports with a key focus on constantly improving the quality of port development with its best efforts.

Secondly, in respect of the overseas strategies, the Company will correctly understand and capitalize on the opportunities arising from the international industrial transfers, at the same time adapting to the trend of deploying mega-vessels and forming shipping alliances. Emphasis will be placed on the development of global major hub ports and gateway ports as well as areas with high market potential, fast-growing economy and promising development prospect. The Company will grasp opportunities in ports, logistics and related infrastructures investment for the on-going enhancement of its global port network.

Thirdly, in respect of the innovation strategies, the Company will adhere to the principle of “driving through technology and embracing changes”, under which the Company could support the future port development through increasing the investment in innovation and holding the technology high ground. By means of technological innovation and innovative management, it will significantly enhance the efficiency and effectiveness of port operation, which will help the Company transform from "scale-driven" to "quality-driven" and the business structure change from "simple port handling and storage" to "comprehensive services based on the main port business", supporting the Company's new leapfrog development with innovation, and continuously improving the Company's driving force of development.

Fourthly, in respect of the digital strategies, the Company firmly grasps the development opportunities of "industrial digitization" and "digital industrialization", uses digitization as an entry point to empower the Company's production and operation, market expansion, operation management, and capital operation. In line with the development trends of the times and the industry, the Company uses digital technology to carry out all-round transformation of traditional port terminals to promote industrial optimization and upgrading. Relying on the stock assets and business of the ports, with the core purpose of improving quality and efficiency, the Company improves the scientization and elaboration of production operation, customer service, operation management and decision-making, and promotes the comprehensive upgrade of port management and service intelligence.

Fifthly, in respect of the lean operation strategies, the Company continues to optimize its operation and management model to focus on the planning, allocation, organization and use of resources by adhering to the market orientation, taking resources as the core, and aiming to refine resource allocation and enhance resource efficiency. The Company promotes the construction of a comprehensive management system covering the entire life cycle of resource demand assessment, resource allocation, production organization, risk management and control, sustainability and value tree assessment, thereby facilitating the Company's effective qualitative improvement and reasonable volume growth through lean operation management and providing sustained momentum for the Company's high-quality development.

Sixthly, in respect of the low-carbon strategies, the Company will firmly grasp the development opportunity of green industrial transformation and thoroughly implement the concept of green development, actively fulfil social responsibilities to continuously optimize the energy structure of the ports. It will improve its modern green port management system and mechanism, enrich the green energy supply scenarios, widely promote the concept of green investment and strive to build a new generation of green and smart ports with low energy consumption and low pollution.

3. Business plans for 2024

In 2024, the Company will continue to adhere to the general tone of making progress while maintaining stability. It takes "endogenous growth", "innovation and upgrade" and "global layout" as its development pace in accordance with the overall work policy of "seeking progress while maintaining stability, promoting stability through progress, and establishing the new before abolishing the old". Focusing on "improving the core competitiveness of the enterprise and enhancing core functions", we will establish a lean operation management system for high-quality development. The Company will promote innovation in business models and technology empowerment, constantly improving its global network layout. The Company will continue to push forward the overall high-quality development and accelerate the construction of a world-class enterprise.

(1) Adhering to the strategic guidance, promoting the construction of leading port.

Focusing on the development strategic goals and tasks for the new decade, the Company will continue to drive the implementation of its various strategies. First, the Company will continuously refine and optimize the "innovation strategies", "digital strategies", "lean operation strategies" and "low-carbon strategies". Second, we will constantly promote our domestic homebase port strategies. By optimizing the collection and transportation infrastructure, expanding support resources outside the port, enhancing regional synergistic development and implementing green and low-carbon development, the West Shenzhen homebase port will continue to promote the construction of leading port, thereby further enhancing the competitiveness of homebase ports. Third, the Company will accelerate the advancement of overseas strategies. With the objective of becoming a world-class enterprise, CICT actively respond to surrounding competition to fully leverage its strengths, consolidate and enhance the main business capabilities of container ports, accelerate the construction of South Asia's trade and logistics centre, and thereby expand the port's comprehensive logistics business. HIPG will focus on oil and gas, ro-ro trucks, bulk cargo, maritime services, regional container transshipment and park

development, and accelerating the construction of the “Six Centres” of Han Port.

(2) Strengthening lean management and promoting organic growth.

The Company will conduct internal reform based on the concept of lean management to reduce costs and increase efficiency: (1) enhancing financial management capabilities. The Company will build a world-class financial management system, set up a lean operation team and explore new measures to reduce costs; (2) improving our capital operation capability. The Company will perfect a portfolio of action plan for quality and efficiency improvement, and constantly improve the efficiency of capital operation as well as the cash return of investment projects; (3) building up our operation and management capabilities. The Company will establish professional, efficient and strong operation and management headquarters, comprehensively implement lean management, strengthen cost control, focus on reducing costs and increasing efficiency, deepen reform and strengthen headquarters control; (4) boosting our asset management capabilities. The Company will further optimize the life cycle management system of projects, and gradually develop terminal handling capability and establish cost control and operation management model.

(3) Adhering to innovation-driven development and promoting industrial upgrading.

The Company will be committed to innovation-driven development and promote technology-empowered transformation and upgrading. Leveraging on the Research Institute of CMPort for Technological Innovation and Development, the Company will develop the ecosystem for technology and innovation, and generate smart solutions for ports to build the integrated platform for industry, education and research. Through “CMCore” platform, the Company will develop three major leading products for the industry, including Container Terminal Operation System (“CTOS”), Bulk Cargo Terminal Operation System (“BTOS”) and Logistic Park Operation System (“LPOS”), striving to intelligentize the production and operation within the terminals. Based on a major project approved by the Ministry of Transport of the PRC, the Company has successfully completed a new structural design for “CTOS” and achieved phased objectives. The “CM ePort” platform will innovate the service models by improving the information service system and adopting the “Port + Internet” approach for the port to explore and develop an open platform for intelligent ports. “SMP” will combine data management, the deepening of management, and AI LLM research and application to promote the intelligent business and management.

(4) Exploring the global layout and offering additional room for development.

The Company will further expand its international footprint and conduct resource integration, and steadily offer additional room for development: (1) striving to promote the integration of domestic ports to achieve business increments. The Company will constantly advance strategic cooperation with SIPG Group and Zhejiang Seaport Group; (2) being “deeply rooted in Hong Kong” and making fresh progress. The Company will promote the business model innovation and transformation and upgrading of CMCS, CMBL, China Merchants Hoi Tung and other enterprises, continue to focus on and follow up the merger and acquisition opportunities of port and logistics-related assets in Hong Kong; (3) being “intensively rooted in Southeast Asia” and making new breakthroughs. The Company

will facilitate the completion of the NPH project in Indonesia and constantly seek opportunities to invest in port projects in Southeast Asia; (4) being “finely rooted in Middle East and Latin America” and further making headway. The Company will update regional investment strategy timely based on market changes and keep up with potential projects.

(5) Deepening reform and promoting high-quality development.

The Company will take the new round of state-owned enterprise reform deepening and upgrading action as an opportunity to promote the reform of the system and mechanism and promote the high-quality development of the Company: (1) promoting the implementation of working record and reform plan of the “Double-Hundred Action”, and continuing to improve the high-quality development as a listed company. The Company will give full play to the functions and powers of the board of directors, establish a team of full-time external directors and improve the standard of the board building at subsidiaries level; (2) deepening employment and institutional reform. The Company will further reform the system of posts, improve the talent introduction mechanism, strengthen the employer branding, further optimize management methods for total remunerations and the medium - and long-term incentive mechanism, and further improve the overseas talent management mechanism; (3) practicing ESG in depth. The Company will continue to perfect the ESG management system, adopt good practices on ESG information disclosure, strengthen investor communication, build C Blue public-welfare brand, and continue to promote the green and low-carbon development of the Company.

4. Possible risks and counter measures

(1) Risk of macroeconomic fluctuations

Internationally, in view of the rising external risks and challenges, plus several combined and interwoven factors, the uncertainties arising from the global economic recovery have increased. Due to the tight supply of international crude oil and natural gas, the scale of government debt in developed economies repeatedly reaching new highs, high benchmark interest rates in Europe and the United States, currency devaluation faced by developing countries and the reshaping of the industrial and supply chain, the global economic growth and commodity trade market have been exposed to shocks, bringing challenges to the Company’s overseas operations and investments. Domestically, the economy has gradually recovered and maintained its long-term positive growth trend. However, external demand has significantly declined affected by high inflation, high interest rates and high debt, and domestic consumer demand remains to be boosted, plus continually unstable real estate market, which will exert multiple pressure on the economy.

Amidst the complex external environment, the Company insists on emphasizing top-level design, and has a deeper insight into the global development trend and adheres to the global thinking in planning the future development. The Company will optimize the global layout through the transformation and upgrading of ports, intensify efforts in key and core technologies and enhance the momentum of overall development; grasp the policy environment of high-level opening-up to the outside world, gradually improve the regular and long-term internal collaboration system, further enhance the

connectivity with trade, promote the smooth flow of goods and resources of production factors on a larger scale, and expand the service scope and hinterland areas of ports; closely follow the changes in the global market, keep an eye on major international geopolitical development as well as the reconstruction of global industrial and supply chain, timely adjust the Company's business strategies, accurately grasp the trend and prevent the occurrence of major external risk events.

(2) Policy risks

There are diverse policy risks in the port industry. Internationally, due to the frequent occurrence of strike actions in docks arising from inflation, the dock operation in some developed countries has been confronted with a risk of halt, resulting in a pile-up of cargos and shipment delays. Such a situation, with the concurrence of the contradiction between operators and labor, may force the government roll out new policies and measures. Domestically, China adopts a more proactive opening-up strategy, develops a deeper pattern of opening-up, promotes the optimization and upgrading of trade in goods, innovates the development mechanism of trade in services, develops digital trade and introduces a series of policies conducive to import and export trade.

Facing the potential policy risks, on the one hand, the Company will strengthen the policy research, firmly grasp policy opportunities. On the other hand, the Company will improve quality and increase efficiency and strengthen the allocation of resources to enhance operational management, constantly improve profitability and effectively respond to and resolve risks.

(3) Operation management risks

The Company actively seeks the investment opportunities of domestic and overseas ports, expands its network to several regions and countries in the world through mergers and acquisitions, acquisitions, equity swaps and other ways to provide comprehensive services for global customers. With the deepening of the globalization process and the adverse changes in the macro environment, the Company is facing negative conditions such as increased difficulties in the operation and management of ports in some regions and lower returns on investment and operational efficiency. The main risks include: (1) the uncertainty and complexity of the place where the Company operates, which further increases the risk of investment decisions and the difficulty of investment, operation and management; (2) international exchange rate fluctuations affecting different regions. A two-way fluctuation of the RMB exchange rate is obvious, and this year it presented the trend of rising-falling-rising, while in emerging economies, the imported inflationary pressure has caused the fluctuations of exchange rate and capital market; (3) increased operation and management difficulties in view of different business operations between domestic ports and overseas ports.

In view of the Company's internal business management risks, the Company will (1) enhance competitiveness based on three elements, namely "market, resources and services", increase existing customer loyalty, take the initiative to identify new customers and grasp market opportunities; (2) improve the construction of the internal control and compliance system, strengthen the legal empowerment of business capabilities, ensuring effective risk identification and control and consolidating the foundation of risk control; (3) improve the risk warning system, continue to

strengthen risk identification, early warning and resolution capabilities, do a good job in key risk prevention and management in a stable and orderly manner, and continuously improve the Company's risk prevention capabilities; (4) actively explore and innovate the international operation management model, make good use of digital technology to build smart platforms, and improve the overall operation.

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

Date	Place	Way of communication	Type of communication party	Object of communication	Index to basic information of researches
4 April 2023	China Merchants Port Building	Teleconferencing	Institution	Representatives from institutions, such as Huachuang Securities, Zheshang Securities, Industrial Securities, Shenwan Hongyuan Securities, Essence Securities, BOC International (China) Co., Ltd., Western Securities, Sinolink Securities, Everbright Securities, Harvest Fund, Bosera Fund, UBS	Main discussions: the basic condition of operations, investments made and the financial condition of the Company; Materials provided: None Index: SZSE EasyIR (http://irm.cninfo.com.cn/irms/index)
6 April 2023	China Merchants Port Building	Online communication on network platform	Institution+Individual	All investors	
10 May 2023	China Merchants Port Building	One-on-one meeting	Institution	Huachuang Securities, Zheshang Securities, Harmony Capital, China Life Insurance, HZBank Wealth Management, Jinxin Fund, Deyun Asset Management, Minsen Investment, Hengli Fund	
31 August 2023	China Merchants Port Building	Conference call	Institution	Huachuang Securities, ZTF Securities, Bosera Fund, BOCOM Schroders, Essence Securities, Capital Securities, Hazel Investment, Golden Eagle Fund, Orient Securities, Industrial Securities, Changjiang Securities, Shanghai Securities, Fulida Asset, Zheshang Securities, and Northeast Securities	

4 September 2023	China Merchants Port Building	Conference call	Institution	Orient Securities, China Securities, Tianfeng Securities, Harvest Fund, Citic-prudential Fund, BOSC Asset Management, IGWT Investment, Sun Life Everbright Asset Management, and Taiping Asset Management	
8 September 2023	China Merchants Port Building	Online communication on network platform	Institution+Individual	All investors	
15 November 2023	China Merchants Port Building	Online communication on network platform	Institution+Individual	All investors	
1 January 2023-31 December 2023	China Merchants Port Building	By phone, or written inquiry (the EasyIR platform of SZSE or email)	Individual	Individual investors	Main discussions: the basic condition of operations, investments made and the financial condition of the Company; Materials provided: None
Times of communications					85
Number of institutions communicated with					45
Number of individuals communicated with					85
Number of other communication parties					0
Tip-offs or leakages of substantial supposedly-confidential information during communications					No

XIII Implementation of the action plan of "Double Improvement of Quality Reporting"

Whether the company disclosed the action plan of "Double Improvement of Quality Reporting".

Yes No

Part IV Corporate Governance

I General Information of Corporate Governance

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

1. Establishment of systems:

(1) Corporate governance mechanisms and rules that the Company has already established: Articles of Association of the Company, Rules of Procedure for General Meetings, Rules of Procedure for the Board of Directors, Working Articles of Audit Committee of the Board of Directors, Working Rules of Annual Report for Audit Committee of the Board of Directors, Working Articles for Nomination, Remuneration and Evaluation Committee of the Board of Directors; Working Articles of Strategy and Sustainability Committee of the Board of Directors, Working System for Independent Directors, Working Rules of Annual Report for Independent Directors, Rules of Procedure for the Supervisory Committee, Working Articles of Chief Executive Officer, Management System for Company Shares held by Directors, Supervisors and Senior Executives and Its Changes, Management System of Outward Investment, Management System of Related-party Transactions, Management System of Fund-raising, Management Rules on Information Disclosure, Rules of Accountability for Significant Mistakes in Annual Report Information Disclosure, Management System on Inside Information and Insiders, Internal Audit System, Management System of Investors' Relations, Specific System for Engaging Accountants, Management Method of Financial Tools, Management System on Person in Charge of Finance and CFO, Information Disclosure Management Rules for the Inter-bank Debt Financing Instrument, Management System of External Guarantees, Working Articles of Board Secretary, Management System of Securities Investments, Management System of Subsidiaries, Management Method of Donations, Rules of Procedures for Office Meeting, Management System on the Authorization of the Board of Directors, Liabilities Management System, etc. There isn't difference between the actual circumstances of the Company and all established systems.

(2) System establishment and revisions: As per the relevant regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange, between the beginning of the Reporting Period and the date of disclosure of this report, the Company revised 11 systems and created 4 new systems, with the relevant information disclosed on www.cninfo.com.cn, demonstrating sound and effective systems. And details are as follows:

Mechanism	Approval
Management Methods for the Remunerations of Managers, Management Methods for Professional Managers, Management Methods for the Tenure and Contract-based System, and Liabilities Management System	Approved at the 1 st Extraordinary Meeting of the 10 th Board of Directors in 2023 on 19 January 2023
Working Articles of Audit Committee of the Board of Directors, Working Articles for Nomination, Remuneration and Evaluation Committee of the Board of Directors; Working Articles of Strategy and Sustainability Committee of the Board of Directors, Working Articles of Chief Executive Officer, Management System of Investors' Relations, and Performance Appraisal Methods for Managers	Approved at the 5 th Extraordinary Meeting of the 11 th Board of Directors in 2023 on 25 October 2023
Articles of Association of the Company, Rules of Procedure for the Board of Directors, Working System for Independent Directors, and Management Method of Donations	Approved at the 2 nd Extraordinary General Meeting of 2023 on 5 December 2023
Rules of Procedures for Office Meeting	Approved at the 6 th Extraordinary Meeting of the 11 th Board of Directors in 2023 on 28 December 2023

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

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

4. Directors and the Board of Directors: the Company elected directors in strict accordance with the Articles of Association. Number and composition of members of the Board were in compliance with

relevant laws and regulations. During the Reporting Period, the Company successfully completed the general election of the Board of Directors. During the Reporting Period, the Board of Directors implemented six powers including rights to make decisions on medium- and long-term development, select and engage Management members, evaluate performance of Management members, manage the remuneration of Management members, manage the distribution of employees and manage major financial affairs in accordance with the Implementation of the Functions and Powers of the Board of Directors, strengthening the ability of the Board of Directors to exercise their rights and fulfil their responsibilities. All directors of the Company fulfilled their responsibilities loyally and diligently, actively attending the Board Meeting and the General Meeting, expressing views and discussing on proposals submitted to and deliberated by the Board during the Reporting Period. Proposals deliberated by the Board were all agreed. The Board of Directors of the Company has set up the Audit Committee, the Nomination, Remuneration and Evaluation Committee, and the Strategy and Sustainable Development Committee. During the Reporting Period, each committee gave full play to its professional functions, researched each professional affairs, offered views and advice, assisted the Board in carrying out works, and actively came up with ideas, providing strong guarantee for the scientific and efficient decision-making of the Board.

5. Supervisors and the Supervisory Committee: number and composition of the members of the Supervisory Committee were in compliance with the requirements of laws and regulations. During the Reporting Period, the Company successfully completed the general election of the Supervisory Committee. The supervisors diligently and seriously performed their duties and obligations, took responsible attitudes to all shareholders and supervised the financial affair as well as the performance by the Company's Directors, managers and other senior executives of their duties in compliance with the laws and regulations.

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

7. Information disclosure and transparency: As the department for the management of information disclosure, the Board of Directors of the Company is responsible for managing the information disclosure matters of the Company. Chairman of the Board assumes a central role in managing the

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

Since the foundation, the Company was consistently in strict accordance with Company Law and relevant laws and regulations to make a standard operation, continued business-running in line with relevant requirements of Corporate Governance Principle for Listed Companies and earnestly made effort to protect profit and interests of shareholders and stakeholders.

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

Yes No

No such cases in the Reporting Period.

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

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

Separation in business: The Company has its own assets, personnel, qualifications and ability to carry out operating activities and is able to operate independently in the market. Separation in personnel:

The Company has basically separated its staff from its controlling shareholder. No senior management staff of the Company holds positions at controlling shareholder of the Company. Separation in assets:

The Company possesses its own self-governed assets and domicile. Separation in organization: The

Company has established and improved the corporate governance structure according to law and has an independent and complete organizational structure. Separation in finance: The Company has set up its own financial department as well as normative accounting system and the financial management system on its subsidiaries. The Company has its own bank accounts and does not share the same bank account with its controlling shareholder. The Company has been paying tax in accordance with the laws and regulations on its own behalf.

III Horizontal Competition

Applicable Not applicable

IV Annual and Special General Meetings Convened during the Reporting Period

1. General Meeting Convened during the Reporting Period

Meeting	Type	Investor participation ratio	Date of the meeting	Disclosure date	Index to disclosed information
The 2022 Annual General Meeting	Annual General Meeting	90.81%	22 May 2023	23 May 2023	For the resolution announcement (No. 2023-045), see http://www.cninfo.com.cn
The 1 st Extraordinary General Meeting of 2023	Extraordinary General Meeting	90.75%	31 July 2023	1 August 2023	For the resolution announcement (No. 2023-060), see http://www.cninfo.com.cn
The 2 nd Extraordinary General Meeting of 2023	Extraordinary General Meeting	90.49%	5 December 2023	6 December 2023	For the resolution announcement (No. 2023-088), see http://www.cninfo.com.cn

2. Special General Meetings Convened at the Request of Preferred Shareholders with Resumed

Voting Rights

Applicable Not applicable

V Directors, Supervisors and Senior Management

1. General Information

Name	Gender	Age	Office title	Incumbent/Former	Start of tenure	End of tenure	Beginning shareholding (share)	Increase in the Reporting Period (share)	Decrease in the Reporting Period (share)	Other increase/decrease (share)	Ending shareholding (share)	Reason for share change
Feng Boming	Male	54	Chairman of the Board	Incumbent	July 2023	May 2026	0	0	0	0	0	N/A
Xu Song	Male	52	Vice Chairman of the Board and CEO	Incumbent	July 2023	May 2026	0	0	0	0	0	N/A
Yan Gang	Male	51	Vice Chairman of the Board	Incumbent	May 2022	May 2026	0	0	0	0	0	N/A
Lu Yongxin	Male	54	Director, Chief Operation Officer, and General Manager	Incumbent	July 2023	May 2026	0	0	0	0	0	N/A
Li Zhanglin	Male	57	Director	Incumbent	January 2024	May 2026	0	0	0	0	0	N/A
Li Qing	Male	54	Director	Incumbent	January 2024	May 2026	0	0	0	0	0	N/A
Wu Changpan	Male	54	Director	Incumbent	December 2022	May 2026	0	0	0	0	0	N/A
Lyu Yiqiang	Male	47	Director	Incumbent	December 2022	May 2026	0	0	0	0	0	N/A
Gao Ping	Male	68	Independent director	Incumbent	May 2020	May 2026	0	0	0	0	0	N/A
Li Qi	Female	53	Independent director	Incumbent	May 2020	May 2026	0	0	0	0	0	N/A
Zheng Yongkuan	Male	46	Independent director	Incumbent	May 2021	May 2026	0	0	0	0	0	N/A
Chai Yueting	Male	60	Independent director	Incumbent	December 2022	May 2026	0	0	0	0	0	N/A
Yang Yuntao	Male	57	Chairman of the Supervisory Committee	Incumbent	October 2021	May 2026	0	0	0	0	0	N/A
Fu Bulin	Male	52	Supervisor	Incumbent	April 2022	May 2026	0	0	0	0	0	N/A
Xu Jia	Male	42	Supervisor	Incumbent	May 2020	May 2026	0	0	0	0	0	N/A
Lei Yuanyuan	Female	34	Supervisor	Incumbent	May 2023	May 2026	0	0	0	0	0	N/A
Tu Xiaoping	Male	58	CFO	Incumbent	May 2021	May 2026	0	0	0	0	0	N/A
Li Yubin	Male	52	Deputy General Manager	Incumbent	December 2018	May 2026	0	0	0	0	0	N/A

			Board Secretary	Incumbent	April 2021	May 2026							
Liu Bin	Male	55	Deputy General Manager	Incumbent	September 2022	May 2026	0	0	0	0	0	0	N/A
Zhu Weida	Male	55	Deputy General Manager	Incumbent	April 2023	May 2026							
Li Wenbo	Male	44	Deputy General Manager	Incumbent	August 2023	May 2026							
Liu Libing	Male	50	General Counsel (Chief Compliance Officer)	Incumbent	August 2020	May 2026	0	0	0	0	0	0	N/A
Deng Renjie	Male	54	Former Chairman of the Board	Former	December 2018	July 2023	0	0	0	0	0	0	N/A
Wang Xiufeng	Male	53	Former Vice Chairman of the Board and CEO	Former	August 2021	July 2023	0	0	0	0	0	0	N/A
Zhang Rui	Male	58	Former Director	Former	April 2022	January 2024	0	0	0	0	0	0	N/A
Liu Weiwu	Male	59	Former Director	Former	May 2021	January 2024	0	0	0	0	0	0	N/A
Gong Man	Female	35	Former Supervisor	Former	May 2020	April 2023	0	0	0	0	0	0	N/A
Total	--	--	--	--	--	--	0	0	0	0	0	0	--

Indicate by tick mark whether any directors or supervisors left or any senior management were disengaged during the Reporting Period

Yes No

During the Reporting Period, the directors, supervisors and senior management of the Company left mainly for job change. For more details, please see the table below.

Change of Directors, Supervisors and Senior Management

Name	Office title	Type of change	Date of change	Reason for change
Gong Man	Employee Supervisor	Resigned	7 April 2023	Job change
Zhu Weida	Deputy General Manager	Appointed	29 April 2023	Appointed
Lei Yuanyuan	Employee Supervisor	Elected	22 May 2023	Elected
Deng Renjie	Director, Chairman of the Board	Resigned	10 July 2023	Job change
Wang Xiufeng	Director, Vice Chairman of the Board and CEO	Resigned	10 July 2023	Job change
Xu Song	Chief Operation Officer, and General Manager	Resigned	14 July 2023	Reappointment
Xu Song	CEO	Appointed	14 July 2023	Appointed
Lu Yongxin	Deputy General Manager	Resigned	14 July 2023	Reappointment
Lu Yongxin	Chief Operation Officer, and General Manager	Appointed	14 July 2023	Appointed
Feng Boming	Director, Chairman of the Board	Elected	31 July 2023	Elected

Xu Song	Vice Chairman of the Board	Elected	31 July 2023	Elected
Lu Yongxin	Director	Elected	31 July 2023	Elected
Li Wenbo	Deputy General Manager	Appointed	16 August 2023	Appointed
Liu Libing	Chief Compliance Officer	Appointed	16 August 2023	Appointed
Zhang Rui	Director	Resigned	8 January 2024	Job change
Liu Weiwu	Director	Resigned	8 January 2024	Job change
Li Zhanglin	Director	Elected	31 January 2024	Elected
Li Qing	Director	Elected	31 January 2024	Elected

2. Biographical Information

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

Feng Boming, Chairman of the Board, and economist, graduated from the University of Hong Kong, with a master's degree in business administration. He is currently Chairman of the Company, Deputy General Manager of China Merchants Group Limited, Chairman of Liaoning Port Group Co., Ltd., Chairman of the Board of Directors and a non-executive director of China Merchants Port Holdings Company Limited, Chairman of China Merchants Energy Shipping Co., Ltd., and Chairman of Sinotrans Limited. He served as Manager of the Commercial Department of COSCO Shipping Lines Co., Ltd., General Manager of COSCO Shipping (Hong Kong) MERCURY, General Manager of the Operation and Management Department of COSCO Shipping Holdings (Hong Kong), General Manager of COSCO Shipping Lines (Wuhan) Co., Ltd./COSCO Logistics (Wuhan) Co., Ltd., Director of the Strategic Management Implementation Office of China COSCO Shipping (Group) Company, General Manager of the Strategic and Enterprise Management Department of COSCO Shipping Corporation Limited, executive director and Chairman of the Board of Directors of COSCO Shipping Ports Ltd., executive director of COSCO Shipping Holdings Co., Ltd. and Oriental Overseas (International) Limited, non-executive director of COSCO Shipping Energy Transportation Co., Ltd., COSCO Shipping Development Co., Ltd., COSCO Shipping International (Hong Kong) Co., Ltd., Qingdao Port International Co., Ltd. and Piraeus Port Authority S.A., as well as director of COSCO

Shipping (Hong Kong) Co., Ltd., COSCO Shipping Investment Holdings Co., Limited, Hainan Harbor & Shipping Holding Co., Ltd., COSCO Shipping Bulk Co., Ltd., and Chairman and non-executive director of Sinotrans Limited. Mr. Feng has been the Chairman of the Board of the Company since July 2023.

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

Yan Gang, Vice Chairman of the Board, graduated from Xiamen University with a bachelor's in international trade, and completed an MBA program co-created by the Maastricht School of Management (Maastricht, the Netherlands) and Shanghai Maritime University. He now serves as Vice Chairman of the Board of the Company, non-executive director of China Merchants Port Holdings Company Limited, member of Commercial (Third) Functional Constituency of the Legislative Council of the Hong Kong Special Administrative Region of the People's Republic of China, Vice Chairman of Panel on Economic Development of the Legislative Council of the Hong Kong Special Administrative Region of the People's Republic of China, and member of the Maritime

and Port Development Committee of Hong Kong Maritime and Port Board. He served as the senior logistic manager in Neptune Orient Lines Limited and Hong Kong Swire Group, Chief Commercial Supervisor, Deputy General Manager, Executive Deputy General Manager and General Manager of Shekou Container Terminals Limited, Deputy General Manager, Chief Commercial Officer and Managing Director of China Merchants Port Holdings Company Limited, Chief Representative of the Representative Office of China Merchants Group Limited in the Baltic Sea, General Manager of Great Stone Industrial Park, Deputy General Manager, Chief Operating Officer and General Manager of China Merchants Port Group Co., Ltd., and the member of the Pilotage Advisory Committee of Marine Department of the Government of the Hong Kong Special Administrative Region and the Logistic Service Advisory Committee of Hong Kong Trade Development Council. He has served as a Director of the Company since April 2022 and Vice Chairman of the Board of the Company since May 2022.

Lu Yongxin, Director, COO and General Manager, graduated from Dalian University of Technology, and obtained bachelor's degree in English for science and technology. Later Lu Yongxin graduated from Curtin University and obtained master's degree in project management. Lu Yongxin now serves as Director, COO and General Manager of the Company, as well as Executive Director and Managing Director of China Merchants Port Holdings Company Limited. Lu Yongxin has successively held the posts of Assistant General Manager of Zhenhua Construction Co. Ltd., Deputy Director of General Manager's Office of China Harbour Engineering Company Limited (Presiding), Deputy General Manager of Research & Development Department of China Merchants Port Holdings Company Limited, General Manager of Overseas Business Department, Assistant General Manager and Deputy General Manager of the company, Deputy General Manager of the Company. Lu Yongxin has been dispatched to Terminal Link in France to act as CFO and Senior Vice President. Lu Yongxin has been as the Director, COO and General Manager of the Company since July 2023.

Li Zhanglin, Director, and senior economist, graduated from the School of Statistics of Renmin University of China, with a master's degree in economics. He is currently a director of the Company,

a full-time external director sent by China Merchants Group Corporation Limited and a supervisor of China Merchants Expressway Network & Technology Holdings Co., Ltd. He served as Assistant General Manager of the Enterprise Planning Department, Deputy Director of the Comprehensive Transportation Department/Overseas Business Department, and Deputy Director of the Transportation and Logistics Department of China Merchants Group Corporation Limited, and Deputy General Manager of Sinotrans Limited, and worked at the Planning Department of the Ministry of Transportation, and the Securities Management Department of China Merchants Expressway Network & Technology Holdings Co., Ltd.. Mr. Li has been Chairman of the Board of Directors of the Company since January 2024.

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

Wu Changpan, Director, graduated from the Power Plant and Power System major of Hangzhou Electric Power College and Human Resource major of Central China Normal University. He now serves as a Director of the Company and Director of Investment Development Department in Zhejiang Provincial Seaport Investment & Operation Co., Ltd. and Ningbo Zhoushan Port Group Co., Ltd. Mr. Wu has served as Deputy Director and Director of Comprehensive Office of Zhejiang Electric Power Construction Company, Deputy Director and Director of Comprehensive Office of

Zhejiang Electric Power Construction Co., Ltd., Deputy Director and Director of Investment and Development Department of Ningbo Zhoushan Port Group Co., Ltd. He has served as a Director of the Company since December 2022.

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

Gao Ping, Independent Director, obtained Executive Master of Business Administration from the University of International Business and Economics (UIBE). He is also a senior engineer and senior political worker. Currently, he serves as an Independent Director in the Company. His former titles included first mate, Management Section Chief, and HR Manager at Shanghai Ocean Shipping Co., Ltd., HR General Manager at COSCO Container Lines Co., Ltd., General Manager at the Crew Department of COSCO (H.K.) Shipping Co., Ltd., Deputy General Manager at COSCO (H.K.) Shipping Co., Ltd., Deputy General Manager at Shenzhen Ocean Shipping Co., Ltd. under COSCO (H.K.) Shipping Co., Ltd., General Manager at the Organization Department/HR Department of China COSCO SHIPPING Corporation Limited (COSCO SHIPPING Group), Deputy General Manager at COSCO Shipping Lines Co., Ltd., member of 11th and 12th Shanghai Committees of the Chinese People's Political Consultative Conference (CPPCC), and Deputy Director of the Committee for Economic Affairs of the Shanghai Committee of the CPPCC. He has served as an Independent Director of the Company since May 2020.

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

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

Chai Yueting, Independent Director, graduated from the Department of Automation of Tsinghua University with a master's degree and a doctoral degree in engineering. He now serves as an Independent Director of the Company, doctoral mentor in automation in Tsinghua University, Director of National Engineering Laboratory for E-Commerce Technologies, Leader of the Expert Team for Modern Services of the Ministry of Science and Technology of the People's Republic of China, E-Commerce Standardization Team of the Standardization Administration and Expert Team of Expert Advisory Committee for Development of National E-Commerce Demonstration Cities, editor of the international, academic journal International Journal of Crowd Science, and Independent Director of Xinfangsheng Digital Intelligence Technology Co., Ltd. Mr. Chai has served as a member of the 2nd and 3rd Expert Advisory Committee of State Informatization. He serves as an Independent Director of the Company since December 2022.

Yang Yuntao, Chairman of the Supervisory Committee, graduated from Jilin University, majoring in international law, and obtained bachelor's degree in law. Later Yang Yuntao studied at School of Law, University of International Business and Economics, and obtained doctor's degree in law. He is

now Chairman of the Supervisory Committee of the Company, and Head of the Risk Management Department/Legal Compliance Department/Audit Department of CMG. Yang Yuntao has successively held the posts of Deputy General Manager of Port Business Department of Sino-Trans China National Foreign Trade Transportation Corporation, General Manager of Law Department, Director, Deputy President (principal person) of SINOTRANS (Hong Kong) Group Company Limited, Non-Executive Director of SINOTRANS Limited, General Manager of Law Department of Sino-Trans China Foreign Trade Transportation (Group) Corporation, General Manager, Deputy General Counsel, General Counsel and General Manager of Law Department of SINOTRANS & CSC, Deputy Director of Transportation & Logistics Business Department/Beijing Headquarters of China Merchants Group Company Limited., Deputy Director of Shipping Business Management Preparatory Office of China Merchants Group, Deputy General Manager and General Counsel of China Merchants Energy Shipping Co., Ltd.,. Yang Yuntao has been being the Supervisor of the Company since December 2018 and the Chairman of the Supervisory Committee of the Company since October 2021.

Fu Bulin, Supervisor, intermediate accountant, graduated from the Accounting Department of Shanghai Maritime University with a bachelor's degree in economics, and a master's degree in business management from the University of South Australia. He now serves as a Supervisor of the Company and Deputy Director of Audit Department in China Merchants Group Limited. Mr. Fu has served as an Accounting Department Chief of the China Merchants Zhangzhou Development Zones Co., Ltd., Deputy Director, Manager and Senior Manager of Audit Department of the China Merchants Group Limited, and Assistant of the General Manager of Audit Department, Assistant of the Head of Risk Management Department and Deputy Director of the Audit Centre of China Merchants Group Limited. He serves as a Supervisor of the Company since April 2022.

Xu Jia, Supervisor, graduated from the Wuhan University of Technology and obtained a master's degree in Control Theory and Control Engineering. Currently, he is a supervisor and the Deputy General Manager at the Operations Management Department of the Company. He worked as a Senior System Planning Engineer and Project Planning Director at the Engineering Technology Department

of Shekou Container Terminal Co., Ltd. He has been a supervisor of the Company since May 2020.

Lei Yuanyuan, Supervisor, graduated from Shanxi University of Finance and Economics and with a bachelor's degree in financial management and in finance. She is currently a supervisor of the Company and the Senior Manager of the Financial Management Department/Capital Operation Department. She served as Accountant, the Reporting Director and Capital Director in the Finance Department of Shenzhen Chiwan Wharf Holdings Limited and Deputy Function Manager, Function Manager in the Finance Management Department/Capital Operation Department of China Merchants Port Group Co., Ltd. She has been a supervisor of the Company since May 2023.

Tu Xiaoping, Chief Financial Officer, senior accountant, graduated from Shanghai Maritime University with a bachelor's degree in economics, majoring in financial accounting, and a master's degree in management from Zhongnan University of Economics and Law, majoring in administration management. He currently serves as the Chief Financial Officer of the Company, as well as an Executive Director and the Chief Financial Officer of China Merchants Port Holdings Company Limited. He worked as accountant in Finance Division of Anhui Jianghai Transportation Company, Deputy Head of Finance Division of Anhui Ocean Shipping Co., Ltd., a clerk in the Finance Department of Hong Kong Ming Wah Shipping Company Limited, Deputy Manager of the Finance Department of China Merchants Group Cangma Transportation Co., Ltd., Manager of Finance Department and Chief Financial Officer of China Merchants Real Estate Co., Ltd., Manager of Finance Department of China Merchants Real Estate Group Co., Ltd., Chief Financial Officer and Deputy General Manager of Shenzhen Merchants Venture Co., Ltd., General Manager of Finance Department, China Merchants Shekou Industrial Zone Co., Ltd., CFO, Deputy General Manager and Party Secretary of China Merchants Logistics Group Co., Ltd., General Manager and Deputy Party Secretary of China Yangtze Shipping Group Co., Ltd. He has served as the Chief Financial Officer of the Company since May 2021.

Li Yubin, Deputy General Manager and Board Secretary, graduated from Tianjin University, majoring in Harbor and Cannel Engineering with the bachelor of engineering degree, Tianjin

University, majoring in engineering management, and obtained master's degree. Later Li Yubin graduated from The University of Hong Kong and obtained doctor's degree in real estate and construction. Li Yubin now serves as Deputy General Manager and Board Secretary of the Company, as well as Deputy General Manager of China Merchants Port Holdings Company Limited. Li Yubin used to be Deputy General Manager of Road and Bridge Project of China Harbor Company in Bangladeshi Office, Project Director of Overseas Business Department of CHEC, Assistant General Manager of Planning and Commerce Department, R&D Department and Overseas Branches Department of China Merchants Holdings (International) Company Limited, General Manager, Deputy General Economist of Strategy and Operation Management Department of China Merchants Port Holdings Company Limited (CM Port Holdings) & General Manager and Chairman of the Board of China Merchants Bonded Logistics Co., Ltd., the Chief Representative of Representative Office of China Merchants Group in Djibouti, the Chief Digital Officer of China Merchants Port Group Co., Ltd., and Vice Chairman of the Board of Tianjin Haitian Bonded Logistics Co., Ltd. Li Yubin has been the Deputy General Manager of the Company since December 2018 and the Board Secretary of the Company since April 2021.

Liu Bin, Deputy General Manager, graduated from Zhongnan University of Economic and Law with a bachelor's degree in economic law and a master's degree in business management from Dalian University of Technology. He now serves as the Deputy General Manager of the Company and Deputy Chief Economist of China Merchants Port Holdings Company Limited. Mr. Liu has served as the Deputy General Manager of Business Management Department, Ministry of Commerce and Corporate Strategy and Development Department and General Manager of Administration Department, Human Resource Department and Supervision Department in China Merchants Port Holdings Company Limited, Director and General Manager of Shenzhen Chiwan Wharf Holdings Limited, and Director of Shenzhen Goodten Interlink Technology Co., Ltd. He serves as a Deputy General Manager of the Company since September 2022.

Li Wenbo, Deputy General Manager, Intermediate Economist, Engineer, graduated from the School of Mechanical Engineering, Hefei University of Technology, majoring in Mechanical Design and Manufacturing. He now serves as Deputy General Manager of the Company and Deputy General

Manager of China Merchants Port Holdings Company Limited. He served as the Assistant to the General Manager/Director of the Human Resources Department of Sinotrans Limited, the Deputy Director, Director, Assistant to the Head of the Personnel Department under the Human Resources Department of China Merchants Group Corporation Limited, and Director of Personnel Department/Cadre Supervision Department, Assistant to the Director of the Human Resources Department and Director of Cadre Department, Deputy Director of the Human Resources Department and Director of Cadre Department. He has been the Deputy General Manager of the Company since August 2023.

Zhu Weida, Deputy General Manager, holds a bachelor degree in engineering in Electrical Automation from the Department of Computer and Automation of Wuhan Institute of Water Transportation Engineering and a master degree in engineering in mechanical engineering from the School of Automation, Wuhan University of Technology. Currently, he is Deputy General Manager of the Company. He served as Deputy General Manager of Beilun Ore Terminal under Ningbo Zhoushan Port Company Limited, General Manager of Zhoushan Quhuang Port Development and Construction Co., Ltd, General Manager of Zhoushan Shulanghu Terminal Co., Ltd, Director of Corporate Management (Audit) Department and Comprehensive Supervision Department of Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd and Ningbo Zhoushan Port Group Co., Ltd.. He has been Deputy General Manager of the Company since April 2023.

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

of Shanghai City Development Law Firm, and full-time lawyer at Guangdong Sun Law Firm. Manager at the Legal Affairs Department and Senior Manager of China Merchants Property Development Co., Ltd., Manager at the Legal Affairs Department of China Merchants Group Co., Limited, Senior Manager at the Risk Management Department of China Merchants Group Co., Limited, and Senior Manager of the General Office and head of the Secretariat of the Board of Directors at China Merchants Group Co., Limited. He has been the General Counsel of the Company since August 2020. He has been the Chief Compliance Officer of the Company since August 2023.

Offices held concurrently in shareholding entities:

Applicable Not applicable

Offices held concurrently in other entities:

Name	Other entity	Office held in the entity	Start of tenure	End of tenure	Remuneration or allowance from the entity
Feng Boming	China Merchants Group Co., Limited	Deputy General Manager	March 2022		Yes
Feng Boming	Liaoning Port Group Co., Ltd.	Chairman of the Board	August 2022		No
Feng Boming	China Merchants Energy Shipping Co., Ltd	Chairman of the Board	July 2023		No
Feng Boming	SINOTRANS&CSC Holdings Co.,Ltd.	Chairman of the Board	December 2023		No
Feng Boming	Sinotrans Limited	Chairman of the Board	August 2022	July 2023	No
Xu Song	Liaoning Port Co., Ltd.	Director	November 2021	September 2023	No
Xu Song	China Merchants Taiping Bay Development Investment Co., Ltd.	Director	July 2023		No
Xu Song	China Nanshan Development (Group) Incorporation	Director	September 2023		No
Xu Song	Shenzhen Chiwan Industrial Development Co. Ltd.	Director	September 2023		No
Lu Yongxin	Tin-can Island Container Terminal Ltd	Vice Chairman of the Board	July 2019		No
Lu Yongxin	Terminal Link S.A.S.	Director	March 2020		No
Li Zhanglin	China Merchants Group Co., Limited	Full-time outside directors assigned	December 2023		Yes
Li Zhanglin	China Merchants Expressway Network & Technology Holdings Co., Ltd.	Supervisor	March 2022		No

Li Qing	China Merchants Group Co., Limited	Full-time outside directors assigned	December 2023		Yes
Li Qing	China Merchants Hainan Development & Investment Co., Ltd.	Director	June 2023		No
Wu Changpan	Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd.	Director of Investment Development	September 2022		Yes
Wu Changpan	Ningbo Zhoushan Port Group Co., Ltd.	Director of Investment Development	September 2022		Yes
Wu Changpan	East Harbor Investment Development Group Co., Ltd.	Director	June 2017		No
Wu Changpan	Zhejiang Zhongao Modern Industrial Park Co., Ltd.	Director	April 2016		No
Wu Changpan	Zhejiang Zhidi Holdings Co., Ltd.	Director	August 2019		No
Wu Changpan	Zhejiang Aozhou Cattle Industry Co., Ltd	Director	September 2016		No
Lyu Yiqiang	Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd.	Director of Production Safety Department	December 2021		Yes
Lyu Yiqiang	Ningbo Zhoushan Port Group Co., Ltd.	Director of Production Safety Department	December 2021		Yes
Lyu Yiqiang	Hangzhou Port Group Co., Ltd.	Director	June 2022		No
Lyu Yiqiang	Ningbo Electronic Port Co., Ltd.	Chairman of the Board	February 2023		No
Li Qi	Peking University	Associate Professor	August 2005		Yes
Li Qi	Guangdong Nanyue Bank Co.,Ltd.	Independent Director	November 2020		Yes
Li Qi	Shanghai Nagamori Machinery Co., Ltd.	Independent Director	July 2023		Yes
Zheng Yongkuan	Xiamen University	Professor	August 2019		Yes
Zheng Yongkuan	Civil Law Research Institute of China Law Society	Director	June 2017		No
Zheng Yongkuan	Civil and Commercial Law Research Institute of Fujian Law Society	Vice President	November 2020		No
Zheng Yongkuan	Xiamen Arbitration Commission	Arbitrator	April 2008		No

Zheng Yongkuan	Quanzhou Arbitration Commission	Arbitrator	January 2019		No
Zheng Yongkuan	Fidelity Law Firm	Lawyer	December 2017		No
Zheng Yongkuan	Fujian Deer Technology Corp.	Independent Director	April 2022		Yes
Chai Yueting	Tsinghua University	Researcher	August 2001		Yes
Chai Yueting	General Expert Group of Modern Service Industry, Ministry of Science and Technology	Group Leader	May 2018		No
Chai Yueting	E-Commerce Standardization Work Group of Standardization Administration	Group Leader	August 2016		No
Chai Yueting	Expert Group of National E-Commerce Model City Creation Work Expert Advisory Committee	Group Leader	January 2015		No
Chai Yueting	Beijing Block Chain Expert Group	Member	June 2020		No
Chai Yueting	International Journal of Crowd Science	Editor	January 2017		No
Chai Yueting	Xinfang Shengshuzhi Technology Co., Ltd.	Independent Director	November 2022		Yes
Yang Yuntao	China Merchants Group Co., Limited	Minister of Risk Management Department/Legal Compliance Department/Audit Department	September 2021		No
Yang Yuntao	China Yangtze Shipping Group Co., Ltd.	Chairman of the Supervisory Committee	October 2021		No
Yang Yuntao	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Supervisor	March 2022		No
Yang Yuntao	China Merchants Expressway Network & Technology Holdings Co., Ltd.	Chairman of the Supervisory Committee	March 2022		No
Fu Bulin	China Merchants Group Co., Limited	Vice Minister of Audit Department	September 2017		Yes
Fu Bulin	China Yangtze Shipping Group Co., Ltd.	Supervisor	June 2023		No
Fu Bulin	Sinotrans Limited	Supervisor	July 2023		No
Fu Bulin	China Merchants Sharing Service Co. Ltd.	Supervisor	November 2021		No
Fu Bulin	China Merchants Investment Development Co., Ltd.	Supervisor	October 2022		No
Tu Xiaoping	China Nanshan Development (Group) Incorporation	Chairman of the Supervisory Committee	February 2022		No

Tu Xiaoping	Shenzhen Chiwan Industrial Development Co. Ltd.	Chairman of the Supervisory Committee	February 2022		No
Tu Xiaoping	Shenzhen China Merchants Qianhai Industrial Development Co., L	Director	April 2022		No
Li Yubin	Silk Road Yishang Information Technology Co., Ltd.	Chairman of the Board	January 2019		No
Li Yubin	Shenzhen Gangteng Internet Technology Co., Ltd.	Chairman of the Board	January 2022		No
Li Yubin	Asia Airfreight Terminal Company Limited	Vice Chairman of the Board	December 2022		No
Li Yubin	Laos Vientiane Saysettha Operation and Management Co., Ltd.	Director	June 2022		No
Li Yubin	Tianjin Haitian Bonded Logistics Co., Ltd.	Vice Chairman of the Board	June 2022	November 2023	No
Li Yubin	Liaoning Port Co., Ltd.	Director	August 2023		No
Liu Bin	China Merchants Port International College SZPU Haisi College	President of the Council, President	October 2020		No
Liu Bin	SPIC Yuetong Qiyuan Core Power Technology Co., Ltd.	Director	July 2021		No
Liu Bin	Shenzhen Goodten Interlink Technology Co., Ltd.	Director	January 2022	August 2023	No
Li Wenbo	Tianjin Port Container Terminal Co., Ltd.	Director	August 2023		No
Liu Libing	Shanghai International Port (Group) Co., Ltd.	Supervisor	October 2022		No
Note	Offices of directors, supervisor, and senior management held concurrently in other entities exclude offices held in the Company and subsidiaries within the consolidation scope.				

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

Applicable Not applicable

3. Remuneration of Directors, Supervisors and Senior Management

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

Decision-making procedure for the remuneration of directors, supervisors and senior management:

Remunerations for the Company's directors, supervisors and senior management shall be nominated by the Board of Directors and determined upon review of the Remuneration and Appraisal Committee.

Allowance for the 10th Independent Directors is RMB150,000/year (tax included), which has been approved at the 2019 Annual General Meeting. Allowance for the 11th Independent Directors is

RMB150,000/year (tax included), which has been approved at the 2022 Annual General Meeting.

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

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

Remuneration of directors, supervisors and senior management for the Reporting Period

Name	Gender	Age	Office title	Incumbent/Former	Total before-tax remuneration from the Company (RMB'0,000)	Any remuneration from related party
Feng Boming	Male	54	Chairman of the Board	Incumbent	0	Yes
Xu Song	Male	52	Vice Chairman of the Board and CEO	Incumbent	251	No
Yan Gang	Male	51	Vice Chairman of the Board	Incumbent	232	No
Lu Yongxin	Male	54	Director, Chief Operation Officer, and General Manager	Incumbent	223	No
Li Zhanglin	Male	57	Director	Incumbent	0	Yes
Li Qing	Male	54	Director	Incumbent	0	Yes
Wu Changpan	Male	54	Director	Incumbent	0	Yes
Lyu Yiqiang	Male	47	Director	Incumbent	0	Yes
Gao Ping	Male	68	Independent director	Incumbent	15	No
Li Qi	Female	53	Independent director	Incumbent	15	No
Zheng Yongkuan	Male	46	Independent director	Incumbent	15	No
Chai Yueting	Male	60	Independent director	Incumbent	15	No
Yang Yuntao	Male	57	Chairman of the Supervisory Committee	Incumbent	0	Yes
Fu Bulin	Male	52	Supervisor	Incumbent	0	Yes
Xu Jia	Male	42	Supervisor	Incumbent	68	No

Lei Yuanyuan	Female	34	Supervisor	Incumbent	30	No
Tu Xiaoping	Male	58	CFO	Incumbent	244	No
Li Yubin	Male	52	Deputy General Manager, Board Secretary	Incumbent	174	No
Liu Bin	Male	55	Deputy General Manager	Incumbent	198	No
Li Wenbo	Male	44	Deputy General Manager	Incumbent	43	No
Zhu Weida	Male	55	Deputy General Manager	Incumbent	0	Yes
Liu Libing	Male	50	General Counsel (Chief Compliance Officer)	Incumbent	165	No
Deng Renjie	Male	54	Former Chairman of the Board	Former	0	Yes
Wang Xiufeng	Male	53	Former Vice Chairman of the Board and CEO	Former	169	No
Zhang Rui	Male	58	Former Director	Former	0	Yes
Liu Weiwu	Male	59	Former Director	Former	0	Yes
Gong Man	Female	35	Former Supervisor	Former	37	No
Total	--	--	--	--	1,894	--

Other notes

Applicable Not applicable

VI Performance of Duty by Directors in the Reporting Period

1. Board Meeting Convened during the Reporting Period

Meeting	Date of the meeting	Disclosure date	Meeting resolutions
The 1 st Extraordinary Meeting of the 10 th Board of Directors in 2023	19 January 2023	20 January 2023	<p>The meeting deliberated on and passed:</p> <ol style="list-style-type: none"> 1. Proposal on Adjusting the Exercise Prices of the Stock Option Incentive Plan (Phase I) of the Company 2. Proposal on Adjusting the Numbers of Qualified Awardees and Stock Options to Be Granted of the Stock Option Incentive Plan (Phase I) of the Company 3. Proposal on the Failure to Meet the Exercise Conditions for the Second Exercise Schedule of the Stock Options (the First Batch to be Granted) under the Company's Stock Option Incentive Plan (Phase I) 4. Proposal on the Failure to Meet the Exercise Conditions for the First Exercise Schedule of the Stock Options (the Reserved Batch to be Granted) under the Company's Stock Option Incentive Plan (Phase I)

			<p>5. <i>Proposal on Cancelling Some Stock Options under the Company's Stock Option Incentive Plan (Phase I)</i></p> <p>6. <i>Proposal on the Formulation of the Management Measures for the Remuneration of Management Members</i></p> <p>7. <i>Proposal on the Formulation of the Management Measures for Professional Managers</i></p> <p>8. <i>Proposal on the Formulation of the Management Measures for Term System and Contractual Management</i></p> <p>9. <i>Proposal on the Revision of the Management Measures for Donations to External Beneficiaries</i></p> <p>10. <i>Proposal on the Formulation of Liabilities Management System</i></p>
The 2 nd Extraordinary Meeting of the 10 th Board of Directors in 2023	20 March 2023	21 March 2023	<p>The meeting deliberated on and passed:</p> <p><i>Proposal on the Public Transfer of 45% of CMICT's Equity by the Majority-Owned Subsidiary</i></p>
The 7 th Meeting of the 10 th Board of Directors	31 March 2023	4 April 2023	<p>The meeting deliberated on and passed:</p> <ol style="list-style-type: none"> 1. <i>Proposal on the 2022 Report on the Work of the Board of Directors</i> 2. <i>Proposal on the 2022 Report on Business Operations</i> 3. <i>Proposal on the 2022 Report on Financial Accounts</i> 4. <i>Proposal on the Company's Shareholder Return Plan for the Three Years (2022-2024)</i> 5. <i>Proposal on the 2022 Profit Distribution and Dividend Payout Plan</i> 6. <i>Proposal on the Annual Report 2022 and Abstract</i> 7. <i>Proposal on the 2022 Report on Sustainable Development</i> 8. <i>Proposal on the 2022 Annual Internal Control Evaluation Report</i> 9. <i>Proposal on Anti-fraud Risk Assessment Report for 2022</i> 10. <i>Proposal on the 2022 Inspection Report on the Provision of Guarantees, Related-Party Transactions, Securities Investment and Derivatives Transactions and the Provision of Financial Assistance</i> 11. <i>Proposal on the 2022 Law-Based Development Report (including the Report on the Development of the Compliance Management System)</i> 12. <i>Proposal on the 2023 Investment Plan</i> 13. <i>Proposal on the 2023 Report on Donation Budget</i> 14. <i>Proposal on the Company's Five-Year Strategic Plan for 2023-2027</i> 15. <i>Proposal on the Confirmation of the Continuing Related-Party Transactions in 2022 and the Estimation of Such Transactions in 2023</i> 16. <i>Proposal on Business at China Merchants Bank Such as Deposits and Loans and Related-Party Transactions in 2023</i>

			<p>17. <i>Proposal on Confirming External Guarantee Progress of the Company in 2022 and the Expected New External Guarantee Line in the Next 12 Months</i></p> <p>18. <i>Proposal on Bank Credit Line and Financing Plan for Financial Institutions in 2023</i></p> <p>19. <i>Proposal on Reviewing the General Authorization of the Company to Issue Bond Products</i></p> <p>20. <i>Proposal on the Risk Assessment Report of China Merchants Group Finance Co., Ltd. Dated 31 December 2022</i></p> <p>21. <i>Proposal on the Special Report on Deposit and Usage of Raised Fund in 2022</i></p> <p>22. <i>Proposal on Renewal of Appointment of Accounting Firm for 2023</i></p> <p>23. <i>Proposal on the Renewal of Liability Insurance for Directors, Supervisors and Senior Management</i></p> <p>24. <i>Proposal on the Election of the Board of Directors</i></p> <p>25. <i>Proposal on the Nomination of Independent Director Candidates</i></p> <p>26. <i>Proposal on the Allowance and Expense of Independent Directors</i></p>
The 3 rd Extraordinary Meeting of the 10 th Board of Directors in 2023	6 April 2023	7 April 2023	<p>The meeting deliberated on and passed:</p> <p><i>Proposal on the Related-Party Transaction Regarding Conducting Financial Leasing between Majority-owned Subsidiaries and Related Parties</i></p>
The 4 th Extraordinary Meeting of the 10 th Board of Directors in 2023	28 April 2023	29 April 2023	<p>The meeting deliberated on and passed:</p> <ol style="list-style-type: none"> 1. <i>Proposal on the First Quarter Report 2023</i> 2. <i>Proposal on the Extension of Financial Assistance Provided by Majority-owned Subsidiaries</i> 3. <i>Proposal on the Extension of Financial Assistance Provided by Majority-owned Subsidiaries and Related-Party Transactions to their Equity-participating Companies</i> 4. <i>Proposal on the Appointment of Mr. Zhu Weida as Deputy General Manager</i> 5. <i>Proposal on the Schedule and Agenda of the 2022 Annual General Meeting</i>
The 1 st Extraordinary Meeting of the 11 th Board of Directors in 2023	14 July 2023	15 July 2023	<p>The meeting deliberated on and passed:</p> <ol style="list-style-type: none"> 1. <i>Proposal on the Appointment of Senior Management</i> 2. <i>Proposal on the Appointment of Securities Affairs Representative</i> 3. <i>Proposal on the Adjustment of a Partially-owned Subsidiary's Related-party Guarantee for Its Equity-participating Company</i> 4. <i>Proposal on the By-election of Director</i> 5. <i>Proposal on the Schedule and Agenda of the First Extraordinary General Meeting in 2023</i>

The 2 nd Extraordinary Meeting of the 11 th Board of Directors in 2023	31 July 2023	1 August 2023	<p>The meeting deliberated on and passed:</p> <ol style="list-style-type: none"> 1. <i>Proposal on the Election of Chairman and Vice Chairman of the 11th Board of Directors</i> 2. <i>Proposal on the Election of Members of Audit Committee of the 11th Board of Directors</i> 3. <i>Proposal on the Election of Members of Nomination, Remuneration and Appraisal Committee of the 11th Board of Directors</i> 4. <i>Proposal on the Election of Members of Strategy and Sustainable Development Committee of the 11th Board of Directors</i> 5. <i>Proposal on the Convener of Audit Committee of the 11th Board of Directors</i> 6. <i>Proposal on the Convener of Nomination, Remuneration and Appraisal Committee of the 11th Board of Directors</i> 7. <i>Proposal on the Convener of Strategy and Sustainable Development Committee of the 11th Board of Directors</i>
The 3 rd Extraordinary Meeting of the 11 th Board of Directors in 2023	16 August 2023	17 August 2023	<p>The meeting deliberated on and passed:</p> <ol style="list-style-type: none"> 1. <i>Proposal on the Appointment of Deputy General Manager</i> 2. <i>Proposal on the Appointment of Chief Compliance Officer</i>
The 1 st Meeting of the 11 th Board of Directors	29 August 2023	31 August 2023	<p>The meeting deliberated on and passed:</p> <ol style="list-style-type: none"> 1. <i>Proposal on the Semi-Annual Report 2023 and Abstract</i> 2. <i>Proposal on the Risk Assessment Report of China Merchants Group Finance Co., Ltd. Dated 30 June 2023</i> 3. <i>Proposal on the Special Report on Deposit and Usage of Raised Fund in H1 2023</i> 4. <i>Proposal on Inspection Report on the Provision of Guarantees, Related-Party Transactions, Securities Investment and Derivatives Transactions and the Provision of Financial Assistance for H1 2023</i>
The 4 th Extraordinary Meeting of the 11 th Board of Directors in 2023	26 September 2023	26 September 2023	<p>The meeting deliberated on and passed:</p> <p><i>Proposal on the Transfer and Acquisition of Equity Interests in Relevant Subsidiaries and Related-party Transactions</i></p>
The 5 th Extraordinary Meeting of the 11 th Board of Directors in 2023	25 October 2023	26 October 2023	<p>The meeting deliberated on and passed:</p> <ol style="list-style-type: none"> 1. <i>Proposal on the Third Quarter Report 2023</i> 2. <i>Proposal on Amending the Articles of Association of the Company</i> 3. <i>Proposal on Revising the Rules of Procedure for the Board of Directors</i> 4. <i>Proposal on Revising the Working System for Independent Directors</i> 5. <i>Proposal on Revising the Working Articles of Audit Committee of the Board of Directors</i>

			<p>6. Proposal on Revising the Working Articles of Nomination, Remuneration and Appraisal Committee of the Board of Directors</p> <p>7. Proposal on Revising the Working Articles of Strategy and Sustainable Development Committee of the Board of Directors</p> <p>8. Proposal on Revising the Working Articles of Chief Executive Officer</p> <p>9. Proposal on Revising the Management System of Investors' Relations</p> <p>10. Proposal on Revising the Measures for Appraising the Business Performance of Management Members</p> <p>11. Proposal on Convening the Company's 2nd Extraordinary General Meeting in 2023</p>
The 6 th Extraordinary Meeting of the 11 th Board of Directors in 2023	28 December 2023	29 December 2023	<p>The meeting deliberated on and passed:</p> <p>1. Proposal on Revising the Rules of Procedures for Office Meeting</p> <p>2. Proposal on the Results of Performance Appraisal of Management Members for 2022 and Remuneration Encashment Programme</p>

2. Attendance of Directors at Board Meetings and General Meetings

Attendance of directors at board meetings and general meetings							
Director	Total number of board meetings the director was eligible to attend	Board meetings attended on site	Board meetings attended by telecommunication	Board meetings attended through a proxy	Board meetings the director failed to attend	The director failed to attend two consecutive board meetings (yes/no)	General meetings attended
Feng Boming	7	3	4	0	0	No	2
Xu Song	12	4	8	0	0	No	3
Yan Gang	12	3	9	0	0	No	3
Zhang Rui	12	3	9	0	0	No	3
Liu Weiwu	12	3	9	0	0	No	3
Lu Yongxin	7	3	4	0	0	No	2
Wu Changpan	12	0	12	0	0	No	3
Lyu Yiqiang	12	0	12	0	0	No	3
Gao Ping	12	3	9	0	0	No	3
Li Qi	12	4	8	0	0	No	3
Zheng Yongkuan	12	4	8	0	0	No	3
Chai Yueting	12	4	8	0	0	No	3
Deng Renjie	5	1	4	0	0	No	1
Wang Xiufeng	5	1	4	0	0	No	1

Why any director failed to attend two consecutive board meetings:

None

3. Objections Raised by Directors on Matters of the Company

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

Yes No

No such cases in the Reporting Period.

4. Other Information about the Performance of Duty by Directors

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

Yes No

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

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

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

Profile of Specialized Committee under the Board as at the end of the period			
No.	Specialized Committee	Member	Convener
1	Strategy and Sustainable Development Committee	Feng Boming, Xu Song, Yan Gang, Li Zhanglin, Li Qing, Lu Yongxin, Gao Ping, Li Qi, Chai Yueting	Feng Boming
2	Audit Committee	Li Qi, Chai Yueting, Zheng Yongkuan	Li Qi
3	Nomination, Remuneration and Evaluation Committee	Gao Ping, Feng Boming, Zheng Yongkuan	Gao Ping

Committee	Member	Number	Date of the meeting	Meeting	Contents	Others	Details
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		m b e r o f m e e t i n g s c o n v e n e d				infor mati on abou t the perf orm ance of duty	about matte rs with objec tions (if any)
The 10 th Strategy and Sustainable Development Committee	Deng Renjie, Wang Xiufeng, Yan Gang, Zhang Rui, Xu Song, Gao Ping, Li Qi, Chai Yueting	1	30 March 2023	The 1 st Meeting of the Strategy Committee of the 10 th Board of Directors for 2023	The meeting reviewed: 1. <i>Proposal on the Report on Performance of Duty by the Strategy and Sustainable Development Committee of the Board of Directors in 2022</i> 2. <i>Proposal on the 2022 Report on Sustainable Development</i> 3. <i>Proposal on the Company's Five-Year Strategic Plan for 2023-2027</i>	Unanimous vote	None
The 11 th Strategy and Sustainable Development Committee	Feng Boming, Xu Song, Yan Gang, Zhang Rui, Lu Yongxin, Gao Ping, Li Qi, Chai Yueting	1	31 July 2023	The 1 st Meeting of the Strategy Committee of the 11 th Board of Directors for 2023	The meeting reviewed: <i>Proposal on the Election of Convener of Strategy and Sustainable Development Committee of the 11th Board of Directors and Confirmation of the Head of Investment Review Team</i>	Unanimous vote	None
Audit Committee of the Board of Directors	Li Qi, Liu Weiwu, Zheng Yongkuan	6	30 March 2023	The 1 st Meeting of the Audit Committee of the 10 th Board of Directors for 2023	The meeting reviewed: 1. <i>Proposal on the Report on Performance of Duty by the Audit Committee of the Board of Directors in 2022</i> 2. <i>Proposal on Work Report of Accounting Firm for 2022</i> 3. <i>Proposal on the Financial Report of 2022</i>	Unanimous vote	None

				<p>4. <i>Proposal on Renewal of Appointment of Accounting Firm for 2023</i></p> <p>5. <i>Proposal on Anti-fraud Risk Assessment Report for 2022</i></p> <p>6. <i>Proposal on Internal Auditing Report for 2022</i></p> <p>7. <i>Proposal on Internal Auditing Plan for 2023</i></p> <p>8. <i>Proposal on Inspection Report on Deposit and Usage of Raised Fund in 2022</i></p> <p>9. <i>Proposal on Inspection Report on the Provision of Guarantees, Related-Party Transactions, Securities Investment and Derivatives Transactions and the Provision of Financial Assistance for 2022</i></p> <p>10. <i>Proposal on the 2022 Law-Based Development Report (including the Report on the Development of the Compliance Management System)</i></p>		
		28 April 2023	The 2 nd Meeting of the Audit Committee of the 10 th Board of Directors for 2023	<p>The meeting reviewed:</p> <p>1. <i>Proposal on Internal Audit Report for the First Quarter of 2023</i></p> <p>2. <i>Proposal on Inspection Report on Deposit and Usage of Raised Fund in the First Quarter of 2023</i></p>	Unanimous vote	None
		31 July 2023	The 1 st Meeting of the Audit Committee of the 11 th Board of Directors for 2023	<p>The meeting reviewed:</p> <p><i>Proposal on the Election of Convener of Audit Committee of the 11th Board of Directors and the Confirmation of Contact of Working Group</i></p>	Unanimous vote	None
		29 August 2023	The 2 nd Meeting of the Audit Committee of the 11 th Board of Directors for 2023	<p>The meeting reviewed:</p> <p>1. <i>Proposal on Financial Report for H1 2023</i></p> <p>2. <i>Proposal on Internal Audit Report for the Second Quarter of 2023</i></p> <p>3. <i>Proposal on Inspection Report on Deposit and Usage of Raised Fund in H1 2023</i></p> <p>4. <i>Proposal on Inspection Report on the Provision of Guarantees, Related-Party Transactions, Securities Investment and Derivatives Transactions and the</i></p>	Unanimous vote	None

					<i>Provision of Financial Assistance for HI 2023</i>		
			25 October 2023	The 3 rd Meeting of the Audit Committee of the 11 th Board of Directors for 2023	The meeting deliberated on and passed: 1. <i>Proposal on the Third Quarter Report 2023</i> 2. <i>Proposal on Internal Audit Report for the Third Quarter of 2023</i> 3. <i>Proposal on Inspection Report on Deposit and Usage of Raised Fund in the Third Quarter of 2023</i> 4. <i>Proposal on the Selection of Accounting Firm for 2024</i>	Unanimous vote	None
			29 December 2023	The 4 th Meeting of the Audit Committee of the 11 th Board of Directors for 2023	Meet with accountants to negotiate the schedule for the audit of the 2023 Annual Financial Report	Meeting and communication with accountants	None
The 10 th Nomination, Remuneration and Evaluation Committee of the Board of Directors	Gao Ping, Deng Renjie, Zheng Yongkuan	3	19 January 2023	The 1 st Meeting of the Nomination, Remuneration and Evaluation Committee of the 10 th Board of Directors for 2023	The meeting reviewed: 1. <i>Proposal on the Formulation of the Management Measures for the Remuneration of Management Members</i> 2. <i>Proposal on the Formulation of the Management Measures for Professional Managers</i> 3. <i>Proposal on the Formulation of the Management Measures for Term System and Contractual Management</i>	Unanimous vote	None
			30 March 2023	The 2 nd Meeting of the Nomination, Remuneration and Evaluation Committee of the 10 th Board of Directors for 2023	The meeting reviewed: 1. <i>Proposal on Report on Performance of Duty by the Nomination, Remuneration and Appraisal Committee of the Board of Directors in 2022</i> 2. <i>Proposal on the Remuneration of Directors, Supervisors and Senior Management in 2022</i> 3. <i>Proposal on the Inspection of Director Candidates</i> 4. <i>Proposal on the Allowance and Expense of Independent Directors</i>	Unanimous vote	None

			28 April 2023	The 3 rd Meeting of the Nomination, Remuneration and Evaluation Committee of the 10 th Board of Directors for 2023	The meeting reviewed: <i>Proposal on the Appointment of Mr. Zhu Weida as Deputy General Manager</i>	Unanimous vote	None
The 11 th Nomination, Remuneration and Evaluation Committee of the Board of Directors	Gao Ping, Feng Boming, Zheng Yongkuan	4	31 July 2023	The 1 st Meeting of the Nomination, Remuneration and Evaluation Committee of the 11 th Board of Directors for 2023	The meeting reviewed: <i>Proposal on the Election of Convener of Nomination, Remuneration and Appraisal Committee of the 11th Board of Directors and the Confirmation of Head of Working Group</i>	Unanimous vote	None
			16 August 2023	The 2 nd Meeting of the Nomination, Remuneration and Evaluation Committee of the 11 th Board of Directors for 2023	The meeting reviewed: 1. <i>Proposal on the Appointment of Deputy General Manager</i> 2. <i>Proposal on the Appointment of Chief Compliance Officer</i>	Unanimous vote	None
			25 October 2023	The 3 rd Meeting of the Nomination, Remuneration and Evaluation Committee of the 11 th Board of Directors for 2023	The meeting reviewed: <i>Proposal on Revising the Measures for Appraising the Business Performance of Management Members</i>	Unanimous vote	None
			28 December 2023	The 4 th Meeting of the Nomination, Remuneration and Evaluation Committee of the 11 th Board of Directors for 2023	The meeting reviewed: <i>Proposal on the Results of Performance Appraisal of Management Members for 2022 and Remuneration Encashment Programme</i>	Unanimous vote	None

VIII Performance of Duty by the Supervisory Committee

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

Yes No

The Supervisory Committee raised no objections in the Reporting Period.

IX Employees

1. Number, Functions and Educational Backgrounds of Employees

Number of in-service employees of the Company as the parent as at the end of the period	303
Number of in-service employees of major subsidiaries as at the end of the period	14,147
Total number of in-service employees	14,450
Total number of paid employees in the Reporting Period	15,315
Number of retirees to whom the Company as the parent or its major subsidiaries need to pay retirement pensions	9,659
Functions	
Function	Employees
Production	7,769
Sales	545
Technical	3,044
Financial	524
Administrative	2,568
Total	14,450
Educational backgrounds	
Educational background	Employees
Master's degree and above	554
Bachelor's degree	3,921
Junior college	3,682
Technical secondary school and below	6,293
Total	14,450

2. Employee Remuneration Policy

In 2023, in the face of the severe external situation and a series of risks and challenges, the Company, in line with the general principle of seeking progress while maintaining stability and made every effort to implement development measures. Through continuous optimization of the remuneration incentive mechanism, the Company promoted the in-depth integration of human efficiency enhancement and business development, boosting its high-quality development.

The Company optimized revenue distribution mechanism, launched benchmarking of performance and remuneration, improved remuneration strategy at the appropriate time, and enhanced the efficiency of resource allocation. Efforts were made to improve the diversified incentive system by combining short-term and medium- and long-term incentives, equity incentives and cash-based incentives, to create a mechanism for employees and the Company to share benefits and risks. The

Company adopted targeted incentives by stratification and classification, supported by the improvement in performance appraisal and incentive mechanism, adhered to the concept of performance-oriented market-based income distribution, and strengthened the connection with appraisal. The Company continuously and effectively play the role of remuneration incentives by establishing a dynamic remuneration adjustment mechanism linked to the appraisal. The remuneration distribution policy is more favourable to the excellent team and outstanding employees who create value, talents who make remarkable contributions and the difficult, dirty, dangerous, and tiring front-line positions, as well as technology innovation talents and value creators.

Based on the principles of internationalization, localization and being market-oriented, the Company built an international talent incentive system combining differentiated management and all-round protection, ensuring the effective operation of the management mode featuring “professionalised long-term assignment, policy-based short-term assignment, and young reserve talents”. It explored the development of incentive mechanism for a technology-based enterprise, introduced special incentive measures for technology innovation talents, and strengthened the incentive orientation of value creation based on knowledge, technology and other innovation elements, providing policy support and system guarantee for technology innovation. The Company focused on the establishment of a long-term incentive mechanism, explored the feasibility of phased implementation of the equity incentive plan and the applicability of medium- and long-term incentive instruments. Based on this, it actively advanced medium- and long-term incentive plans for Senior Management and key employees, effectively mobilizing motivation and creativity and injecting vitality into it.

3. Employee Training Plans

In 2023, the Company vigorously planned and implemented various talent development projects with a focus on its talent development strategies and business development needs. It also established a team of high-quality internal trainers and developed high-quality courses. The above measures helped cultivate young cadres with excellent professional ability, innovative spirit and global vision, thus boosting the talent building of the Company.

First, the Company continued to carry out the youth cadre class project, strengthened the industry’s internal course training system, and organized 115 young cadres to study and explore port-related business in depth. Through a series of leadership course training such as non-authority influence and comprehensive communication, the Company improved the comprehensive management ability in a targeted manner, and helped to build high-quality young cadres who are proficient in business, good at management, and have a global vision.

Second, its overseas strategies were actively promoted and its digitalised strategies implemented. To expand the Company's overseas business, thematic seminars and external resource empowerment were carried out in order to conduct targeted training projects. It invited professional professors from key national institutions to give lectures and exchange ideas, and organised overseas political, economic and cultural courses, enhancing the staff's understanding of cross-culture communication and their ability to communicate and collaborate with partners with different cultural backgrounds. In addition, the Company invited its experts in digitalisation to conduct internal training to deepen employees' understanding of digitally-enabled business and to enhance their awareness of digital security.

Third, it continued to improve the quality of internal trainers and expand the size of the team. In 2023, the Company launched the third phase of its trainer training project, and established a long-term effective mechanism to encourage more managers and business experts to join in the ranks of internal trainers. Through course review and teaching in lieu of training, 30 new internal trainers were added and 30 high-quality courses were released. At the same time, the Company effectively leveraged the synergy of training, and sent more quality internal training courses to subordinate companies, ensuring the sharing of high-quality training resources to benefit more employees.

4. Labor Outsourcing

Total man-hours (hour)	N/A
Total remuneration paid (RMB)	1,204,882,561.08

X Final Dividend Plan of the Company for the Reporting Period

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

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

Special statement about the cash dividend policy	
In compliance with the Company's Articles of Association and resolution of general meeting	Yes
Specific and clear dividend standard and ratio	Yes
Complete decision-making procedure and mechanism	Yes

Independent directors faithfully performed their duties and played their due role	Yes
Specific reasons and the next steps it intends to take to enhance the investor return level if the Company has not made cash dividend:	Not applicable
Non-controlling interests are able to fully express their opinion and desire and their legal rights and interests are fully protected	Yes
In case of adjusting or changing the cash dividend policy, the conditions and procedures involved are in compliance with applicable regulations and transparent	Not applicable

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

Applicable Not applicable

3. Final Dividend Plan for the Reporting Period

Bonus shares/10shares (share)	0
Cash dividend/10 shares (RMB) (tax inclusive)	5.8
Bonus issue from capital reserves (share/10 shares)	0
Share base (share)	2,499,462,404
Total cash dividends (RMB) (tax inclusive)	1,449,688,194.32
Cash dividends in other forms (such as share repurchase) (RMB)	0.00
Total cash dividends (including other forms) (RMB)	1,449,688,194.32
Distributable profits (RMB)	1,999,000,567.57
Cash dividends (including other forms) as % of total profits to be distributed (%)	100%

Details of the cash dividends

As the Company is in the mature stage of development with significant capital expenditures arrangement, when distributing profits, the proportion of cash dividends in this profit distribution shall be 40% at least.

Details of final dividend plan for the Reporting Period

As audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP, the consolidated net profit attributable to the Company as the parent for 2023 stood at RMB3,571,800,762.16 and the net profit of the Company as the parent at RMB940,631,145.26.

(1) According to the Company Law and the Articles of Association of the Company, when distributing the current year's after-tax profits, the Company shall draw 10% of the profits for the company's statutory reserve fund. This withdrawal of surplus reserve for the Company is RMB94,063,114.53. The accumulative distributable profit of the Company as the parent at the end of 2023 was RMB1,999,000,567.57.

(2) Base on the latest total 2,499,462,404 shares, a cash dividend of RMB5.80 (tax included) is to be distributed for every 10 shares, totalling RMB1,449,688,194.32, with no bonus issue from either profit or capital reserves.

After the above-mentioned distribution, the retained earnings of the Company as the parent will be RMB549,312,373.25.

If there is a change in the total share capital of the company during the period from the disclosure of the distribution plan to its implementation due to the listing of new shares, the grant and exercise of equity incentives, convertible bonds to shares conversion, share repurchases, etc., the total distribution amount for the year 2023 will be adjusted accordingly based on the principle that the distribution amount per share remains unchanged.

The above profit distribution plan still needs to be submitted to the 2023 Annual General Meeting for approval.

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

1. Equity incentive

The Company's review and approval procedures carried out in connection with the Stock Option Incentive Plan are as follows:

(1) The 1st Extraordinary Meeting of the 10th Board of Directors in 2023 and 1st Extraordinary Meeting of the 10th Supervisory Committee in 2023 of the Company, held on 19 January 2023, reviewed and approved the Proposal on Adjusting the Exercise Prices of the Stock Option Incentive Plan (Phase I) of the Company, the Proposal on Adjusting the Numbers of Qualified Awardees and Stock Options to Be Granted of the Stock Option Incentive Plan (Phase I) of the Company, the Proposal on the Failure to Meet the Exercise Conditions for the Second Exercise Schedule of the Stock Options (the First Batch to be Granted) of the Stock Option Incentive Plan (Phase I) of the Company, the Proposal on the Failure to Meet the Exercise Conditions for the First Exercise Schedule of the Stock Options (the Reserved Portion) of the Stock Option Incentive Plan (Phase I) of the Company, and the Proposal on Cancelling Some Stock Options in the Stock Option Incentive Plan (Phase I) of the Company.. Independent directors gave independent opinions of agreement. The Supervisory Committee of the Company verified the proposals and gave opinions. For details, see the relevant announcements disclosed by the Company on Cninfo (www.cninfo.com.cn) (Announcement No. 2023-005, 2023-006, 2023-007, 2023-008 and 2023-009).

(2) On 7 February 2023, upon the review and confirmation of Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the Company completed the cancellation of some stock options in the stock option incentive plan (phase I). For more details, please refer to the Announcement on Completing the Cancellation of Some Stock Options in the Stock Option Incentive Plan (Phase I) of the Company (Announcement No. 2023-010) disclosed by the Company on Cninfo (www.cninfo.com.cn).

Equity Incentives for Directors and Senior Management

Name	Office title	Share options held at the period-begin	Share options granted in the Reporting Period	Shares feasible to exercise during the Reporting Period	Shares exercised during the Reporting Period	Exercise price of exercised shares during the Reporting Period (RMB/share)	Share options held at the period-end	Market price at the period-end (RMB/share)	Number of restricted shares held at the period-begin	Number of released shares for the Reporting Period	Number of restricted shares newly granted during the Reporting Period	The grant price of restricted shares (RMB/share)	Number of restricted shares held at the period-end
Xu Song	Vice Chairman	240,000	-	-	-	-	120,000	-	-	-	-	-	-

	of the Board and CEO												
Yan Gang	Vice Chairman of the Board	102,000	-	-	-	-	51,000	-	-	-	-	-	-
Lu Yongxin	Chief Operation Officer, and General Manager	144,000	-	-	-	-	72,000	-	-	-	-	-	-
Li Yubin	Deputy General Manager, and Board Secretary	144,000	-	-	-	-	72,000	-	-	-	-	-	-
Liu Bin	Deputy General Manager	60,000	-	-	-	-	30,000	-	-	-	-	-	-
Liu Libing	General Counsel (Chief Compliance Officer)	50,000	-	-	-	-	25,000	-	-	-	-	-	-
Total	--	740,000	-	-	-	--	370,000	--	-	-	-	--	-
Remark (if any)	On 7 February 2023, upon the review and confirmation of Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the Company completed the cancellation of above stock options. 120,000 shares, 51,000 shares, 72,000 shares, 72,000 shares, 30,000 shares and 25,000 shares of share options respectively held by Mr. Xu Song, Mr. Yan Gang, Mr. Lu Yongxin, Mr. Li Yubin, Mr. Liu Bin and Mr. Liu Libing had been cancelled												

Appraisal of and Incentive for Senior Management

In 2023, the Company continuously carried out the tenure system and contractual management,

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

The performance-based bonus scheme for Senior Management members was optimized based on the distinctive principle of “outperforming the market and the peers”, through the comparison with themselves and benchmarking with their peers and the complementation of short-term KPI appraisal and long-term strategic assessment. That ensured the Company’s business performance was strongly linked to the performance bonus of Senior Management members, giving full play to the incentive and guiding role of remuneration. To promote the implementation of the Company’s medium- and long-term incentive plan, it encouraged Senior Management to focus on the short-term performance of the year and the development of its medium- and long-term performance.

2. Employee Stock Ownership Plans

Applicable Not applicable

3. Other Incentive Measures for Employees

Applicable Not applicable

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

1. Establishment and Implementation of Internal Control System

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

During the Reporting Period, the Company prepared the Handbook of Internal Control Workflow of

CMPort, in which it specified the workflow of the principal business and corresponding authority and responsibilities and regulated critical control processes, including the setting of internal institutions, the responsibilities and authority for major positions, and the approval procedures. By refining the internal control workflow, the Company's internal control management was substantially improved. CMPort achieved full coverage of internal control management during the Reporting Period. It supervised and inspected the internal control systems of nine subordinate companies. Concurrently, all subordinate companies conducted internal control self-assessments on a quarterly basis and prepared the internal control weakness checklist in accordance with the annual internal control plan of CMPort and focusing on internal control elements including corporate governance, authorization management, job responsibilities and process activities. By the end of 2023, all internal control weaknesses are rated as general weaknesses, and no material weaknesses were identified. For the general weaknesses, the Company designated the person responsible for the remediation, developed a remediation plan, and followed up on the remediation progress regularly.

The Company prepared the 2023 Internal Control Assessment Report in accordance with the Basic Rules for Enterprise Internal Control and its supporting guidelines, other regulatory requirements for internal control, and the Company's internal control policies and assessment methods. The conclusion of the report is as follows: By the identification of material weaknesses in the internal control over the Company's financial reporting, as at the base day of the internal control assessment report (31 December 2023), no material weaknesses were identified in the internal control over the Company's financial reporting. Therefore, the Board of Directors believed that the Company had maintained effective internal control over financial reporting in all material respects as per the Basic Rules for Enterprise Internal Control and relevant regulations. According to the identification of material weaknesses in the Company's internal control over non-financial reporting, there were no material weaknesses in the internal control over non-financial reporting as at the base day of the internal control assessment report. Between the base day and the issuance day of the internal control assessment report, there were no factors that affected the assessment conclusion about the effectiveness of the internal control.

2. Material Internal Control Weaknesses Identified for the Reporting Period

Yes No

XIII Management and Control over Subsidiaries for the Reporting Period

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

XIV Internal Control Self-Evaluation Report and Independent Auditor’s Report on Internal Control

Disclosure date of the internal control self-evaluation report		2 April 2024		
Index to the disclosed internal control self-evaluation report		For details, see www.cninfo.com.cn		
Evaluated entities’ combined assets as % of consolidated total assets		100.00%		
Evaluated entities’ combined operating revenue as % of consolidated operating revenue		100.00%		
Identification standards for internal control weaknesses				
Type	Weaknesses in internal control over financial reporting	Weaknesses in internal control not related to financial reporting		
Nature standard	If a defect or defect group give rise to the following events which cannot be prevented or found and made rectification, the defect or defect group are recognized as significant defects: (1) Malpractices of directors, supervisors	Great defect	Significant defect	Common defect
		Development direction substantially deviates from the strategic goals, and investment direction, business structure and business model are completely unable to support the realization of strategic goals	Development direction partly deviates from the strategic goals, and investment direction, business structure and business model are unable to support the realization of strategic goals at a larger extent	Development direction slightly deviates from the strategic goals, and investment direction, business structure and business model are unable to fully support the realization of strategic goals
		Strategy implementation is blocked, almost all indicators of strategy	Strategy implementation is blocked, most of indicators of strategy	Strategy implementation is blocked, part of indicators of strategy

	and senior management:	implementation cannot completed as planned	implementation cannot completed as planned	implementation cannot completed as planned
	(2) The Company make correction to the financial report issued;	Lead to break off of common business/service or it takes half year or above to recover the break off of common business/service	Lead to break off of common business/service or it takes three months or half year below to recover the break off of common business/service	Some daily business is influenced, lead to break off of common business/service or it takes three months below to recover the break off of common business/service
	(3) Certified Public Accountant find that there is a significant error in the financial report, however, the internal control did not discover it when conducting internal control;	Badly damage the working enthusiasm of all the employees, will give rise to large scale group events or heavy damage to enterprises culture and enterprises cohesion	In a large extent, damage the working enthusiasm of all the employees, reduce work efficiency, have greatly adverse effect to enterprises culture and enterprises cohesion	damage the working enthusiasm of all the employees, reduce work efficiency, have some adverse effect to enterprises culture and enterprises cohesion
	(4) The Audit Committee under the Board and Internal Audit Service's supervision to the internal control is invalid.	The employee's ability and professional skills universally cannot meet the enterprise development needs by a large margin	The employee's ability and professional skills in some significant fields cannot meet the enterprise development needs	The employee's ability and professional skills in some fields cannot meet the enterprise development
		Negative news spread in the field of the entire business (including extending to industry chain), or was paid attention by the national media or public media, the recovery of reputation will take more than six months	Negative news spread in the field of the entire business, or was paid attention or reported by the local media the recovery of reputation will take three to six months	Negative news spread in the field of the entire business, have small damage to the reputation of the enterprise, the recovery of reputation will take three months below
		The enterprise's internal confidential information leakage which badly affect the enterprise's competitive capacity in the market, or affect the competitive capacity in management	The enterprise's internal confidential information leakage which affect the enterprise's competitive capacity in the market, or affect the competitive capacity in management in a large extent	The enterprise's internal confidential information leakage which affect the enterprise's competitive capacity in the market, or affect the competitive capacity in management in a general extent
Quantitative standard	The judging standard was the net profits attributable to the parent Company's shareholders in the consolidated financial statements audited in last year. Misstatement amount $\geq 5\%$ above of judging standard was great defect; 5% above (Including 20%) judging standard $> 1\%$ misstatement amount	The judging standard was the net profits attributable to the parent Company's shareholders in the consolidated financial statements audited in last year.		
		Great defect	Significant defect	Common defect
		Have a significant adverse impact on the asset turnover ability, which lead to total asset turnover rate lowed 20% above (Including 20%)	Have a greater adverse impact on the asset turnover ability, which lead to total asset turnover rate lowed 10% to 20% (Including 10%)	Have an adverse impact on the asset turnover ability, which lead to total asset turnover rate lowed 10% below
	Had significant adverse impact to the annual	Had larger adverse impact to the annual	Had adverse impact to the annual operation	

	was significant defect; misstatement amount <1% below of judging standard was general standard.	operation profits or cause decrease of annual operation profits when at 5% (including 5%) above of judging standard	operation profits or cause decrease of annual operation profits when at 1% (including 1%) to 5% judging standard	profits or cause decrease of annual operation profits when at 1% below of judging standard
		Had significant adverse impact to decrease of inflow of total cash flow or increase of outflow total cash flow when at 10% (including 10%) above of judging standard	Had larger adverse impact to decrease of inflow of total cash flow or increase of outflow total cash flow when at 5% (including 5%) to 10% above of judging standard	Had adverse impact to decrease of inflow of total cash flow or increase of outflow total cash flow when at 5% below of judging standard
		Great investment mistake incurred which cause direct economy losses when at 5% (including 5%) above of judging standard or the return on investment more than 40% lower than expected	Larger investment mistake incurred which cause direct economy losses when at 1% (including 1%) to 5% of judging standard or the return on investment less than 30% (including 30% to 40%) lower than expected	Great investment mistake incurred which cause direct economy losses when at 1% below of judging standard or the return on investment less than 30% lower than expected
		10 death or above , or 50 people serious injury, or direct economy losses when at 5% (including 5%) above of judging standard	3 deaths above to 10 deaths below , or more than 10 people but less than 50 people serious injury, or direct economy losses when at 1% (including 1%) to 5% of judging standard	less than 3 deaths or above , or less than 10 people serious injury, or direct economy losses when at 1% below of judging standard
		Asset integrity cannot be ensured, when assets losses at 5% (including 5%) above of judging standard	Asset integrity cannot be ensured, when assets losses at 1% (including 1%) to 5% of judging standard	Asset integrity cannot be ensured, when assets losses at 1% below of judging standard
		A large number of great commercial disputes, civil lawsuits and negative influences can't eliminate in a short period of time, may pay compensation at 5% (including 5%) above of judging standard	Several commercial disputes, civil lawsuits, and had obviously influence in a certain area and period, may pay compensation at 1% (including 1%) to 5% of judging standard	Irreconcilable commercial disputes, civil lawsuits happened sometimes, cause a certain influences in local, may pay compensation at 1% below of judging standard
		A serious violation of laws and regulations, investigated by government department and legal department, cause prosecution and class action, may pay compensation at 2% (including 2%) above of judging standard	A serious violation of laws and regulations, investigated by government department and legal department, may pay compensation at 0.5% (including 0.5%) to 2% of judging standard	Violation of laws and regulations, investigated by government department and legal department, may pay compensation at 0.5% below of judging standard

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

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

Opinion paragraph in the independent auditor's report on internal control	
We believe that China Merchants Port Group Co., Ltd. has maintained effective internal control over financial reporting in all material respects as of 31 December 2023 as per the Basic Rules for Enterprise Internal Control and relevant regulations.	
Independent auditor's report on internal control disclosed or not	Disclosed
Disclosure date	2 April 2024
Index to such report disclosed	For details, see www.cninfo.com.cn
Type of the auditor's opinion	Unmodified unqualified opinion
Material weaknesses in internal control not related to financial reporting	None

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

Yes No

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

Yes No

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

Upon a comprehensive self-inspection, the Company has adhered to the combination of the leadership of the Communist Party of China and corporate governance throughout operations and complied with relevant laws, regulations, and normative documents, such as improving the internal governance mechanism, refining the governance system, and disclosing information in an open and transparent manner.

Part V Environmental and Social Responsibility

I Major Environmental Issues

1. Policies and industry standards pertaining to environmental protection

During the Reporting Period, the Company and its subsidiaries with heavy pollutant discharge needs abode by laws and regulations related to environmental protection throughout routine production and operation, including the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Law of the People's Republic of China on Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution*, the *Law of the People's Republic of China on Noise Pollution Prevention and Control*, the *Law of the People's Republic of China on the Prevention and Control of Soil Pollution*, the *Law of the People's Republic of China on Environmental Impact Assessment*, and *Regulation on the Administration of Permitting of Pollutant Discharges of the People's Republic of China*. They also strictly complied with national and industry standards pertaining to environmental protection, such as *Standard for Fugitive Emission of Volatile Organic Compounds*, *Technical Specification for Setting Identification Signs of Hazardous Waste*, *Standard for Pollution Control on Hazardous Waste Storage*, *Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant*, *Emission Standard of Air Pollutant for Bulk Petroleum Terminals*, *Emission Standard for Noise of Industrial Enterprises at Boundary*.

2. Administrative permit for the purpose of environmental protection

The environmental impacts of the construction projects of domestic enterprises controlled by the Company were assessed as required. Additionally, all domestic pollutant discharge units have obtained administrative permits for pollutant discharge as per laws and regulations and discharged pollutants by the administrative permits for pollutant discharge in a legal and compliant manner. All

units of the Company with heavy pollutant discharge needs have obtained the national pollutant discharge permit and specific information on the pollutant discharge permit number is as follows:

(1) The First Branch of Zhanjiang Port (Group) Co., Ltd.: 914408008943759949001R

(2) Zhanjiang Port Petrochemical Terminal Co., Ltd.: 914408007247840152001R

3. The regulations for industrial emissions and the particular requirements for controlling pollutant emissions those are associated with production and operational activities

Name of the company or subsidiary company	Types of major and characteristic pollutants	Names of major and characteristic pollutants	Discharge method	Outlet quantity	Outlet distribution	Discharge concentration (mg/kg)	Pollutant discharge standards	Total discharge	Total discharge approved	Excessive discharge
The First Branch of Zhanjiang Port (Group) Co., Ltd. (Key noise discharge unit)	Noise	Noise	Fugitive	--	--	Daytime: 57db Night: 50db	Emission Standard for Noise of Industrial Enterprises at Boundary (GB12348-2008)-Standards for Category 3	--	--	No excessive discharge
Zhanjiang Port Petrochemical Terminal Co., Ltd. (Key air pollutant discharge unit) (Exhaust emission)	Air pollutants (Plant boundary)	VOC	Fugitive	--	--	2.5mg/m ³	Emission Limits of Air Pollutants (DB44/27-2001)	227.671t	274.96t/a	No excessive discharge
		Methanol	Fugitive	--	--	2L				
		Malodor	Fugitive	--	--	<10				
	Air pollutants (In-plant)	VOC	Fugitive	--	--	1.93mg/m ³	Emission Limits of Air Pollutants (DB44/27-2001)			
VOC		Organized (Intermittent discharge)	2	North of the car loading dock	1469mg/m ³	Emission Standards for Air Pollutants from Oil Storage Depots (GB20950-2020)				

		Methanol	Organized (Intermittent discharge)	1	North of the car loading dock	50mg/m ³	Emission Limits of Air Pollutants (DB44/27-2001)			
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4. Treatment of pollutants

During the Reporting Period, the pollution treatment facilities for wastewater and exhaust gas of the enterprises controlled by the Company ran normally, with pollutants discharged in a compliant manner. In terms of equipment and facilities improvements, a new wastewater treatment station has been put into operation, bringing the total number of treatment stations to 38, resulting in an annual increase in wastewater treatment capacity of 700,000 tons/year, which eventually reached 24.92 million tons per year. Besides, with respect to the VOCs control, the Company has actively completed volatile organic compounds recycling facilities at 10,000-ton ship loading berths and conducted governance work to ensure that facilities for volatile organic compounds ran normally. Moreover, sound-proof walls were well maintained to ensure that the noise at the plant boundary met the standards. Information on units with heavy pollutant discharge needs controlled by the Company is as follows:

(1) The first branch of Zhanjiang Port (Group) Co., Ltd.

In sewage treatment, it has a production sewage treatment system, with a treatment capacity of 5,800 m³/d. The treated sewage is used for watering and dust control in the port area.

In dust control management, the Company used water spray, water mist spray, sprinklers, 15 spray towers, 33 mobile remote fog machines, and two mobile dust suppression funnels, and other facilities to meet the demand for dust control throughout the operation. The stockpiles were fully covered, and the dust control management of static storage and dynamic operation was strengthened to reduce dust emissions to the maximum.

In noise reduction, the Company from the source adopted measures including equipment maintenance, road repair to reduce noise generation; in the process, it optimised on-site operational layout and adjustment of operating hours, to reduce the impact of noise by management means; in the end, it

built a 160-meter-long, 12-meter-high dust-free and sound-proof wall along the factory, to control the noise impact.

In solid waste management, an intelligent monitoring system for solid waste was installed, and one room for storing hazardous waste was set up, which is protected against thunder, wind, rain, sunlight, and seepage according to the requirements. A qualified third party was entrusted to transport the hazardous waste in a timely and compliant manner.

(2) Zhanjiang Port Petrochemical Terminal Co., Ltd.

In sewage treatment, it has two production wastewater treatment systems and one domestic wastewater treatment system.

In waste gas management, Zhanjiang Port Petrochemical Terminal Co., Ltd. completed the oil and gas recycling equipment project for three 1,000-ton ship loading berths, automobile platforms and train platforms, and then responded to the new requirements of the country by accomplishing the construction of oil and gas recycling equipment for 10,000-ton ship loading berths and putting them into use during the reporting period.

In solid waste management, an intelligent monitoring system for solid waste was installed, and two rooms for storing hazardous waste was set up, which is protected against thunder, wind, rain, sunlight, and seepage according to the requirements. A qualified third party was entrusted to transport the hazardous waste in a timely and compliant manner.

5. Environmental self-monitoring program

During the Reporting Period, enterprises under the Company that are subject to the pollutant discharge permits formulated self-monitoring plans as per laws, regulations, and pollutant discharge permits. As a result, the monitoring results indicated that all indicators met the standards. Information on units with heavy pollutant discharge needs controlled by the Company is as follows:

(1) The First Branch of Zhanjiang Port (Group) Co., Ltd. has developed a noise self-monitoring plan, by which it conducts noise monitoring every quarter. All indicators meet requirements, and the

monitoring report will be submitted to local ecological and environmental authorities.

(2) Zhanjiang Port Petrochemical Terminal Co., Ltd. has developed an air self-monitoring plan, by which it conducts air monitoring every quarter. All indicators meet requirements, and the monitoring report will be submitted to local ecological and environmental authorities.

6. Contingency plan for environmental emergencies

During the Reporting Period, the Contingency Plan for Environmental Emergencies of the Company continued to be effective, and all enterprises controlled by the Company prepared a contingency plan for environmental emergencies as required. Units with heavy pollutant discharge needs filed environmental emergencies at local ecological and environmental bureaus as required. Details about the filing number of contingency plan for environmental emergencies are as follows:

(1) The First Branch of Zhanjiang Port (Group) Co., Ltd.: 440803-2021-0025-M

(2) Zhanjiang Port Petrochemical Terminal Co., Ltd.: 440803-2021-0040-H

7. Input in environmental governance and protection and payment of environmental protection tax

The Company constantly increases its input into environmental protection to make sure that various pollutants constantly meet the standards and thus contribute to business sustainability. During the Reporting Period, the Company spent RMB169 million on environmental protection and paid RMB5.73 million for environmental protection tax in full in time as per laws and regulations.

8. Measures taken to decrease carbon emission in the Reporting Period and corresponding effects

CMPort vigorously responds to and implements the national requirements as well as the requirements of CMG for carbon peak and carbon neutrality, implements energy saving and carbon reduction strictly in accordance with the Action Plan of CMPort for Achieving Carbon Peak and Carbon Neutrality formulated and helps the effective implementation of the goal of “achieving carbon peak by 2028 and carbon neutrality by 2060”. During the Reporting Period, the Company’s 57 carbon

reduction projects achieved a carbon reduction of 8,000 tons.

9. Administrative penalties for environmental problems during the Reporting Period

Applicable Not applicable

10. Other environmental information that should be disclosed

None

11. Other information related to environmental protection

None

II Corporate Social Responsibility (CSR)

The Company highlighted and practiced corporate social responsibilities. While improving business performance and creating benefits for shareholders, the Company earnestly performed its social responsibilities for employees, society and environment, and promoted the sustainable development of the enterprise and society. Furthermore, it continued to build the “Shaping Blue Dreams Together (C-Blue)” charity brand. By leveraging its core strengths to launch domestic and overseas charitable activities, support community development and advance cultural exchange, the Company incorporated social development needs into its daily operation activities and joint hands with more partners to create a harmonious society and promote social progress.

The main achievements in 2023 are as follows:

1. Overseas, Colombo International Container Terminals Ltd. (CICT) and Hambantota International Port Group (HIPG) jointly initiated the program, “China Merchants Silk Road Love Villages”, which successively achieved results in Kenda Village, Sri Lanka. Moreover, community activity centers, medical and health care centers, crop cultivation bases, poultry breeding bases and other infrastructures were constructed. This benefits more than 6,000 villagers, creating nearly 800 jobs for the local community. Through technical training for villagers, the people can enjoy the dividends brought by enterprise development. These measures assist local people in exploring a replicable and sustainable path out of poverty, to truly perform the principle of “teaching a man to fish is better than giving him a fish”. After achieving fruitful results in Kenda Village, the Village will be taken as a successful example to gradually explore the path of sustainable development in impoverished rural areas overseas, so as to benefit more villages in Sri Lanka. TCP Brazil, in conjunction with professional organizations, continuously carried out monitoring of dolphin and sea turtle populations in the area around the terminal, and mobilized employee volunteers to participate in mangrove

cleanup and protection to collect waste garbage from the mangrove forests along the Ittibel River and in the area. These actions have helped to avoid adverse impacts on local marine biota, and deeply performed biodiversity conservation.

Domestically, the Company successfully hosted the Children's Growth Camp of the C-Blue Rural Education Charity Programme in Lianping, Heyuan, Weining, Guizhou and Xuwen, Zhanjiang. Through innovative C-Blue cloud classroom and other forms of activities, it helped rural schools access high-quality urban education resources, committed to promoting rural revitalization through education. The Company continued to implement the "C Blue Training Programme", cultivating 63 trainees from 30 countries in 2023. It also participated in the case exhibition at people-to-people exchange sessions under the Third Belt and Road Forum for International Cooperation. Zhanjiang Port, the Company's subsidiary, offered community volunteer services vigorously. For instance, it took care of left-behind children through the childcare volunteer service of "Spring Breeze for Seedlings". Shantou CM Port Group organized six public welfare events for three hours, including "activities of 'Love for the Motherland, Love for the Hometown and Love for the Port' by schools and enterprises", "taking green and harmonious actions to be an environmental protection guard for hometown", "practical exercise of fire extinguishers and teaching of cardio-pulmonary resuscitation", "maker competition", "delivering warmth to households", and "shaping good mindsets to be a positive teenager". Through these activities, the Company practiced the ESG concept and physically contributed to sustainable development. The West Shenzhen port actively organized its employees to participate in volunteer activities, such as environmental protection public welfare activities, unpaid blood donation, and parent-child volunteer service activities, encouraging them to assume their social responsibilities as the Company's employees and play their roles as role models.

Please refer to Sustainable Development Report of China Merchants Port Group Co., Ltd. in 2023 for the fulfilment of social responsibilities in the Reporting Period for details.

III Consolidation and Expansion of Poverty Alleviation Outcomes, and Rural Revitalization

In 2023, Zhanjiang Port subordinate to the Company, followed the general requirements of the rural revitalization strategy featuring "industrial prosperity, ecological livability, rural civilization, effective governance and affluent life", adhered to the concepts of China Merchants' poverty alleviation, public welfare and harmonious development, and carried forward its fine tradition of "serving the society with sincerity and responsibility". It assumed its social responsibility by constantly sending working groups to fully cooperate with Zhanjiang City to implement the strategy of rural revitalization to solidly promote the improvement in the rural living environment, and to

make every effort to effectively connect the results of poverty alleviation and rural revitalization, so as to make positive contributions to rural revitalization in Zhanjiang City.

Zhanjiang Port has been committed to providing practical assistance and doing good deeds for villagers. In 2023, in the paired Haian Town for rural revitalisation, there are a total of 11 projects of various types that were completed and are being implemented. The cultural publicity project for rural revitalisation was launched on both sides of avenues in Xuwen County, Haian Township, Xinglei Village. The cultivation of civilised rural style, good family style, and honest resident style is viewed as an important task to inject cultural confidence for rural revitalization, boosting spirit and enhancing cohesion. The working group has repeatedly worked with village leaders to understand the living conditions of poverty-stricken and low-income households, updated the system data of more than 30 poverty-stricken households in a timely manner, and formulated targeted assistance initiative of “one policy for one household”. The staff stationed in the town actively participated in the work of improving the human environment in the town and village as well as in the work of creating a civilized city and clean town, and gave the Spring Festival and Mid-Autumn Festival condolences for households in difficulty, which covered those monitored to prevent poverty, old party members and children in difficulty. On-site assessment activities were conducted on 36 natural villages in the town in various aspects such as environmental improvement, rural landscape, public services, and grassroots governance. Good results were achieved in the improvement of the living environment in each village. Apart from that, Zhanjiang Port Group also carried out sewage road cleaning project for Longhua Village around the port, as well as a hard bottoming project for roads in Baoman Village.

Part VI Significant Events

I Fulfilment of Commitments

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

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

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

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

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

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

	nt	situation of the leased property significantly influencing use of CMPort Holdings and the Company subordinate to it to engage in operation of normal business, China Merchants Group will actively take effective measures (including but not limited to arranging to provide the property with identical or similar conditions to be used for operation of related Company) to promote business operation of related Company to be conducted normally and alleviate or eliminate adverse effect; In case of nonstandard of the leased property causing CMPort Holdings and the enterprise subordinate to it produce actual additional expenditures or losses (such as third-party compensation), China Merchants Group will actively coordinate and negotiate with other related party to support normal operation of CMPort Holdings and the enterprise subordinate to it to the great extent and avoid or control continuous enlargement of the damage; At the same time, China Merchants Group agrees compensate CMPort Holdings and the enterprise subordinate to it in cash for actual losses incurred to CMPort Holdings and the enterprise subordinate to it for this reason to relieve or eliminate adverse effect.		longer to be the actual controller of the Company	ng
CMG	Other commitment	Commitment letter about allotted land of the enterprise subordinate to China Merchants Port Holdings Company Limited from China Merchants Group: In case that the above allotted land is withdrawn or needs to be translated into assignment land due to policy adjustment in the future after the transaction is completed, China Merchants Group will actively coordinate with CMPort and related companies such as China Merchants Group International Port (Qingdao) Co., Ltd. and Shantou CMPort Group Co., Ltd. to handle the transfer procedure or take other feasible countermeasures. In case of any actual loss (excluding land-transferring fees or rent, fees paid for taking rural land, ownership registration fees, taxes and dues and other related expenses to be paid by Chiwan Wharf or above-mentioned related companies according to provisions of laws and regulations) incurred to CMPort or above-mentioned related companies for this reason, China Merchants Group will timely and fully compensate actual loss incurred to CMPort or above-mentioned related companies.	26 July 2018	Effective until no-longer to be the actual controller of the Company	Ongoing
CMG	Other commitment	Commitment letter about undertaking the accreditation fees of property ownership certificate for the perfection of the land and house property of CMPort Holdings and the enterprise subordinate to it: In case of defective land use right and house property involved by the Company subordinate to CMPort Holdings on account of operation (namely land use right and house property of the Company subordinate to CMPort Holdings without complete ownership certificate existing before the transaction is completed), incurring registration fees such as taxes and dues, compensation and fine in the process of perfecting legal procedures of defective land use right and house property by the subordinate to CMPort Holdings, China Merchants Group will timely and fully compensate to the Company subordinate to CMPort Holdings for undertaking.	14 September 2018	Effective until no-longer to be the actual controller of the Company	Ongoing
CMG	Other commitment	Commitment letter about related matters of CMPort after the transaction is completed: After the transaction is completed, Chiwan Wharf will become port business asset management headquarters and domestic capital operation platform of China Merchants Group, deeply participate in integration of domestic regional port assets and enlarge the scale of domestic listed assets to make net profit of CMPort Holdings (00144.HK) enjoyed as per the rights and interests in the consolidated statement of listed Company in recent one fiscal year fail to exceed 50% net profit of consolidated statement of the listed Company and net asset of CMPort Holdings (00144.HK) enjoyed in light of rights and interests in the consolidated statement of listed Company in recent one fiscal year fail to exceed 30% net asset in the consolidated statement of the listed Company within 3-5 years	30 September 2018	Three to five years and CMG is the actual controller of the Company	Ongoing

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

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

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

			responsibility; In case of China Merchants Group violating the above promise, incurring losses to CMPort, China Merchants Group will take corresponding compensation responsibility.			
	Chiwan Wharf and all directors, supervisors and senior management	Other commitment	Chiwan Wharf and all its directors, supervisors and administrative officers ensure the transaction report, its abstract, other information provided for the transaction and application document are true, accurate and complete without false record, misleading statement or important omission as well as take individual and joint legal liability for false record, misleading statement or important omission. If the information provided or disclosed by this transaction is suspected of false records, misleading statements or major omissions, and is investigated by the judicial authorities or investigated by the China Securities Regulatory Commission (CSRC), the directors, supervisors, or senior managers of Chiwan Wharf do not transfer the shares that have interests in CMPort, and submit the written application and stock account of the suspension of the transfer to the Board of Directors of the CMPort within two trading days after receiving the filing inspection notice, and the Board of Directors shall apply for lock-up on behalf of them to the Stock Exchange and Registration and Settlement Company. In case of failing to file a locking application within two transaction days and after the Board of Directors is authorized for verification, identity information and account information on directors, supervisors or administrative officers of Chiwan Wharf will be directly submitted to Stock Exchange and Registration and Settlement Company with locking applied; In case of Board of Directors failing to submit identity information and account information on directors, supervisors or administrative officers of Chiwan Wharf to Stock Exchange and Registration and Settlement Company, Stock Exchange and Registration and Settlement Company will be authorized to directly lock related shares. In case that the situation of violating laws and rules is found upon investigation conclusion, directors, supervisors or administrative officers of Chiwan Wharf promise locked shares are voluntarily used for compensating related investors.	26 July 2018	Effectively continuously	Ongoing
Other commitments made to minority shareholders	China Nanshan Development (Group) Inc.	Other commitment	CND Group will irrevocably and unconditionally agrees it will ensure transferee of such land use right and its successor and assignee will be fully exempted from responsibility for the above matters in case of CMPort encountering losses, needing to bear expenses and liabilities, undergoing claim for compensation or needing to file a lawsuit due to any actual or potential illegal and unenforceable issues incurred by land use agreement and relevant documents signed and to be signed by it.	20 March 2001; 18 June 2003; 29 September 2004	Effectively continuously	Ongoing
	China Nanshan Development (Group) Inc.	Other commitment	In order to properly solve the issue regarding the ownership of the land of 270,692 square meters transferred to CMPort by CND Group as a contribution, CND Group hereby irrevocably undertakes as follows: 1. CND Group affirms the historical fact that it contributed to the restructuring and listing of Chiwan Wharf with the right to use 270,692 square meters of land in 1993. Besides, it affirms that the 270,692 square meters of land has been transferred to CMPort (formerly known as Chiwan Wharf) and the right to use the land is owned by CMPort. 2. CND Group will continue keeping the original undertaking and ensure that the signing of the relevant agreement will not damage CMPort's rights and interests of 148,119 square meters of land transferred in 1993 to CMPort (formerly, Chiwan Wharf) as a contribution. 3. CND Group will continue giving full play to its advantages to fully support land-related authorities in Shenzhen City to secure CMPort's right to use the 270,692 square meters of land. Moreover, CND Group will continue to actively assist CMPort in going through the corresponding procedures for the change of ownership of property rights and perfect legal procedures related to the right to use the land (e.g., defining the boundary line of	2 July 2020	Effectively continuously	Ongoing

			land, land surveying, and claiming for the certificate of land). In addition, CND Group undertakes to cover all costs incurred accordingly (including the land premium). 4. All consequent losses to CMPort shall be borne by CND Group, should the latter break the above undertaking. Furthermore, CND Group will shoulder all liabilities for damage, if the asset integrity of the listed company, CMPort, is damaged.			
首次公开发行或再融资时所作承诺	CMG	Commitments when refinancing	CMPort issued 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised in this non-public offering is RMB10,917,111,500. In order to ensure that the compensation measures for the dilution of immediate returns in this non-public offering can be effectively implemented, in accordance with the <i>Opinions of the General Office of the State Council on Further Strengthening the Work of Protection of the Legitimate Rights and Interests of Minority Investors in the Capital Markets</i> (G.B.F. [2013 No. 110]), the <i>Guiding Opinions on Matters concerning the Dilution of Immediate Return in Initial Public Offering, Refinancing and Material Asset Restructuring</i> (Announcement of the China Securities Regulatory Commission [2015] No. 31) and other laws, regulations and normative documents, as the controlling shareholder and actual controller of the issuer of the non-public offering, I hereby make a commitment as follows concerning the dilution of immediate returns and compensation measures in connection with the non-public offering: 1. I will not interfere in the operation and management activities of the Company beyond its authority and will not encroach on its interests. 2. From the date of issuance of this commitment to the completion of the non-public offering of the Company, if the regulatory authority has other requirements on the measures to compensate the returns and the relevant provisions of the commitment, and the commitment cannot meet the relevant requirements of the regulatory authority, I will make a supplementary commitment in accordance with relevant regulations.	13 July 2021	Effectively continuously	Ongoing
	CMG	Commitments when refinancing	CMPort issued 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised by this non-public offering is RMB10,917,111,500, which will be subscribed by Seaport Group in a lump sum in cash. As the actual controller of CMPort, the company hereby make a commitment as follows: In connection with this non-public offering, the company does not provide financial assistance, compensation, promise of benefits or other similar arrangements to Seaport Group, directly or through its stakeholders.	16 November 2021	Effectively continuously	Ongoing
	Broadford Global	Commitments when refinancing	CMPort issued 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised in this non-public offering is RMB10,917,111,500. In order to ensure that the compensation measures for the dilution of immediate returns in this non-public offering can be effectively implemented, in accordance with the <i>Opinions of the General Office of the State Council on Further Strengthening the Work of Protection of the Legitimate Rights and Interests of Minority Investors in the Capital Markets</i> (G.B.F. [2013 No. 110]), the <i>Guiding Opinions on Matters concerning the Dilution of Immediate Return in Initial Public Offering, Refinancing and Material Asset Restructuring</i> (Announcement of the China Securities Regulatory Commission [2015] No. 31) and other laws, regulations and normative documents, as the controlling shareholder and actual controller of the issuer of the non-public offering, I hereby make a commitment as follows concerning the dilution of immediate returns and compensation measures in connection with the non-public offering: 1. I will not interfere in the operation and management activities of the Company beyond its authority and will not encroach on its interests.	13 July 2021	Effectively continuously	Ongoing

			2. From the date of issuance of this commitment to the completion of the non-public offering of the Company, if the regulatory authority has other requirements on the measures to compensate the returns and the relevant provisions of the commitment, and the commitment cannot meet the relevant requirements of the regulatory authority, I will make a supplementary commitment in accordance with relevant regulations.			
Broadford Global	Commitments when refinancing		<p>CMPort issued 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised by this non-public offering is RMB10,917,111,500, which will be subscribed by Seaport Group in a lump sum in cash. As the controlling shareholder of CMPort, the company hereby make a commitment as follows:</p> <p>In connection with this non-public offering, the company does not provide financial assistance, compensation, promise of benefits or other similar arrangements to Seaport Group, directly or through its stakeholders.</p>	16 November 2021	Effective continuously	Ongoing
Directors and senior management of CMPort	Commitments when refinancing		<p>CMPort issued 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised in this non-public offering is RMB10,917,111,500. In order to ensure that the compensation measures for the dilution of immediate returns in this non-public offering can be effectively implemented, in accordance with the <i>Opinions of the General Office of the State Council on Further Strengthening the Work of Protection of the Legitimate Rights and Interests of Minority Investors in the Capital Markets</i> (G.B.F. [2013 No. 110]), the <i>Guiding Opinions on Matters concerning the Dilution of Immediate Return in Initial Public Offering, Refinancing and Material Asset Restructuring</i> (Announcement of the China Securities Regulatory Commission [2015] No. 31) and other laws, regulations and normative documents, as a director and senior management member of the issuer of the non-public offering, I hereby make a commitment as follows concerning the dilution of immediate returns and compensation measures in connection with the non-public offering:</p> <ol style="list-style-type: none"> 1. I will not transfer benefits to other units or individuals for free or under unfair conditions, nor will I damage the interests of the Company in other ways. 2. I will regulate my personal business consumption behavior. 3. I will not use the Company's assets to engage in investment and consumption activities unrelated to the performance of my duties. 4. The salary system formulated by the board of directors or the remuneration committee is linked to the implementation of the Company's return compensation measures. 5. If the Company intends to implement equity incentives, the exercise conditions of such equity incentive are linked to the implementation of the Company's return compensation measures. 6. From the date of issuance of this commitment to the completion of the non-public offering of the Company, if the regulatory authority has other requirements on the measures to compensate the returns and the relevant provisions of the commitment, and the commitment cannot meet the relevant requirements of the regulatory authority, I will make supplementary commitments in accordance with relevant regulations. 	13 July 2021	Effective continuously	Ongoing
CMPort	Commitments when refinancing		<p>CMPort issued 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, the fund raised in this non-public offering is RMB10,917,111,500. In order to further ensure the use of the funds raised in this non-public offering, the Company makes statements as follows:</p> <ol style="list-style-type: none"> 1. The Company intends to use the proceeds of this non-public share offering to supplement working capital and repay debts, and it does not involve real estate development projects. 	29 September 2021	Effective continuously	Ongoing

			2. The fund raised by the Company in this non-public offering shall not be used for real estate development or in a disguised form.			
	CMPort	Commitments when refinancing	CMPort issued 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised by this non-public offering is RMB10,917,111,500, which will be subscribed by Seaport Group in a lump sum in cash. The Company hereby makes commitments as follows: In connection with this non-public offering, the Company does not make a commitment on guarantee income or disguised guarantee income to Seaport Group, nor does it provide financial assistance, compensation, promise of benefits or other similar arrangements to Seaport Group, directly or through its stakeholders.	29 September 2021	Effective continuously	Ongoing
	CMPort	Commitments when refinancing	CMPort issued 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised by this non-public offering is RMB10,917,111,500. The Company hereby makes the following commitments regarding the Qualification Certificate of Real Estate Development Enterprise of the People's Republic of China (Number: SH.F.K.Z. (2017) No. 879) obtained by Shenzhen Jinyu Rongtai Investment Development Co., Ltd (hereinafter referred to as "Jinyu Rongtai"), a wholly-owned subsidiary of the Company: The Company will actively coordinate Jinyu Rongtai to handle the cancellation of the aforesaid real estate development qualification certificate. Within 30 days after approval of relevant laws and regulations, regulatory regulations and competent housing authorities, Jinyu Rongtai will apply to the competent housing department for the cancellation of real estate development qualification registration. Before the cancellation or expiration of the qualification, the Company and Jinyu Rongtai will not use the qualification to engage in real estate development and operation and other related businesses. After qualification cancellation or invalidity, qualification renewal or new real estate development qualification will not be handled.	19 November 2021	Effective continuously	Ongoing
	CMPort	Commitments when refinancing	CMPort issued 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised by this non-public offering is RMB10,917,111,500, which will be subscribed by Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd. in a lump sum in cash. The Company makes commitments in connection with the fund raised in this non-public offering as follows: The proceeds from this non-public offering of shares will not flow into China Nanshan Development (Group) Co., Ltd. through any direct or indirect means.	16 December 2021	Effective continuously	Ongoing
	CMPort	Commitments when refinancing	CMPort issued 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised by this non-public offering is RMB10,917,111,500, which will be subscribed by Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd. in a lump sum in cash. The Company hereby makes commitments as follows: Prior to the completion of the use of the fund raised in this non-public offering or within 36 months after the fund is raised, no additional investment (including capital increase, loan, guarantee and capital investment in other forms) shall be made in industrial funds and M&A funds that do not conform to the Company's upstream and downstream industrial chain or the Company's main business and strategic development direction.	7 January 2022	Effective continuously	Ongoing
其他承诺	CMPort	Commitments when subscribing shares of Ningbo Port	Ningbo Port issued A shares to CMPort in a non-public manner. As the subscription target of Ningbo Port's 2021 non-public offering of A-shares, CMPort irrevocably makes the following statements and commitments: Ningbo Port's 2021 non-public offering of A-shares is Ningbo Port's non-public offering of A-shares to CMPort. After the completion of Ningbo Port's non-public offering of A-shares to CMPort, the business relationship and management relationship between Ningbo Zhoushan Port Group, Seaport Group and the	13 July 2021	Effective continuously	Ongoing

		<p>subordinate enterprises controlled by them and Ningbo Port will not change substantially, and it will not lead to new or potential competition in the same industry between Ningbo Port and Ningbo Zhoushan Port Group, Seaport Group and the subordinate enterprises controlled by them. Assuming that 3,646,971,029 shares are issued (i.e., 23.07% of the total share capital prior to issuance), after the completion of Ningbo Port's non-public offering of A-shares to CMPort, CMPort holds 20.98% shares of Ningbo Port and 2.10% shares of Ningbo Port through China Merchants Ningbo. Thus, CMPort holds 23.08% shares of Ningbo Port in total. It will not lead to changes in the controlling shareholder and actual controller of Ningbo Port, so it will not lead to new or potential competition between Ningbo Port and CMPort and its controlling shareholder and actual controller.</p> <p>CMPort warrants that it has the right to enter into this Letter of Statements and Commitments, and once this Letter of Statements and Commitments is entered into by CMPort, it will constitute an effective, legal and binding responsibility upon the CMPort, and this Letter of Statements and Commitments will remain valid and irrevocable during the period when CMPort is as a shareholder of Ningbo Port. CMPort warrants that it will strictly fulfil all commitments in this Letter of Statements and Commitments. In case of any loss caused to Ningbo Port due to its violation of this Letter of Statements and Commitments, CMPort will bear relevant legal responsibilities.</p>				
	CMPort	<p>Commitments when subscribing shares of Ningbo Port</p>	<p>CMPort fully subscribed the shares issued through non-public offering by Ningbo Port with cash. It is expected that after the issuance, CMPort and its subsidiary China Merchants Ningbo will hold about 23.08% of shares of Ningbo Port in total. CMPort and Ningbo Port continue to be independent from each other in assets, personnel, finance, organization and business. The A-shares issued by Ningbo Port to CMPort through non-public offering will not affect the independent operation ability of Ningbo Port. The statements on the independent operation of Ningbo Port after the completion of its non-public offering of A-shares to CMPort are as follows:</p> <p>i. Independent assets</p> <p>After the non-public offering of A-shares by Ningbo Port to CMPort, Ningbo Port still has complete and independent ownership of all its assets, which are strictly separated from the assets of CMPort and completely operated independently. There is no mixed operation, unclear assets, or fund or assets occupied by CMPort.</p> <p>ii. Independent personnel</p> <p>After the non-public offering of A-shares by Ningbo Port to CMPort, Ningbo Port will continue to have an independent and complete labor and personnel management system, which is completely independent from CMPort. The selection of directors, supervisors, managers and other senior management personnel recommended by CMPort to Ningbo Port shall be carried out through legal procedures. CMPort shall not interfere with the personnel appointment and removal decisions made by the board of directors and the general meeting of Ningbo Port.</p> <p>iii. Independent finance</p> <p>After the non-public offering of A-shares by Ningbo Port to CMPort, Ningbo Port will continue to maintain an independent financial accounting department, operate an independent accounting system and independent a financial management system. It will keep its independent bank account and will not share the bank account with CMPort. It will pay taxes independently and make independent financial decisions, and CMPort will not interfere in the use of funds of Ningbo Port. CMPort will not interfere with the use of funds of Ningbo Port in any illegal or rule-violating way, and Ningbo Port will not provide guarantee for other enterprises controlled by CMPort.</p>	13 July 2021	Effectively continuously	Ongoing

		<p>No Ningbo Port's financial employee will work part-time in CMPort.</p> <p>iv. Independent organizations Ningbo Port will continue to maintain a sound corporate governance structure of joint-stock company. It has an independent and complete organizational structure. Its general meeting, board of directors, independent directors, board of supervisors and senior management exercise their functions and powers independently in accordance with laws, regulations and articles of association. It is in no subordinate or controlling relationship with the functional departments of other enterprises controlled by CMPort.</p> <p>v. Independent business Ningbo Port has an independent management system, assets, personnel, venues and brands to carry out business independently, and the ability to operate independently and continuously in the market. CMPort will not intervene in Ningbo Port's business activities other than the exercise of its rights as a shareholder.</p>			
	CMPort	<p>Commitments when subscribing shares of Ningbo Port</p> <p>Ningbo Port issued A-shares to CMPort in a non-public manner. As the subscription target of Ningbo Port's 2021 non-public offering of A-shares, CMPort makes the following commitments: The fund used by CMPort to subscribe for the 2021 non-public offering of A-shares by Ningbo Port in accordance with the <i>Share Subscription Agreement between Ningbo Zhoushan Port Company Limited and China Merchants Port Group Co., Ltd.</i> is self-owned fund or self-raised fund. There is no external fund raising, proxy holding, structural arrangement or direct or indirect use of funds of Ningbo Zhoushan Port Company Limited and its related parties for this subscription. There is no financial support, compensation, promise of income or other arrangements by Ningbo Zhoushan Port Company Limited or its controlling shareholder or actual controller to CMPort directly or through its stakeholders.</p>	13 July 2021	Effectively continuously	Ongoing
	CMPort	<p>Commitments when subscribing shares of Ningbo Port</p> <p>CMPort fully subscribed the shares issued through non-public offering by Ningbo Port with cash. It is expected that after the issuance, CMPort and its subsidiary China Merchants Ningbo will hold about 23.08% of shares of Ningbo Port in total. CMPort's statements on non-transfer within 36 months after completion of subscription are as follows: The shares non-publicly offered by Ningbo Port that CMPort subscribes shall not be transferred within 36 months from the date of the end of the non-public offering of A-shares by Ningbo Port to CMPort. The shares derived from the company's distribution of stock dividends and the conversion of capital reserve fund into equity regarding the shares subscribed for by CMPort through this non-public offering shall also comply with the above lock-in arrangement.</p>	13 July 2021	Effectively continuously	Ongoing
	CMPort	<p>Commitments when subscribing shares of Ningbo Port</p> <p>CMPort makes the following commitments regarding the reduction of shares involved in the 2021 non-public offering of A-shares by Ningbo Port: 1. CMPort, its persons acting in concert and related parties controlled by CMPort have not reduced their holdings of shares of Ningbo Port from the six months prior to benchmark pricing date of Ningbo Port's 2021 non-public offering of A-shares to the date of issuance of this Letter of Commitment. 2. CMPort, its persons acting in concert and related parties controlled by CMPort will not have the plan to reduce their holdings of shares of Ningbo Port from the date of issuance of this Letter of Commitment to the six months after the completion of Ningbo Port's 2021 non-public offering of A-shares. 3. CMPort, its persons acting in concert and related parties controlled by CMPort will not violate Article 44 of the <i>Securities Law of the People's Republic of China</i>. 4. In case of any violation of the above commitments, the income from the reduction in holdings of shares of Ningbo Port obtained</p>	18 November 2021	Effectively continuously	Ongoing

			by CMPort, its persons acting in concert and related parties controlled by CMPort will all be owned by Ningbo Port, and they bear the legal liabilities arising therefrom according to law.			
	CMPort	Commitments when subscribing shares of Ningbo Port	Ningbo Port intends to offer 3,646,971,029 RMB-denominated ordinary shares (A shares) to CMPort in a non-public manner, and the Company intends to participate in the subscription as a strategic investor and undertakes as follows: In addition to becoming a strategic investor of Ningbo Port via subscribing for the shares offered in a non-public manner this time, the Company does not subscribe for the shares offered in a non-public manner by any listed company in the same industry as Ningbo Port as a strategic investor and will not do so within 36 months upon obtaining the shares offered by Ningbo Port in a non-public manner this time.	28 July 2022	Effectively continuously	Ongoing
Whether fulfilled on time	Yes					
Specific reasons for failing to fulfil commitments on time and plans for next step (if any)	N/A					

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

Applicable Not applicable

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

Applicable Not applicable

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

III Irregularities in the Provision of Guarantees

Applicable Not applicable

No such cases in the Reporting Period.

IV Explanations Given by the Board of Directors Regarding the Independent Auditor's

“Modified Opinion” on the Financial Statements of the Latest Period

Applicable Not applicable

V Explanations Given by the Board of Directors, the Supervisory Committee and Independent Directors (if any) Regarding the Independent Auditor’s “Modified Opinion” on the Financial Statements of the Reporting Period

Applicable Not applicable

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

On 30 November 2022, the Ministry of Finance issued the Interpretation No. 16 of the Accounting Standards for Business Enterprises (C.K. [2022] No. 31, hereinafter referred to as “Interpretation No. 16”). In Interpretation No. 16, the provision that “accounting processing under initial recognition and exemption is not applicable to deferred income taxes related to assets and liabilities incurred from a single transaction” will enter into force on 1 January 2023. The Company has implemented this provision from 1 January 2023 in accordance with the relevant rules and regulations of the Ministry of Finance mentioned above. For details, please refer to the Announcement on Changes in Accounting Policies (Announcement No. 2023-043) published by the Company on 29 April 2023 on www.cninfo.com.cn.

For details of the impact of changes in accounting policies and accounting estimates, please refer to “VI. Changes in significant accounting policies and estimates” in the “Section X Financial Report” of the Report.

VII YoY Changes to the Scope of the Consolidated Financial Statements

The Proposal on the Transfer of 45% Equity Interest in Ningbo Daxie China Merchants International Terminals Co., Ltd. by a Majority-owned Subsidiary through Public Tender was approved at the Second Extraordinary Meeting of the 10th Board of Directors of the Company in 2023 dated 20 March 2023. As such, CYBER CHIC COMPANY LIMITED (hereinafter referred to as “CYBER CHIC”),

a subsidiary of the Company, was approved to transfer its 45% equity interest in Ningbo Daxie China Merchants International Container Terminal Co., Ltd. (hereinafter referred to as “CMICT”) through public tender on the China Beijing Equity Exchange. On 20 April 2023, CYBER CHIC put its 45% equity interest in CMICT to a public tender on the China Beijing Equity Exchange. On 19 May 2023, Ningbo Zhoushan Port Company Limited (hereinafter referred to as “Ningbo Zhoushan Port”) became the transferee, with a transaction price of RMB1,845 million. On 25 May 2023, CYBER CHIC and Ningbo Zhoushan Port entered into the Equity Transaction Contract. On 8 August 2023, CMICT changed its registered information with the competent industrial and commercial administration and received its new business license upon the equity transfer, with its name changed to “Ningbo Daxie Container Terminal Co., Ltd.” (hereinafter refer to as “Ningbo Daxie”). As such, the equity transfer has been completed and CYBER CHIC no longer holds equity interest in Ningbo Daxie, and Ningbo Daxie is no longer a subsidiary within the scope of the Company’s consolidated financial statements.

On 26 September 2023, the Company held the 4th Extraordinary Meeting of the 11th the Board of Directors for 2023 to review and approve the Proposal on the Transfer and Acquisition of Equity Interests in Relevant Subsidiaries and Related-party Transactions (the “Transaction”). Accordingly, China Merchants International Technology Company Limited (CMIT) subordinate to the Company, transferred 100% share of Yingkou Port Information Technology Co., Ltd. (YPIT), and 79.03% share of Dalian Port Logistics Network Co., Ltd. (DPN) to Liaoning Port Co., Ltd. (Liaoning Port). Besides, the Company acquired 22.3779%, 13.2563% and 7.4495% (43.0837% in aggregate) of the share in CMIT held respectively by Dalian Port Container Development Co., Ltd. (DPCD), Dalian Port Jifa Logistics Co., Ltd. (Jifa Logistics) and Yingkou Port Group Co., Ltd. (Yingkou Port Group). DPCD, Jifa Logistics and Yingkou Port Group are all majority-owned subsidiaries of the related party, Liaoning Port Group Co., Ltd. (Liaoning Port Group) Limited. In November 2023, YPIT and DPN completed the business registration changes in connection with the Transaction. As a result, YPIT and DPN were no longer subsidiaries included in the Company’s consolidated financial statements.

VIII Engagement and Disengagement of Independent Auditor

Current independent auditor

Name of the domestic independent auditor	Deloitte Touche Tohmatsu Certified Public Accountants LLP
The Company's payment to the domestic independent auditor (RMB'0,000)	708.83
How many consecutive years the domestic independent auditor has provided audit service for the Company	12
Names of the certified public accountants from the domestic independent auditor writing signatures on the auditor's report	Li Weihua, Wang Hongmei
How many consecutive years the certified public accountants have provided audit service for the Company	2
Name of the overseas independent auditor (if any)	Deloitte Touche Tohmatsu
The Company's payment to the overseas independent auditor (RMB'0,000) (if any)	343.45
How many consecutive years the overseas independent auditor has provided audit service for the Company (if any)	12
Names of the certified public accountants from the overseas independent auditor writing signatures on the auditor's report (if any)	Hu Jinghua
How many consecutive years the certified public accountants have provided audit service for the Company (if any)	3

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

Yes No

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

Approved by the 7th Meeting of the 10th Board of Directors in 2023 and 2022 Annual General Meeting of the Company, the Company was allowed to continuously engage Deloitte Touche Tohmatsu Certified Public Accountants LLP as the 2023 independent auditor for the audit of annual financial statements and internal control in the 2023. The audit price for 2023 annual financial statements was RMB10,112,800 and the price for internal control was RMB410,000. The total expense on aforesaid two audit work was RMB10,522,800.

IX Possibility of Delisting after Disclosure of this Report

Applicable Not applicable

X Insolvency and Reorganization

Applicable Not applicable

No such cases in the Reporting Period.

XI Major Legal Matters

Applicable Not applicable

No such cases in the Reporting Period.

Other legal matters

Basic situation of lawsuit (arbitration)	Lawsuit amount (RMB '0,000)	Whether form into estimated liabilities	Process of lawsuit (arbitration)	Trial results and influences of lawsuit (arbitration)	Situation of execution of judgment of lawsuit (arbitration)	Disclosure date	Disclosure index
Summary of Brazil TCP Case (note)	94,621.84	Partly	In progress	Relatively low risk	-	-	-
Summary of other matters not meeting the disclosure standards for major lawsuits (arbitrations)	112,024.47	Partly	In progress	Relatively low risk	-	-	-

Note: The major contingent liabilities of TCP and its subsidiaries due to pending litigation with local tax authorities, employees or former employees in Brazil, according to the latest estimates of the Company's management, the potential compensation amount is RMB946,218,359.48 and is unlikely to result in the outflow of economic benefits from the Company. As a result, the Company does not recognize estimated liabilities for contingent liabilities arising from the aforementioned pending litigation. A counter-compensation agreement in favour of the Company will be executed by the original TCP shareholder selling the shares, pursuant to which the original TCP Shareholder is required to compensate the Company for the said contingent liability up to a pre-determined amount and for a specified period.

XII Punishments and Rectifications

Applicable Not applicable

No such cases in the Reporting Period.

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

Applicable Not applicable

XIV Major Related-Party Transactions

1. Continuing Related-Party Transactions

Related party	Relationship with the Company	Type of transaction	Specific transaction	Pricing principle	Transaction price (RMB'0,000)	Total value (RMB'0,000)	As % of the total value of all the same-type transactions	Approved transaction line (RMB'0,000)	Over the approved line or not	Way of settlement	Obtainable market price for same-type transactions (RMB'0,000)	Disclosure date	Index to disclosed information
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Liaoning Port Group Co., Ltd. and its subsidiaries	Under the control of ultimate shareholder	Render service and lease to related party, receive service and lease from related party	Lease, labor cost, information service income, etc.	Market price	12,761.45	12,761.45	18.88%	24,983.17	No	Settled monthly	12,761.45	4 April 2023	www.cninfo.com.cn (Announcement No. 2023-028)
Sinotrans Limited and its subsidiaries	Under the control of ultimate shareholder	Render service and lease to related party, receive service from related party	Labor cost, demurrage, lease, etc.	Market price	14,750.38	14,750.38	21.82%	20,239.79	No	Settled monthly	14,750.38	4 April 2023	www.cninfo.com.cn (Announcement No. 2023-028)
China Nanshan Development (Group) Co., Ltd. and its subsidiaries	Affiliated legal person	Render service and lease to related party, receive service and lease from related party	Labor cost, lease expense of land and houses	Market price	14,176.34	14,176.34	20.97%	14,394.29	No	Settled monthly	14,176.34	4 April 2023	www.cninfo.com.cn (Announcement No. 2023-028)

China Merchants Shekou Industrial Zone Holding S Co., Ltd. and its subsidiaries	Ultimate controlling shareholder and its subsidiaries	Rent and lease received from related party	Labor cost lease expense of land and houses	Market price	13,007.69	13,007.69	19.24%	13,323.90	No	Settled monthly	13,007.69	4 April 2023	www.cninfo.com.cn (Announcement No. 2023-028)
Other related party	-	Labor cost, lease	Labor cost, lease	Market price	12,904.51	12,904.51	19.09%	28,089.05	No	Settled monthly	12,904.51	4 April 2023	www.cninfo.com.cn (Announcement No. 2023-028)
Total				--	--	67,600.37	--	101,030.20	--	--	--	--	--
Large-amount sales return in detail				None									
Give the actual situation in the Reporting Period (if any) where an estimate had been made for the total value of continuing related-party transactions by type to occur in the Reporting Period				The Proposal on Recognition of 2022 Daily Related-party Transaction and the Forecast of 2023 Daily Related-party Transaction was reviewed and approved on the 2022 Annual General Meeting on 22 May 2023, which allowed the Company and subsidiaries to conduct daily business transaction including office leasing, providing or receiving labor services. The amount of daily related-party transactions in 2023 is estimated to be RMB1.01 billion. The significant difference between the actual occurrence and the forecast of the Company's daily connected transactions in 2023 is due to the actual market demand and business development needs of the Company. It belongs to the normal operation adjustment of the Company and has not had a great impact on the daily operation and performance of the Company. The transaction price is determined in accordance with market principles, and the pricing is fair, fair and just, without harming the interests of the Company and minority shareholders.									
Reason for any significant difference between the transaction price and the market reference price (if applicable)				N/A									

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

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

Applicable Not applicable

3. Related Transactions Regarding Joint Investments in Third Parties

Applicable Not applicable

4. Credits and Liabilities with Related Parties

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

Yes No

Credits receivable with related parties

Related party	Related relationship	Forming reason	Whether there is occupation on non-operating capital or not	Beginning balance (RMB'0,000)	Increased in the Reporting Period (RMB'0,000)	Recovered in the Reporting Period (RMB'0,000)	Interest rate	Interest in the Reporting Period (RMB'0,000)	Ending balance (RMB'0,000)
China Merchants Bank	The ultimate controlling shareholder has major influence on it	Bank deposits/Structured deposit	No	428,803.42	4,003,363.40	4,054,311.48	0.20%-2.75%	5,124.90	377,855.34
Effects of credits with related parties on the Company's operating results and financial conditions		The above credits receivable with related parties were mainly deposits in financial institutions which has no major influence on the Company's operating results and financial conditions.							

Liabilities payable with related parties:

Related party	Related relationship	Forming reason	Beginning balance (RMB'0,000)	Increased in the Reporting Period (RMB'0,000)	Recovered in the Reporting Period (RMB'0,000)	Interest rate	Interest in the Reporting Period (RMB'0,000)	Ending balance (RMB'0,000)	
China Merchants Bank	The ultimate controlling shareholder has major influence on it	Borrowing	35,137.82	121,900.41	6,217.52	2.48%-3.65%	1,759.66	150,820.71	
Effects of liabilities with related parties on the Company's operating results and financial conditions		The above liabilities payable with related parties were mainly financial institution loans which had no major influence on the Company's operating results and financial conditions.							

5. Transactions with Related Finance Companies

Deposit business

Related party	Related relationship	Daily maximum limits (RMB'0,000)	Interest rate range	Beginning balance (RMB'0,000)	Actual amount		Ending balance (RMB'0,000)
					Total deposited amount (RMB'0,000)	Total withdrawn amount (RMB'0,000)	
China Merchants Group Finance Co., Ltd.	Other company under the same control of controlling shareholder	500,000.00	0.55%-2.1%	184,169.86	2,830,173.07	2,805,335.11	209,007.82

Loan business

					Actual amount

Related party	Related relationship	Loan limit (RMB'0,000)	Interest rate range	Beginning balance (RMB'0,000)	Total loan amount (RMB'0,000)	Total repaid amount (RMB'0,000)	Ending balance (RMB'0,000)
China Merchants Group Finance Co., Ltd.	Other company under the same control of controlling shareholder	1,000,000.00	1.2%-4.06%	97,983.90	78,360.10	55,356.69	120,987.31

Credit or other finance business

Related party	Related relationship	Type of business	Total amount (RMB'0,000)	Actual amount (RMB'0,000)
China Merchants Group Finance Co., Ltd.	Other company under the same control of controlling shareholder	Credit	1,000,000.00	120,987.31

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

Applicable Not applicable

7. Other Major Related-Party Transactions

(1) The Company held the 7th Meeting of the 10th Board of Directors on 31 March 2023, and reviewed and approved the Proposal on the Related-Party Transactions Regarding Making Deposits in and Obtaining Loans from China Merchants Bank in 2023, which was submitted to the 2022 Annual General Meeting of the Company for deliberation. The Company held the 2022 Annual General Meeting on 22 May 2023, and deliberated and approved the Proposal on the Related-Party Transactions Regarding Making Deposits in and Obtaining Loans from China Merchants Bank in 2023, agreeing the Company and its subsidiaries to open bank accounts with China Merchants Bank. In 2023, the maximum deposit balance of the Company and its subsidiaries with China Merchants Bank shall not exceed RMB10 billion, and the maximum credit balance shall not exceed RMB15 billion. It is agreed that the Company and its subsidiaries shall use temporarily idle own funds to purchase structured deposits and lower risk financial products from China Merchants Bank within the amount of the maximum deposit balance. For details, please refer to the Announcement on the Related-Party Transactions Regarding Making Deposits in and Obtaining Loans from China Merchants Bank in 2023 (Announcement No. 2023-029) disclosed by the Company on 4 April 2023, the Announcement on the Resolution of the 2022 General Meeting of Shareholders (Announcement No. 2023-045) disclosed by the Company on 23 May 2023 and other relevant announcements.

(2) The Company held the 3rd Extraordinary Meeting of the 10th Board of Directors on 6 April 2023, and reviewed and approved the Proposal on the Related-Party Transaction Regarding Conducting Financial Leasing between Majority-owned Subsidiaries and Related Parties. For details, please refer to the Announcement on the Related-Party Transaction Regarding Conducting Financial Leasing between Majority-owned Subsidiaries and Related Parties (Announcement No. 2023-034) disclosed by the Company on 7 April 2023.

(3) The Company held the 4th Extraordinary Meeting of the 10th Board of Directors on 28 April 2023, reviewed and approved the Proposal on the Provision of Financial Assistance by Majority-owned Subsidiaries and Related-Party Transactions to their Equity-participating Companies. For details, please refer to the Announcement on the Provision of Financial Assistance by Majority-owned Subsidiaries and Related-Party Transactions to their Equity-participating Companies (Announcement No. 2023-040) disclosed by the Company on 29 April 2023 and the Announcement on the Resolution of the 2022 General Meeting of Shareholders (Announcement No. 2023-045) disclosed by the Company on 23 May 2023 and other relevant announcements.

(4) The Company held the 2023 First Extraordinary Meeting of the 11th Board of Directors on 14 July 2023, at which, the Proposal on the *Adjustment of a Partially-owned Subsidiary's Related-party Guarantee for Its Equity-participating Company* was reviewed and approved. For details, please refer to the Announcement on the Adjustment of a Partially-owned Subsidiary's Related-party Guarantee for Its Equity-participating Company (Announcement No. 2023-056) disclosed by the Company on 15 July 2023, the Announcement on the Resolution of 2023 1st Extraordinary General Meeting of Shareholders disclosed by the Company on 1 August 2023 (Announcement No. 2023-060) and other relevant announcements.

(5) The Company held the 2023 4th Extraordinary Meeting of the 11th Board of Directors on 26 September 2023, at which, the Proposal on the Transfer and Acquisition of Equity Interests in Relevant Subsidiaries and Related-party Transactions was reviewed and approved. For details, please refer to the Announcement on the Transfer and Acquisition of Equity Interests in Relevant Subsidiaries and Related-party Transactions (Announcement No. 2023-078) disclosed by the Company on 27 September 2023.

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

Name of provisional reports	Disclosure date	Website
Announcement on the Related-Party Transaction Regarding Making Deposits in and Obtaining Loans from China Merchants Bank in 2023	4 April 2023	www.cninfo.com.cn (Announcement No. 2023-029)
Announcement on the Related-Party Transaction Regarding Conducting Financial Leasing between Majority-owned Subsidiaries and Related Parties	7 April 2023	www.cninfo.com.cn (Announcement No. 2023-034)
Announcement on the Provision of Financial Assistance by Majority-owned Subsidiaries and Related-Party Transactions to their Equity-participating Companies	29 April 2023	www.cninfo.com.cn (Announcement No. 2023-040)
Announcement on the Adjustment of a Partially-owned Subsidiary's Related-party Guarantee for Its Equity-participating Company	15 July 2023	www.cninfo.com.cn (Announcement No. 2023-056)
Announcement on the Transfer and Acquisition of Equity Interests in Relevant Subsidiaries and Related-party Transactions	27 September 2023	www.cninfo.com.cn (Announcement No. 2023-078)

XV Major Contracts and Execution thereof

1. Entrustment, Contracting and Leases

(1) Entrustment

Applicable Not applicable

No such cases in the Reporting Period.

(2) Contracting

Applicable Not applicable

No such cases in the Reporting Period.

(3) Leases

Applicable Not applicable

No such cases in the Reporting Period.

2. Major guarantees

(1) Guarantees

Unit: RMB'0,000

Guarantees provided by the Company and its subsidiaries for external parties (exclusive of those for subsidiaries)										
Guarantee-receiving entity	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
Terminal Link S.A.S.	N/A	7,665.57	11 June 2013	7,665.57	General guarantee	Not	Not	About 20 years	Not	Yes
Terminal Link S.A.S.	31 March 2022	11,452.73	25 January 2023	11,452.73	Joint-liability	Not	Not	About 7 years	Not	Yes
Terminal Link SAS	4 April 2023	244,374.40								
Kingston Freeport Terminal Limited	31 March 2022	5,205.78								
KHOR AMBAD O FZCO*	30 March 2019	20,398.18	24 May 2019	15,625.48	Joint-liability	Not	Not	About 13 years	Not	Yes
Total approved line for such guarantees in the Reporting Period (A1)		244,374.40		Total actual balance of such guarantees in the Reporting Period (A2)		11,452.73				
Total approved line for such guarantees at the end of the Reporting Period (A3)		283,890.88		Total actual balance of such guarantees at the end of the Reporting Period (A4)		34,743.78				
Guarantee between the Company to its subsidiaries										

Guarantee-receiving entity	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
Chiwan Wharf Holdings (Hong Kong) Limited	31 March 2022	190,000.00								
Port Development (Hongkong) Company Limited	31 March 2022	200,000.00								
Port Development (Hongkong) Company Limited	4 April 2023	100,000.00								
Chiwan Wharf Holdings (Hong Kong) Limited	4 April 2023	100,000.00								
Total approved line for such guarantees in the Reporting Period (B1)		200,000.00		Total actual amount of such guarantees in the Reporting Period (B2)						-
Total approved line for such guarantees at the end of the Reporting Period (B3)		200,000.00		Total actual balance of such guarantees at the end of the Reporting Period (B4)						-
Guarantees provided between subsidiaries										
Guarantee-receiving entity	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
China Merchants International Terminal (Qingdao) Co., LTD	16 April 2020	50,000.00	1 January 2021	19,931.18	Joint-liability	Not	Not	January 2024	Not	Not
Shenzhen Jinyu Rongtai Investment development Co., LTD	N/A	80,000.00	12 January 2017	44,000.00	Joint-liability	Not	Not	About 10 years	Not	Not

China Merchants International (China) Investment Co., LTD	N/A	2,500.00	30 June 2016	2,500.00	Joint-liability	Not	Not	About 10 years	Not	Not
China Merchants Finance Company Limited	3 August 2015	354,135.00	3 August 2015	354,135.00	General guarantee	Not	Not	About 10 years	Not	Not
CMHI Finance (BVI) Co., Ltd	6 August 2018	637,443.00	6 August 2018	637,443.00	General guarantee	Not	Not	About 5 years	Yes	Not
CMHI Finance (BVI) Co., Ltd	6 August 2018	424,962.00	6 August 2018	424,962.00	General guarantee	Not	Not	About 10 years	Not	Not
CMHI Finance (BVI) Co., Ltd	26 September 2020	566,616.00	9 October 2020	424,962.00	General guarantee	Not	Not	About 3 years	Yes	Not
				141,654.00	General guarantee	Not	Not	About 5 years	Not	Not
CMHI Finance (BVI) Co., Ltd	31 March 2022	354,135.00	2 June 2022	354,135.00	General guarantee	Not	Not	About 5 years	Not	Not
COLOMBO INTERNATIONAL CONTAINER TERMINALS LIMITED	N/A	18,064.50	16 September 2012	18,064.50	General guarantee	Not	Not	About 13 years	Yes	Not
COLOMBO INTERNATIONAL CONTAINER TERMINALS LIMITED	N/A	4,957.89	-	-	-	-	-	-	-	-
COLOMBO INTERNATIONAL CONTAINER TERMINALS LIMITED	N/A	17,706.75	16 September 2012	17,706.75	General guarantee	Not	Not	Infinite	Not	Not

Lome Container Terminal s Co., Ltd	N/A	2,750.72	June 2015	247.56	General guarantee	Not	Not	About 9 years	Yes	Not
Lome Container Terminal s Co., Ltd	N/A	2,750.72	June 2015	247.56	General guarantee	Not	Not	About 9 years	Yes	Not
Lome Container Terminal s Co., Ltd	N/A	2,750.72	June 2015	247.56	General guarantee	Not	Not	About 9 years	Yes	Not
TCP - TERMINAL DE CONTEINERES DE PARAGUAY S/A.	N/A	33,994.43	19 April 2018	6,798.89	General guarantee	Not	Not	About 6 years	Not	Not
Shenzhen Haixin Port Development Co., LTD	30 March 2019	219,090.00	26 June 2019	93,275.88	Joint-liability	Not	Not	About 18 years	Not	Not
Zhanjiang Port (Group) Co., LTD	31 March 2021	80,000.00	9 October 2021	39,840.00	Joint-liability	Not	Not	About 3 years	Not	Not
CMHI Finance (BVI) Co., Ltd	4 April 2023	354,990.00								
Ansuje Terminal Storage Service (Shenzhen) Co., Ltd.	4 April 2023	70,000.00								
China Merchants International Terminal (Qingdao) Co., LTD	31 March 2022	10,000.00								
Shenzhen Haixin Port Development Co., LTD	4 April 2023	105,000.00								
Total approved line for such guarantees in the Reporting Period (C1)		529,990.00			Total actual amount of such guarantees in the Reporting Period (C2)					0.00
Total approved line for such guarantees at the end of the Reporting Period (C3)		2,293,125.07			Total actual balance of such guarantees at the end of the Reporting Period (C4)					1,498,938.70
Total guarantee amount (total of the three kinds of guarantees above)										

Total guarantee line approved in the Reporting Period (A1+B1+C1)	974,364.40	Total actual guarantee amount in the Reporting Period (A2+B2+C2)	11,452.73
Total approved guarantee line at the end of the Reporting Period (A3+B3+C3)	2,777,015.95	Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)	1,533,682.48
Total actual guarantee amount (A4+B4+C4) as % of the Company's net assets		26.06%	
Of which:			
Balance of guarantees provided for shareholders, actual controller and their related parties (D)			34,743.78
Balance of debt guarantees provided directly or indirectly for obligors with an over 70% debt/asset ratio (E)			1,299,810.37
Amount by which the total guarantee amount exceeds 50% of the Company's net assets (F)			-
Total of the three amounts above (D+E+F)		1,334,554.14	
Joint responsibilities possibly borne in the Reporting Period for undue guarantees (if any)	None		
Provision of external guarantees in breach of the prescribed procedures (if any)	None		

Particulars of guarantees adopting complex methods

Applicable Not applicable

3. Cash Entrusted to Other Entities for Management

(1) Cash Entrusted for Wealth Management

Applicable Not applicable

No such cases in the Reporting Period.

(2) Entrusted Loans

Overview of entrusted loans in the Reporting Period

Unit: RMB'0,000

Amount	Capital resources	Undue balance	Overdue amount
3,430.00	Self-owned funds	3,430.00	0

Particulars of entrusted loans with single significant amount or low security, bad liquidity, and no capital preservation

Applicable Not applicable

Whether there is the case where the principal cannot be recovered at maturity or other case which may cause impairment for entrusted loans

Applicable Not applicable

4. Other Major Contracts

Applicable Not applicable

No such cases in the Reporting Period.

XVI Other Significant Events

1. The transfer of 45% equity interest in Ningbo Daxie China Merchants International Terminals Co., Ltd. (Ningbo Daxie) by majority-owned subsidiary CMPort Holdings through public tender

The Proposal on the Transfer of 45% Equity Interest in Ningbo Daxie China Merchants International Terminals Co., Ltd. by a Majority-owned Subsidiary through Public Tender was approved at the Second Extraordinary Meeting of the 10th Board of Directors of the Company in 2023 dated 20 March 2023. As such, Cyber Chic Company Limited (hereinafter referred to as “Cyber Chic”), a wholly-owned subsidiary of the Company’s majority-owned subsidiary CMPort Holdings, was approved to transfer its 45% equity interest in Ningbo Daxie through public tender on the China Beijing Equity Exchange, and the Company’s management was authorized to deal with the subsequent matters relating to the said transaction (including but not limited to the signing of the formal agreement, etc.) at its sole discretion in the transaction process. It was also approved that based on the results of the asset valuation report issued by Beijing China Enterprise Appraisals Co., Ltd., the bottom price would be no less than RMB1,845 million (ultimately subject to the results of the asset valuation report filed to the state-owned assets supervision organization). Final transferee and transaction price would be subject to the results of the public tender. For further information, see Announcement No. 2023-021 on the Transfer of 45% Equity Interest in Ningbo Daxie China Merchants International Terminals Co., Ltd. by a Majority-owned Subsidiary through Public Tender, which has been disclosed by the Company on 22 March 2023.

On 20 April 2023, CYBER CHIC put its 45% equity interest in Ningbo Daxie to a public tender on the China Beijing Equity Exchange. On 19 May 2023, CYBER CHIC received the "Notification of Transaction Contract Signing" from the China Beijing Equity Exchange, and Ningbo Zhoushan Port became the transferee, with a transaction price of RMB1,845 million. On 25 May 2023, CYBER CHIC and Ningbo Zhoushan Port entered into the Equity Transaction Contract. For further information, see Announcement No. 2023-046 on Progress of the Transfer of 45% Equity Interest in Ningbo Daxie China Merchants International Terminals Co., Ltd. by a Majority-owned Subsidiary through Public Tender, which has been disclosed by the Company on 26 May 2023.

On 8 August 2023, Ningbo Daxie changed its registered information with the competent industrial and commercial administration and received its new business license upon the equity transfer, with its name changed to “Ningbo Daxie Container Terminal Co., Ltd.”. As such, the equity transfer has been completed and CYBER CHIC no longer holds equity interest in Ningbo Daxie. For further information, see Announcement No. 2023-063 on Progress of the Transfer of 45% Equity Interest in Ningbo Daxie China Merchants International Terminals Co., Ltd. by a Majority-owned Subsidiary through Public Tender, which has been disclosed by the Company on 10 August 2023.

2. Index to Disclosed Information

The significant events disclosed by the Company on Securities Times, China Securities Journal, Shanghai Securities News, Ta Kung Pao and www.cninfo.com.cn during the Reporting Period are as follows:

Announcement No.	Date of the announcement	Title of the announcement
2023-001	10 January 2023	Announcement on Obtaining the Registration Approval from the China Securities Regulatory Commission for the Public Offering of Corporate Bonds to Professional Investors
2023-002	14 January 2023	Announcement on the Voluntary Information Disclosure of Business Volume Data of December 2022
2023-003	20 January 2023	Announcement on the Resolutions of the 1st Extraordinary Meeting of the 10th Board of Directors in 2023
2023-004	20 January 2023	Announcement on the Resolutions of the 1st Extraordinary Meeting of the 10th Board of Supervisors in 2023
2023-005	20 January 2023	Announcement on Adjusting the Exercise Prices of the Stock Option Incentive Plan (Phase I) of the Company
2023-006	20 January 2023	Announcement on Adjusting the Numbers of Qualified Awardees and Stock Options to Be Granted of the Stock Option Incentive Plan (Phase I) of the Company
2023-007	20 January 2023	Announcement on the Failure to Meet the Exercise Conditions for the Second Exercise Schedule of the Stock Options (the First Batch to be Granted) under the Company's Stock Option Incentive Plan (Phase I)
2023-008	20 January 2023	Announcement on the Failure to Meet the Exercise Conditions for the First Exercise Schedule of the Stock Options (the Reserved Batch to be Granted) under the Company's Stock Option Incentive Plan (Phase I)
2023-009	20 January 2023	Announcement on Cancelling Some Stock Options under the Company's Stock Option Incentive Plan (Phase I)
2023-010	8 February 2023	Announcement on Completing the Cancellation of Some Stock Options under the Company's Stock Option Incentive Plan (Phase I)
2023-011	8 February 2023	Announcement on the Exercise of the Redemption Option of "22 CMPort 03" Corporate Bond and the Waiver of the Exercise of the Adjustment Option of the Coupon Interest of "22 CMPort 03" Corporate Bond
2023-012	10 February 2023	First Reminder on the Exercise of the Redemption Option of "22 CMPort 03" Corporate Bond and the Waiver of the Exercise of the Adjustment Option of the Coupon Interest of "22 CMPort 03" Corporate Bond
2023-013	15 February 2023	Announcement on the Voluntary Information Disclosure of Business Volume Data of January 2023
2023-014	17 February 2023	Second Reminder on the Exercise of the Redemption Option of "22 CMPort 03" Corporate Bond and the Waiver of the Exercise of the Adjustment Option of the Coupon Interest of "22 CMPort 03" Corporate Bond
2023-015	24 February 2023	Third Reminder on the Exercise of the Redemption Option of "22 CMPort 03" Corporate Bond and the Waiver of the Exercise of the Adjustment Option of the Coupon Interest of "22 CMPort 03" Corporate Bond
2023-016	1 March 2023	Reminder of the Issuance of 2023 Phase I Super-short-term Financing Bonds
2023-017	7 March 2023	Announcement on the Issue Results of 2023 Phase I Super-short-term Financing Bonds
2023-018	8 March 2023	Announcement on the Redemption Results and Delisting of "22 CMPort 03"
2023-019	15 March 2023	Announcement on the Voluntary Information Disclosure of Business Volume Data of February 2023
2023-020	22 March 2023	Announcement on the Resolutions of the 2nd Extraordinary Meeting of the 10th Board of Directors in 2023
2023-021	22 March 2023	Announcement on the Public Transfer of 45% of CMICT's Equity by the Majority-Owned Subsidiary
2023-022	28 March 2023	Announcement on the Online Investor Meeting on the 2022 Annual Results
2023-023	1 April 2023	Announcement on the Voluntary Information Disclosure of the 2022 Annual Results by the Majority-Owned Subsidiary
2023-024	4 April 2023	Announcement on the Resolutions of the 7th Meeting of the 10th Board of Directors

2023-025	4 April 2023	Announcement on the Resolutions of the 7th Meeting of the 10th Board of Supervisors
2023-026	4 April 2023	Announcement on the 2022 Profit Distribution and Dividend Payout Plan
2023-027	4 April 2023	Abstract of 2022 Annual Report (Chinese and English Versions)
2023-028	4 April 2023	Announcement on the Confirmation of the Continuing Related-Party Transactions in 2022 and the Estimation of Such Transactions in 2023
2023-029	4 April 2023	Announcement on the Related-Party Transaction Regarding Making Deposits in and Obtaining Loans from China Merchants Bank in 2023
2023-030	4 April 2023	Announcement on the External Guarantee Progress of a Majority-Owned Subsidiary of the Company in 2022 and the Expected New External Guarantee Line in the Next 12 Months
2023-031	4 April 2023	Special Report on Deposit and Usage of Raised Fund in 2022
2023-032	4 April 2023	Announcement on Reappointment of Accounting Firm in 2023
2023-033	7 April 2023	Announcement on the Resolutions of the 3rd Extraordinary Meeting of the 10th Board of Directors in 2023
2023-034	7 April 2023	Announcement on the Related-Party Transaction Regarding Conducting Financial Leasing between Majority-owned Subsidiaries and Related Parties
2023-035	8 April 2023	Announcement on the Resignation of Employee Supervisors
2023-036	15 April 2023	Announcement on the Voluntary Information Disclosure of Business Volume Data of March 2023
2023-037	29 April 2023	Announcement on the Resolutions of the 4th Extraordinary Meeting of the 10th Board of Directors in 2023
2023-038	29 April 2023	The First Quarter Report 2023 (Chinese and English Versions)
2023-039	29 April 2023	Announcement on the Extension of Financial Assistance Provided by Majority-owned Subsidiaries
2023-040	29 April 2023	Announcement on the Provision of Financial Assistance by Majority-owned Subsidiaries and Related-Party Transactions to their Equity-participating Companies
2023-041	29 April 2023	Announcement on the Appointment of Mr. Zhu Weida as Deputy General Manager
2023-042	29 April 2023	Notice on Convening 2022 Shareholders' General Meeting
2023-043	29 April 2023	Announcement on Accounting Policy Changes
2023-044	16 May 2023	Announcement on the Voluntary Information Disclosure of Business Volume Data of April 2023
2023-045	23 May 2023	Announcement on the Resolutions of 2022 General Meeting of Shareholders
2023-046	26 May 2023	Announcement on the Progress of the Public Transfer of 45% of CMICT's Equity by the Majority-Owned Subsidiary
2023-047	3 June 2023	Announcement on the Redemption of the 5th Issue of SCP in 2022 upon Maturity
2023-048	14 June 2023	Reminder of the Issuance of 2023 Phase II Super-short-term Financing Bonds
2023-049	15 June 2023	Announcement on the Voluntary Information Disclosure of Business Volume Data of May 2023
2023-050	17 June 2023	Announcement on the Issue Results of 2023 Phase II Super-short-term Financing Bonds
2023-051	20 June 2023	Announcement on the 2022 Dividend Payout
2023-052	6 July 2023	Announcement on the Public Issuance of Corporate Bonds (Phase I) to Qualified Investors in 2020, Interest Payment, Redemption and Delisting in 2023
2023-053	15 July 2023	Announcement on the Resolutions of the 1st Extraordinary Meeting of the 11th Board of Directors in 2023
2023-054	15 July 2023	Announcement on the Resolutions of the 1st Extraordinary Meeting of the 11th Board of Supervisors in 2023
2023-055	15 July 2023	Announcement on the Appointment of Senior Management and Securities Affairs Representative

2023-056	15 July 2023	Announcement on the Adjustment of a Partially-owned Subsidiary's Related-party Guarantee for Its Equity-participating Company
2023-057	15 July 2023	Announcement on the Resignation and By-election of Director
2023-058	15 July 2023	Notice on Convening the 2023 1st Extraordinary General Meeting of Shareholders
2023-059	15 July 2023	Announcement on the Voluntary Information Disclosure of Business Volume Data of June 2023
2023-060	1 August 2023	Announcement on the Resolutions of 2023 1st Extraordinary General Meeting of Shareholders
2023-061	1 August 2023	Announcement on the Resolutions of the 2nd Extraordinary Meeting of the 11th Board of Directors in 2023
2023-062	9 August 2023	Announcement on the Completion of Business Registration Changes
2023-063	10 August 2023	Announcement on the Progress of the Public Transfer of 45% of CMICT's Equity by the Majority-Owned Subsidiary
2023-064	15 August 2023	Announcement on the Voluntary Information Disclosure of Business Volume Data of July 2023
2023-065	17 August 2023	Announcement on the Resolutions of the 3rd Extraordinary Meeting of the 11th Board of Directors in 2023
2023-066	17 August 2023	Announcement on the Appointment of Senior Management
2023-067	29 August 2023	Announcement on the Public Issuance of Corporate Bonds (Phase I) to Professional Investors in 2022 and Interest Payment for 2023
2023-068	31 August 2023	Announcement on the Resolutions of the 1st Extraordinary Meeting of the 11th Board of Directors
2023-069	31 August 2023	Announcement on the Resolutions of the 1st Extraordinary Meeting of the 11th Board of Supervisors
2023-070	31 August 2023	Interim Report 2023 (Summary) (Chinese and English Versions)
2023-071	31 August 2023	Special Report on Deposit and Usage of Raised Fund in H1 2023
2023-072	31 August 2023	Announcement on the Voluntary Information Disclosure of the 2023 Interim Results by the Majority-Owned Subsidiary
2023-073	31 August 2023	Announcement on the Online Investor Meeting on the Results in H1 2023
2023-074	31 August 2023	Announcement on the Redemption of the 1st Issue of SCP in 2023 upon Maturity
2023-075	5 September 2023	Announcement on the Public Issuance of Corporate Bonds (Phase II) to Professional Investors in 2022 and Interest Payment for 2023
2023-076	15 September 2023	Announcement on the Voluntary Information Disclosure of Business Volume Data of August 2023
2023-077	27 September 2023	Announcement on the Resolutions of the 4th Extraordinary Meeting of the 11th Board of Directors in 2023
2023-078	27 September 2023	Announcement on the Transfer and Acquisition of Equity Interests in Relevant Subsidiaries and Related-party Transactions
2023-079	14 October 2023	Announcement on the Voluntary Disclosure of the Data on Business Volume for September 2023
2023-080	26 October 2023	Announcement on the Resolutions of the 5th Extraordinary Meeting of the 11th Board of Directors in 2023
2023-081	26 October 2023	The Third Quarter Report 2023 (Chinese and English Versions)
2023-082	7 November 2023	Reminder of the Issuance of 2023 Phase III Super-short-term Financing Bonds
2023-083	8 November 2023	Announcement on the Participation in 2023 Shenzhen Online Group Reception Day for Listed Company Investors
2023-084	10 November 2023	Announcement on the Issue Results of 2023 Phase III Super-short-term Financing Bonds
2023-085	15 November 2023	Announcement on Voluntary Information Disclosure of Business Volume Data of October 2023

2023-086	18 November 2023	Notice on Convening 2023 Second Extraordinary General Meeting
2023-087	1 December 2023	Announcement on the Completion of the Cancellation of the Special Account for Funds Raised by the Company's Non-public Offering of A-Shares
2023-088	6 December 2023	Announcement on Resolutions of 2023 Second Extraordinary General Meeting
2023-089	13 December 2023	Announcement on the Redemption of the 2nd Issue of SCP in 2023 upon Maturity
2023-090	15 December 2023	Announcement on the Voluntary Disclosure of the Data on Business Volume for November 2023
2023-091	29 December 2023	Announcement on the Resolutions of the 6th Extraordinary Meeting of the 11th Board of Directors in 2023
2023-092	29 December 2023	Announcement on Approval for Registration of Debt Financing Instruments
2023-093	29 December 2023	Announcement on the Change of the Designated Media for Information Disclosure

XVII Significant Events of Subsidiaries

Applicable Not applicable

Part VII Share Changes and Shareholder Information

I Share Changes

1. Share Changes

Unit: share

	Before		Increase/decrease in the Reporting Period (+/-)					After	
	Shares	Percentage (%)	New issues	Shares as dividend converted from profit	Shares as dividend converted from capital reserves	Other	Subtotal	Shares	Percentage (%)
I. Restricted shares	576,716,903	23.0772%	0	0	0	-7,366	-7,366	576,709,537	23.0769%
1. Shares held by state	0	0.0000%	0	0	0	0	0	0	0.0000%
2. Shares held by state-owned legal person	576,709,537	23.0769%	0	0	0	0	0	576,709,537	23.0769%
3. Shares held by other domestic investors	7,366	0.0003%	0	0	0	-7,366	-7,366	0	0.0000%
Including: Shares held by domestic legal person	0	0.0000%	0	0	0	0	0	0	0.0000%
Shares held by domestic natural person	7,366	0.0003%	0	0	0	-7,366	-7,366	0	0.0000%
4. Shares held by foreign investors	0	0.0000%	0	0	0	0	0	0	0.0000%
Including: Shares held by foreign legal person	0	0.0000%	0	0	0	0	0	0	0.0000%
Shares held by foreign natural person	0	0.0000%	0	0	0	0	0	0	0.0000%
II. Unrestricted shares	1,922,357,758	76.9228%	0	0	0	7,366	7,366	1,922,365,124	76.9231%
1. RMB ordinary shares	1,742,468,718	69.7246%	0	0	0	976	976	1,742,469,694	69.7246%
2. Domestically listed	179,889,040	7.1982%	0	0	0	6,390	6,390	179,895,430	7.1985%

foreign shares									
3. Overseas listed foreign shares	0	0.0000%	0	0	0	0	0	0	0.0000%
4. Other	0	0.0000%	0	0	0	0	0	0	0.0000%
III. Total shares	2,499,074,661	100.0000%	0	0	0	0	0	2,499,074,661	100.0000%

Reasons for share changes:

The restricted shares held by the Company's outgoing Senior Management members were changed.

Approval of the share changes:

Applicable Not applicable

Transfer of share ownership:

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

2. Changes in Restricted Shares

Unit: share

Name of shareholders	Number of restricted shares at the period-begin	Number of increased restricted shares	Number of released restricted shares	Number of restricted shares at the period-end	Reason for restriction	Date of restriction release
Zheng Shaoping	7,366	0	7,366	0	According to the Articles of Association and the relevant laws and regulations	November 2023
Total	7,366	0	7,366	0	--	--

II Issuance and Listing of Securities

Applicable Not applicable

III Shareholders and Actual Controller

1. Shareholders and Their Shareholdings at the Period-End

Unit: share

Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held at the period-end	Increase/decrease in the Reporting Period	Restricted shares held	Unrestricted shares held	Shares in pledge or frozen
CHINA MERCHANTS PORT INVESTMENT DEVELOPMENT COMPANY LIMITED	Foreign legal person	45.96%	1,148,648,648	0	0	1,148,648,648	0
ZHEJIANG PROVINCIAL SEAPORT INVESTMENT & OPERATION GROUP CO., LTD.	State-owned legal person	23.08%	576,709,537	0	576,709,537	0	0
CHINA MERCHANTS GANGTONG DEVELOPMENT (SHENZHEN) CO., LTD.	State-owned legal person	14.84%	370,878,000	0	0	370,878,000	0
SHENZHEN INFRASTRUCTURE INVESTMENT FUND-SHENZHEN INFRASTRUCTURE INVESTMENT FUND PARTNERSHIP (LIMITED PARTNERSHIP)	Fund and wealth management products	2.59%	64,850,182	0	0	64,850,182	0
BROADFORD GLOBAL LIMITED	State-owned legal person	2.21%	55,314,208	0	0	55,314,208	0
CHINA-AFRICA DEVELOPMENT FUND	State-owned legal person	1.69%	42,190,151	-21,912,413	0	42,190,151	0

CHINA LIFE INSURANCE COMPANY LIMITED-TRADITION-GENERAL INSURANCE PRODUCTS-005L- CT001 HU	Funds, wealth management products, etc.	0.19%	4,734,022	4,734,022	0	4,734,022	0
BASIC ENDOWMENT INSURANCE FUND 1006 PORTFOLIO	Funds, wealth management products, etc.	0.18%	4,556,289	4,556,289	0	4,556,289	0
HONG KONG SECURITIES CLEARING COMPANY LTD.	Foreign legal person	0.17%	4,335,761	-187,135	0	4,335,761	0
CHINA MERCHANTS SECURITIES (HK) CO., LTD.	Foreign legal person	0.11%	2,668,175	125,720	0	2,668,175	0
Strategic investors or general legal person becoming top-ten ordinary shareholders due to placing of new shares (if any)	Among the foregoing shareholders, Shenzhen Infrastructure Investment Fund-Shenzhen Infrastructure Investment Fund Partnership (Limited Partnership) subscribed for 64,850,182 shares of the Company offered in a non-public manner in 2019 for raising supporting funds at RMB17.16 per share. The subscribed shares were floated on Shenzhen Stock Exchange on 4 November 2019, and the lock-in period lasted until 4 November 2020. China-Africa Development Fund subscribed for 64,102,564 shares of the Company offered in a non-public manner in 2019 for raising supporting funds at RMB17.16 per share. The subscribed shares were floated on Shenzhen Stock Exchange on 4 November 2019, and the lock-in period lasted until 4 November 2020. Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd. subscribed for 576,709,537 shares of the Company offered in a non-public manner at RMB18.50 per share. The subscribed shares were floated on Shenzhen Stock Exchange on 12 October 2022, and the lock-in period lasts until 12 October 2025.						
Related or acting-in-concert parties among the shareholders above	Broadford Global Limited is the controlling shareholder of China Merchants Port Investment Development Company Limited and China Merchants Gangtong Development (Shenzhen) Co., Ltd. The Company does not know whether the other unrestricted shareholders are related parties or not.						
Above shareholders involved in entrusting/being entrusted and giving up voting rights	None						
Special account for share repurchases (if any) among the top 10 shareholders (see note 10)	None						
Top 10 unrestricted shareholders							
Name of shareholder	Unrestricted shares held at the period-end	Shares by type					
		Type	Shares				
CHINA MERCHANTS PORT INVESTMENT DEVELOPMENT COMPANY LIMITED	1,148,648,648	RMB ordinary share	1,148,648,648				
CHINA MERCHANTS GANGTONG DEVELOPMENT (SHENZHEN) CO., LTD.	370,878,000	RMB ordinary share	370,878,000				
SHENZHEN INFRASTRUCTURE INVESTMENT FUND-SHENZHEN INFRASTRUCTURE INVESTMENT FUND PARTNERSHIP (LIMITED PARTNERSHIP)	64,850,182	RMB ordinary share	64,850,182				

BROADFORD GLOBAL LIMITED	55,314,208	Domestically listed foreign share	55,314,208
CHINA-AFRICA DEVELOPMENT FUND	42,190,151	RMB ordinary share	42,190,151
CHINA LIFE INSURANCE COMPANY LIMITED-TRADITION- GENERAL INSURANCE PRODUCTS-005L- CT001 HU	4,734,022	RMB ordinary share	4,734,022
BASIC ENDOWMENT INSURANCE FUND 1006 PORTFOLIO	4,556,289	RMB ordinary share	4,556,289
HONG KONG SECURITIES CLEARING COMPANY LTD.	4,335,761	RMB ordinary share	4,335,761
CHINA MERCHANTS SECURITIES (HK) CO., LTD.	2,668,175	Domestically listed foreign share	2,668,175
MAI SHUQING	2,458,747	RMB ordinary share	2,458,747
Related or acting-in-concert parties among top 10 unrestricted public shareholders, as well as between top 10 unrestricted public shareholders and top 10 shareholders	Broadford Global Limited is the controlling shareholder of China Merchants Port Investment Development Company Limited and China Merchants Gangtong Development (Shenzhen) Co., Ltd. The Company does not know whether the other unrestricted shareholders are related parties or not.		
Top 10 ordinary shareholders involved in securities margin trading (if any)	At the end of the Reporting Period, the shareholder of the Company, Mai Shuqing held 2,458,747 shares through the customer credit transaction secured securities account in China Merchants Securities Co., Ltd.		

Top 10 shareholders involved in refinancing business through lending shares

Applicable Not applicable

Change in Top 10 shareholders compared with the last period

Change in Top 10 shareholders compared with last period					
Name of shareholders (full name)	Add/exit in the Reporting Period	Shares lent for refinancing and not returned yet at the period-end		Shares held by shareholders through their general accounts and credit accounts and Shares lent for refinancing and not returned yet at the period-end	
		Total amount	% of total share capital	Total amount	% of total share capital
CHINA LIFE INSURANCE COMPANY LIMITED-TRADITION-GENERAL INSURANCE PRODUCTS-005L- CT001 HU	Add	0	0.00%	4,734,022	0.19%
BASIC ENDOWMENT INSURANCE FUND 1006 PORTFOLIO	Add	0	0.00%	4,556,289	0.18%
ZHU HUI	Exit	0	0.00%	0	0.00%

MONETARY AUTHORITY OF MACAO-SELF-OWNED FUNDS	Exit	0	0.00%	0	0.00%
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Indicate by tick mark whether any of the top 10 ordinary shareholders or the top 10 unrestricted ordinary shareholders of the Company conducted any promissory repo during the Reporting Period.

Yes No

No such cases in the Reporting Period.

2. Controlling Shareholder

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

Type of the controlling shareholder: legal person

Name of controlling shareholder	Legal representative/person in charge	Date of establishment	Unified social credit code	Principal activity
BROADFORD GLOBAL LIMITED	Yu Zhiliang, Chen Chengdi, Liang Jian	27 November 2017	68550019-000	Port services, bonded logistic and cold chain services, property development and investment
Shareholdings of the controlling shareholder in other listed companies at home or abroad in this Reporting Period	N/A			

Change of the controlling shareholder in the Reporting Period:

Applicable Not applicable

No such cases in the Reporting Period.

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

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

Type of the actual controller: legal person

Name of actual controller	Legal representative/person in charge	Date of establishment	Unified social credit code	Principal activity
China Merchants Group	Miao Jianmin	14 October 1986	91110000100005220B	Lease and agency of water/land passenger-cargo transportation, water/land conveyance and facilities; investment and management of port and storage business; salvage, refloatation and tugboat; industrial production; construction, repairing, checking and marketing of shipping, offshore petroleum drilling equipment; repairing and checking of drilling platform and drilling container; overall contracting of water/land construction projects and the related offshore petroleum development projects, and their construction organization and logistic services; procurement, supply and sale of water/land communication and

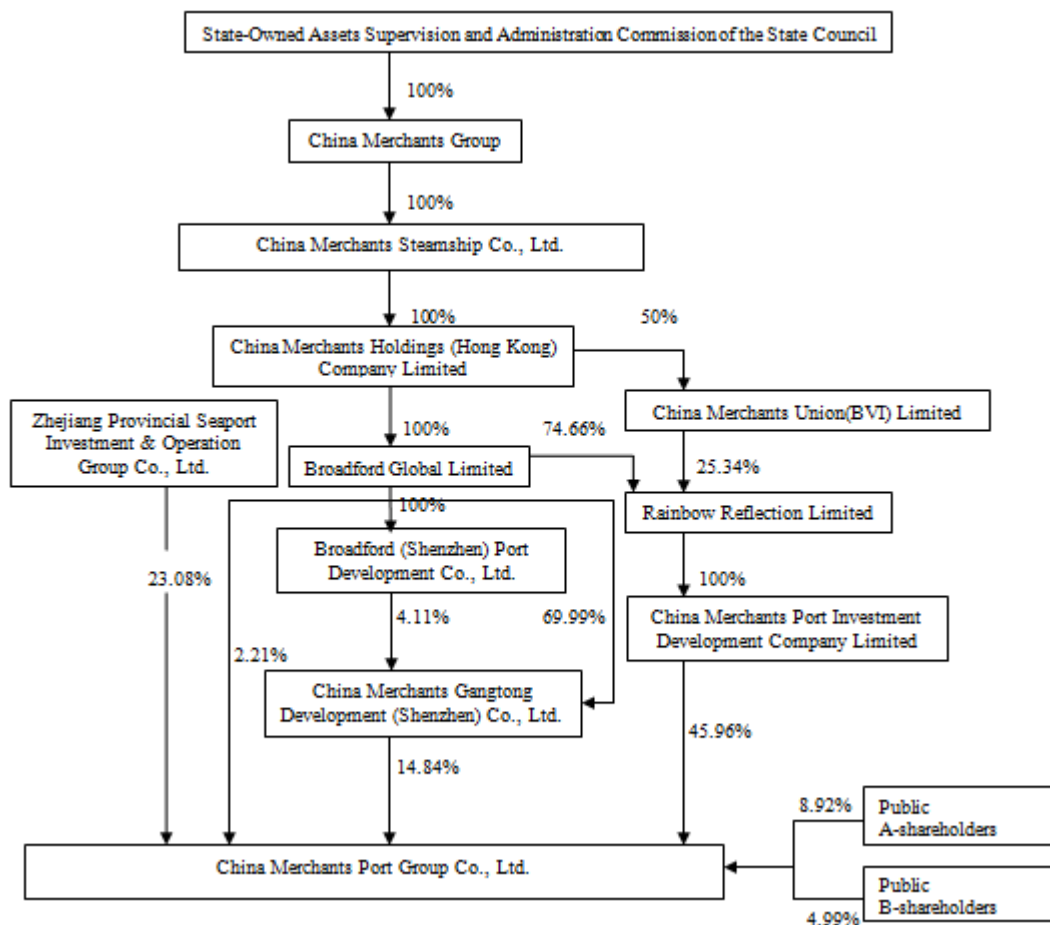
				transportation equipment; export and import business of transportation; investment and management of finance, insurance, trust, securities, futures business; investment and management of tourism, hotels, catering services and relevant service; real estate development, management and consultancy of property; investment and management of petroleum and chemical industry; investment and operation of infrastructure of communication; overseas assets management. Development and management of Shenzhen Shekou Industrial Zone and Fujian Zhangzhou Development Zone. (The market body shall independently choose business items and carry out business activities according to law. For items requiring approval according to law, the market body must obtain approval from related authorities before carrying out the business activities. The market body shall not engage in business activities that are banned and restricted in the national and municipal industrial policies.)
Shareholdings of the actual controller in other listed companies at home or abroad in this Reporting Period	China Merchants Group holds: 74.35% shares of China Merchants Land Limited; 71.76% share of China Merchants Port Holdings Company Limited; 69.15% shares of Liaoning Port Co., Ltd.; 68.72% shares of China Merchants Expressway Network & Technology Holdings Co., Ltd; 58.48% shares of Sinotrans Limited; 58.47% shares of China Merchants Shekou Industrial Zone Holdings Co., Ltd.; 54.02% shares of China Merchants Energy Shipping Co., Ltd; 51.16% shares of China Merchants Property Operation & Service Co., Ltd.; 44.17% shares of China Merchants Securities Co. Ltd.; 27.97% shares of Nanjing Tanker Corporation; 27.86% shares of China Merchants Bank Co., Ltd; 27.59% shares of China Merchants China Direct Investments Limited.			

Change of the actual controller during the Reporting Period:

Applicable Not applicable

No such cases in the Reporting Period.

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



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

Applicable Not applicable

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

Applicable Not applicable

5. Other 10% or Greater Corporate Shareholders

Name of corporate shareholders	Legal representative/person in charge	Date of establishment	Registered capital	Business scope or management activities
China Merchants Port Investment Development Company Limited	Yu Zhiliang, Chen Chengdi, Liang Jian	15 November 2013	HKD28,287,989,241	Investment management of equities and others

Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd.	Tao Chengbo	30 July 2014	RMB50 billion	The exploration and utilization of marine resources, marine industry investment, the management of marine and port resources and capital operations, port investment, construction, and operations, shipping services, commodity reserves, trading, and processing (excluding hazardous chemicals), marine engineering construction, and port engineering design and supervision. (Business activities that require approval in accordance with laws shall be subject to approval by relevant authorities.)
China Merchants Gangtong Development (Shenzhen) Co., Ltd.	Qi Yue	16 January 2018	RMB13,495,525,700	Provision of management services for ports (without involving special administrative measures on the access of foreign investment); port information inquiries, economic information consultation, economic information consultation, corporate management consultation, business information consultation, brand management consultation and logistics information consultation (excluding restricted items in each case); technical development and sales of ship machinery and equipment; technical services in respect of port loading and unloading equipment; supporting businesses in respect of the design, sales, import and export of loading and unloading tools, mechanical and electrical products and non-ferrous metal products (excluding precious metals) (Commodities that involve state trading, quota, license and special administrative regulations shall be operated through the application pursuant to related state regulations); technical development and technical services in respect of modern logistics information systems; supply chain management and related supporting services; design of logistics plans; planning of corporate image; planning of cultural exchange activities (without involving special administrative measures on the access of foreign investment); marketing planning; and planning of brand image. (In each case, any item forbidden by laws, administrative regulations and the State Council shall be excluded and restricted items shall be operated upon the attainment of the permission), licensed business item: none

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

Applicable Not applicable

IV Specific Implementation of Share Repurchases in the Reporting Period

Progress on any share repurchases:

Applicable Not applicable

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

Applicable Not applicable

Part VIII Preference Shares

Applicable Not applicable

No preference shares in the Reporting Period.

Part IX Bonds

I Enterprise Bonds

Applicable Not applicable

No enterprise bonds in the Reporting Period.

II Corporate Bonds

1. Basic Information of the Corporate Bonds

Unit: RMB'0,000

Name	Abbr.	Code	Date of issuance	Value date	Maturity	Bonds balance	Interest rate	Way of redemption	Trading place
2020 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for qualified investors) (Phase I)	20 CMPort 01	149170	7 July 2020	7 July 2020	8 July 2023	0	3.36%	Simple interest is adopted and calculated by year. No compound interest is calculated. Interests are paid once every year and principals paid in lump sum at maturity. In the last instalment, the interests are paid together with principal repayment.	Shen zhen Stock Exchange
2022 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for professional investors) (Phase I)	22 CMPort 01	148052	29 August 2022 to 30 August 2022	30 August 2022	30 August 2025	300,000.00	2.69%	Simple interest is adopted and calculated by year. No compound interest is calculated. Interests are paid once every year and principals paid in lump sum at maturity. In the last instalment, the interests are paid together with principal repayment.	Shen zhen Stock Exchange
2022 Public Offering	22 CMPort 02	148058	5 September 2022 to	6 September 2022	6 September 2024	300,000.00	2.45%	Simple interest is	Shen zhen

Name	Abbr.	Code	Date of issuance	Value date	Maturity	Bonds balance	Interest rate	Way of redemption	Trading place
of Corporate Bonds of China Merchants Port Group Co., Ltd. (for professional investors) (Phase II)			6 September 2022					adopted and calculated by year. No compound interest is calculated. Interests are paid once every year and principals paid in lump sum at maturity. In the last instalment, the interests are paid together with principal repayment.	Stock Exchange
2022 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for professional investors) (Phase III)	22 CMPort 03	148060	8 September 2022 to 9 September 2023	9 September 2022	The maturity date of the bonds is 9 September 2023; if the issuer exercises the redemption option, the maturity date of the bonds is 8 March 2023; if the investor exercises the resale option, the maturity date of the resale portion of the bonds is 8 March 2023.	0	1.93%	Simple interest is adopted and calculated by year. No compound interest is calculated. Interests are paid once every year and principals paid in lump sum at maturity. In the last instalment, the interests are paid together with principal repayment.	Shenzhen Stock Exchange
Appropriate arrangement of the investors (if any)	The Company's bonds are publicly issued to professional institutional investors								
Applicable trading mechanism	Match-and-deal, negotiate-and-deal, click-and-deal, inquire-and-deal, bid-and-deal								
Risk of termination of listing transactions (if any) and countermeasures	Not								

Overdue bonds

Applicable Not applicable

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

□ Applicable √ Not applicable

3. Intermediary

Bond	Intermediary	Office address	Signature accountant	Contact person of intermediary	Contact number
2020 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for qualified investors) (Phase I)	Lead Underwriter and Trustee: CITIC Securities Co., Ltd.	18F CITIC Securities Tower, No.8 Zhongxin 3rd Road, Futian District, Shenzhen	Not applicable	Feng Yuan	0755-23835062
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing	Not applicable	Liu Yongzhao, Chen Shanshan	010-8519 1300
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing	Not applicable	Zhong Ting, Liang Ziqiu	027-87339288
	Auditor: Deloitte Touche Tohmatsu Certified Public Accountants LLP	30th Floor, Bund Center, No. 222 East Yan'an Road, Shanghai	Li Weihua, Wang Hongmei	Wang Hongmei	021-61418888
2022 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for professional investors) (Phase I)	Lead Underwriter and Trustee: CITIC Securities Co., Ltd.	18F CITIC Securities Tower, No.8 Zhongxin 3rd Road, Futian District, Shenzhen	Not applicable	Feng Yuan	0755-23835062
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing	Not applicable	Liu Yongzhao, Chen Shanshan	010-8519 1300
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing	Not applicable	Zhong Ting, Liang Ziqiu	027-87339288
	Auditor: Deloitte Touche	30th Floor, Bund Center,	Li Weihua, Wang Hongmei	Wang Hongmei	021-61418888

Bond	Intermediary	Office address	Signature accountant	Contact person of intermediary	Contact number
	Tohmatu Certified Public Accountants LLP	No. 222 East Yan'an Road, Shanghai			
2022 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for professional investors) (Phase II)	Lead Underwriter and Trustee: CITIC Securities Co., Ltd.	18F CITIC Securities Tower, No.8 Zhongxin 3rd Road, Futian District, Shenzhen	Not applicable	Feng Yuan	0755-23835062
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing	Not applicable	Liu Yongzhao, Chen Shanshan	010-8519 1300
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing	Not applicable	Zhong Ting, Liang Ziqiu	027-87339288
	Auditor: Deloitte Touche Tohmatu Certified Public Accountants LLP	30th Floor, Bund Center, No. 222 East Yan'an Road, Shanghai	Li Weihua, Wang Hongmei	Wang Hongmei	021-61418888
2022 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for professional investors) (Phase III)	Lead Underwriter and Trustee: CITIC Securities Co., Ltd.	18F CITIC Securities Tower, No.8 Zhongxin 3rd Road, Futian District, Shenzhen	Not applicable	Feng Yuan	0755-23835062
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing	Not applicable	Liu Yongzhao, Chen Shanshan	010-8519 1300
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing	Not applicable	Zhong Ting, Liang Ziqiu	027-87339288
	Auditor: Deloitte Touche Tohmatu	30th Floor, Bund Center, No. 222 East	Li Weihua, Wang Hongmei	Wang Hongmei	021-61418888

Bond	Intermediary	Office address	Signature accountant	Contact person of intermediary	Contact number
	Certified Public Accountants LLP	Yan'an Road, Shanghai			

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

Yes No

4. List of the Usage of the Raised Funds

Unit: RMB'0,000

Bonds	Total amount	Amount spent	Unused amount	Operation of special account for raised funds (if any)	Rectification of raised funds for violation operation (if any)	Whether is consistent with the usage, using plan and other agreements stipulated in the raising specification
2020 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for qualified investors) (Phase I)	200,000.00	200,000.00	0.00	None	None	Yes
2022 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for professional investors) (Phase I)	300,000.00	300,000.00	0.00	None	None	Yes
2022 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for professional investors) (Phase II)	300,000.00	300,000.00	0.00	None	None	Yes

Bonds	Total amount	Amount spent	Unused amount	Operation of special account for raised funds (if any)	Rectification of raised funds for violation operation (if any)	Whether is consistent with the usage, using plan and other agreements stipulated in the raising specification
2022 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for professional investors) (Phase III)	200,000.00	200,000.00	0.00	None	None	Yes

The raised funds were used for project construction

Applicable Not applicable

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

Applicable Not applicable

5. Adjustment of Credit Rating Results during the Reporting Period

Applicable Not applicable

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

Applicable Not applicable

III Debt Financing Instruments of Non-financial Enterprises

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

Unit: RMB'0,000

Name	Abbr.	Code	Date of issuance	Value date	Maturity	Bonds balance	Interest rate	Way of redemption	Trading place
Medium-term Notes of China	21 CMPort MTN001	102100703	14 April 2021	16 April 2021	16 April 2024	200,000.00	3.52 %	Interests paid	Interbank

Merchants Port Group Co., Ltd. (Phase I 2021)								once every year and principals paid in lump sum on the redemption date	bond market
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase V 2022)	22 CMPort SCP005	012283152	1 September 2022	5 September 2022	2 June 2023	0	1.75 %	Principals and interest paid in lump sum at maturity	Interbank bond market
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase I 2023)	23 CMPort SCP001	012380785	1 March 2023	3 March 2023	30 August 2023	0	2.35 %	Principals and interest paid in lump sum at maturity	Interbank bond market
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase II 2023)	23 CMPort SCP002	012382233	14 June 2023	15 June 2023	12 December 2023	0	2.05 %	Principals and interest paid in lump sum at maturity	Interbank bond market
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase III 2023)	23 CMPort SCP003	012384044	7 November 2023	8 November 2023	6 February 2024	200,000.00	2.43 %	Principals and interest paid in lump sum at maturity	Interbank bond market
Appropriate arrangement	Not applicable								

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

Matured bonds unredeemed

Applicable Not applicable

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

Applicable Not applicable

3. Intermediary

Bond	Intermediary	Office address	Signature accountant	Contact person of intermediary	Contact number
Medium-term Notes of China Merchants Port Group Co., Ltd. (Phase I 2021)	Lead Underwriter: China Merchants Bank Co., Ltd.	China Merchants Bank Shenzhen Branch Building, No. 2016 Shennan Avenue, Shenzhen, Guangdong Province	Uninvolved	Luo Yingying, Gan Yawen	0755-88023712
	Co-lead Underwriter: CITIC Securities Co., Ltd.	18th Floor, CITIC Securities Building, No. 8 Zhongxin 3rd Road, Futian District, Shenzhen		Feng Yuan	0755-23835062
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing		Liu Yongzhao, Chen Shanshan	010-8519 1300
	Credit rating agency: China Chengxin International	Room 60101, Building 1, No. 2 Nanzhugan Hutong,		Zhong Ting, Liang Ziqiu	027-87339288

Bond	Intermediary	Office address	Signature accountant	Contact person of intermediary	Contact number
	Credit Rating Co., Ltd.	Dongcheng District, Beijing			
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase V 2022)	Lead Underwriter: Agricultural Bank of China Co., Ltd.	No. 69, Jianguomen Inner Street, Dongcheng District, Beijing	Uninvolved	An Liwei	010-85109045
	Co-lead Underwriter: Bank of China Limited	No. 1 Fuxingmen Inner Street, Xicheng District, Beijing, China		Li Xintong	010-66595024
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing		Liu Yongzhao, Chen Shanshan	010-8519 1300
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing		Zhong Ting, Liang Ziqiu	027-87339288
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase I 2023)	Lead Underwriter: China Merchants Bank Co., Ltd.	China Merchants Bank Shenzhen Branch Building, No. 2016 Shennan Avenue, Shenzhen	Uninvolved	Luo Yingying, Gan Yawen	0755-88023712
	Co-lead Underwriter: Industrial and Commercial Bank of China	No. 55 Fuxingmen Inner Street, Xicheng District, Beijing, China		Liu Hanbin	010-81012319
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing		Liu Yongzhao, Chen Shanshan	010-8519 1300
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing		Zhong Ting, Liang Ziqiu	027-87339288

Bond	Intermediary	Office address	Signature accountant	Contact person of intermediary	Contact number
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase II 2023)	Lead Underwriter: China Merchants Bank Co., Ltd.	China Merchants Bank Shenzhen Branch Building, No. 2016 Shennan Avenue, Shenzhen	Uninvolved	Luo Yingying, Gan Yawen	0755-88023712
	Co-lead Underwriter: Industrial Bank Co. Ltd.	15th Floor, Industrial Bank Building, No. 20 Chaoyangmen North Street, Chaoyang District, Beijing		Zhang Hao, Wu Dan	010-89926629、0755-82049629
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing		Liu Yongzhao, Chen Shanshan	010-8519 1300
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing		Zhong Ting, Liang Ziqiu	027-87339288
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase III 2023)	Lead Underwriter: China Merchants Bank Co., Ltd.	China Merchants Bank Shenzhen Branch Building, No. 2016 Shennan Avenue, Shenzhen	Uninvolved	Luo Yingying, Gan Yawen	0755-88023712
	Co-lead Underwriter: Industrial and Commercial Bank of China	No. 55 Fuxingmen Inner Street, Xicheng District, Beijing, China		Liu Hanbin	010-81012319
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing		Liu Yongzhao, Chen Shanshan	010-8519 1300
	Credit rating agency: China	Room 60101, Building 1, No.		Zhong Ting, Liang Ziqiu	027-87339288

Bond	Intermediary	Office address	Signature accountant	Contact person of intermediary	Contact number
	Chengxin International Credit Rating Co., Ltd.	2 Nanzhugan Hutong, Dongcheng District, Beijing			

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

Yes No

4. List of the Usage of the Raised Funds

Unit: RMB'0,000

Bonds	Total amount	Amount spent	Unused amount	Operation of special account for raised funds (if any)	Rectification of raised funds for violation operation (if any)	Whether is consistent with the usage, using plan and other agreements stipulated in the raising specification
Medium-term Notes of China Merchants Port Group Co., Ltd. (Phase I 2021)	200,000.00	200,000.00	0.00	None	None	Yes
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase V 2022)	100,000.00	100,000.00	0.00	None	None	Yes
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase I 2023)	200,000.00	200,000.00	0.00	None	None	Yes
Super-short-term Commercial Papers of	200,000.00	200,000.00	0.00	None	None	Yes

China Merchants Port Group Co., Ltd. (Phase II 2023)						
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase III 2023)	200,000.00	200,000.00	0.00	None	None	Yes

The raised funds were used for project construction

Applicable Not applicable

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

Applicable Not applicable

5. Adjustment of Credit Rating Results during the Reporting Period

Applicable Not applicable

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

Applicable Not applicable

IV Convertible Corporate Bonds

Applicable Not applicable

No such cases in the Reporting Period.

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

Applicable Not applicable

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

Applicable Not applicable

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

Yes No

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

Item	31 December 2023	31 December 2022 (Restated)	Change
Current ratio	80.71%	76.93%	4.91%
Debt/asset ratio	36.76%	35.06%	1.70%
Quick ratio	79.96%	76.08%	5.10%
	2023	2022(Restated)	Change
Net profit before exceptional gains and losses (RMB '0,000)	333,922.68	336,501.79	-0.77%
EBITDA/debt ratio	19.65%	21.47%	-1.82%
Interest cover (times)	3.85	4.14	-7.00%
Cash-to-interest cover (times)	4.38	5.02	-12.75%
EBITDA-to-interest cover (times)	6.28	6.59	-4.70%
Debt repayment ratio (%)	100.00%	100.00%	-
Interest payment ratio (%)	100.00%	100.00%	-

Part X Financial Statements

I Independent Auditor's Report

Type of the independent auditor's opinion	Standard and unqualified auditor's report
Date of signing this report	29 March 2024
Name of the independent auditor	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Reference number of Audit Report	De Shi Bao (Shen) Zi (24) No. [P03112]
Name of the certified public accountants	Li Weihua, Wang Hongmei

II Financial Statements

See attached.

China Merchants Port Group Co., Ltd.

Board of Directors

2 April 2024

CHINA MERCHANTS PORT GROUP CO., LTD.

FINANCIAL STATEMENTS AND AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

CHINA MERCHANTS PORT GROUP CO., LTD.

FINANCIAL STATEMENTS AND AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

<u>CONTENTS</u>	<u>PAGE(S)</u>
AUDITOR'S REPORT	1 - 6
CONSOLIDATED BALANCE SHEET	7 - 8
BALANCE SHEET OF THE COMPANY	9 - 10
CONSOLIDATED INCOME STATEMENT	11
INCOME STATEMENT OF THE COMPANY	12
CONSOLIDATED CASH FLOW STATEMENT	13
CASH FLOW STATEMENT OF THE COMPANY	14
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	15 - 16
THE COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	17 - 18
NOTES TO THE FINANCIAL STATEMENTS	19 - 189

AUDITOR'S REPORT

De Shi Bao (Shen) Zi (24) No. P03112
(Page 1 of 6)

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

I. Audit Opinion

We have audited the financial statements of China Merchants Port Group Co., Ltd. (hereinafter referred to as "the Company"), which comprise the consolidated and Company's balance sheets as at 31 December 2023, and the consolidated and Company's income statements, the consolidated and Company's cash flow statements and the consolidated and Company's statements of changes in shareholders' equity for the year then ended, and the notes to the financial statements.

In our opinion, the accompanying financial statements of the Company are prepared and present fairly, in all material respects, the consolidated and Company's financial position as at 31 December 2023, and the consolidated and Company's results of operations and cash flows for the year then ended in accordance with the Accounting Standards for Business Enterprises.

II. Basis for the Opinion

We conducted our audit in accordance with China Standards on Auditing. 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 the Company in accordance with China Code of Ethics for Certified Public Accountants, 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 judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. We determine the followings are key audit matters that need to be addressed in our report.

1. Subsequent measurement of long-term equity investments in associates

As disclosed in Note (VIII) 12 to the consolidated financial statements, as at 31 December 2023, the carrying amount of the Company's long-term equity investments in associates amounts to RMB 87,708,124,441.05, accounting for 69.85% of the total shareholder's equity. In 2023, the investment income from associates recognized under the equity method amounts to RMB 5,582,402,904.90, accounting for 74.48% of the consolidated net profit. Since the amount of income from investments in associates recognized by the Company for the year is significant, and its correctness depends on the financial status and operating results of the investee, 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.

AUDITOR'S REPORT - continued

De Shi Bao (Shen) Zi (24) No. P03112
(Page 2 of 6)

III. Key Audit Matters - continued

1. Subsequent measurement of long-term equity investments in associates - continued

Principal audit procedures we performed for the above key audit matter are as follows:

- (1) Understood the certified public accountants of major associates and evaluated their independence and professional competence;
- (2) Identified and assessed the risk of material misstatement in the financial statements of the major associates from the perspective of auditing the consolidated financial statements of the Company by reading the financial statements of the major associates and discussing with the management about the financial performance of the major associates and the significant judgments and estimates made in the preparation of the financial statements;
- (3) Discussed with the component certified public accountants of the major associates about their assessment of the component audit risk, the identification of key audit areas and the implementation of the corresponding audit procedures to evaluate whether the audit of the component certified public accountants was appropriate;
- (4) Verified whether the accounting policies and accounting periods adopted by the major associates were consistent with those of the Company. If not, checked whether the financial statements of the major associates have been adjusted according to the accounting policies and accounting periods of the Company, and recognized the amount of investment income under equity method on that basis.

2. Goodwill impairment

As disclosed in Note (VIII) 20 to the consolidated financial statements, as at 31 December 2023, the goodwill presented in the consolidated financial statements of the Company is RMB 6,493,002,246.44. The management of the Company uses the net amount of fair value less costs of disposal or the present value of the estimated future cash flows to determine the recoverable amount of the relevant asset group when testing the goodwill for impairment, of which the fair value assessment is based on the market approach, and the forecast of future cash flows and the calculation of the present value include key assumptions, such as growth rate and discount rate. We determine goodwill impairment as a key audit matter of the consolidated financial statements due to the significant amount of goodwill and that the management needs to make significant judgments and estimates when conducting goodwill impairment testing.

AUDITOR'S REPORT - continued

De Shi Bao (Shen) Zi (24) No. P03112
(Page 3 of 6)

III. Key Audit Matters - continued

2. Goodwill impairment - continued

Principal audit procedures we performed for the above key audit matter are as follows:

- (1) Assessed the reasonableness of the division of asset group and combination of asset group made by the management;
- (2) Referred to the industry practice to assess whether the management's approach in cash flow forecast was appropriate and whether the assumptions used were reasonable;
- (3) Compared the data used in cash flow forecast with historical data and budget data approved by the management, and assessed the reasonableness of the data used;
- (4) Compared the growth rate of the business volume in the forecast period with the growth rate of the historical business volume and evaluated its reasonableness;
- (5) Understood the basis adopted by the management to determine the growth rate of the business in the subsequent forecast period and assessed its reasonableness;
- (6) Assessed the reasonableness of the discount rate adopted by the management in combination with market risk-free interest rates, risk factors, etc.;
- (7) Used the work of internal evaluation experts to evaluate the appropriateness of the management's method to assess the recoverable amount of the asset group, and evaluate the reasonableness of the discount rate used by the management in predicting the present value of cash flows and the growth rate of the subsequent forecast period;
- (8) Reviewed whether the calculation of the present value of future cash flows was correct;
- (9) Assessed whether the method used to determine the fair value less costs of disposal was appropriate;
- (10) Assessed the adequacy and appropriateness of the disclosure of goodwill impairment testing.

IV. Other Information

The management of the Company is responsible for the other information. The other information comprises the information included in the 2023 annual report, but does not include the consolidated financial statements and our auditor's report.

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

AUDITOR'S REPORT - continued

De Shi Bao (Shen) Zi (24) No. P03112
(Page 4 of 6)

IV. Other Information - continued

In combination 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 audit work 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

The management of the Company is responsible for the preparation of the financial statements that give a true and fair view in accordance with Accounting Standards for Business Enterprises, and for the design, performance and maintenance of such internal control that is necessary to enable that the preparation of financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company'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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes an audit opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with China Standards on Auditing 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.

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

As part of an audit in accordance with China Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (1) Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that was sufficient and appropriate to form our opinion. The risk of not detecting a material misstatement resulting from fraud was higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Understood audit-related internal control in order to design audit procedures that were appropriate in the circumstances.
- (3) Evaluated the appropriateness of accounting policies applied and the reasonableness of accounting estimates and related disclosures made by the management.
- (4) Concluded on the appropriateness of the management' application of the going concern basis of accounting. Based on audit evidence obtained, concluded on whether the material uncertainty of events or conditions that may cast significant doubt on the Company's ability to continue as a going concern existed. If we concluded that a material uncertainty existed, we were required to draw attention in our auditor's report to the related disclosures in the financial statements or to modify our opinion, if such disclosures were inadequate. Our conclusions were based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (5) Evaluated the overall presentation (including the disclosures), structure and content of the financial statements, and whether the financial statements represented the underlying transactions and events in a manner that achieved fair presentation.
- (6) Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We were responsible for the direction, supervision and performance of the group audit. We remained solely responsible for our audit opinion.

We communicated 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 identified during our audit.

We also provided those charged with governance with a statement that we had complied with relevant ethical requirements of independence, and communicated with those charged with governance over all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

AUDITOR'S REPORT - continued

De Shi Bao (Shen) Zi (24) No. P03112
(Page 6 of 6)

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

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

Deloitte Touche Tohmatsu CPA LLP
Shanghai, China

Chinese Certified Public Accountant
(Engagement Partner)

Li Weihua

Chinese Certified Public Accountant

Wang Hongmei

29 March 2024

The auditor's report and the accompanying financial statements are English translations of the Chinese auditor's report and statutory financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

AT 31 DECEMBER 2023

Consolidated Balance Sheet

RMB

Item	Notes	31/12/2023	31/12/2022 (Restated)
Current Assets:			
Cash and bank balances	(VIII)1	16,079,646,178.24	13,615,928,739.40
Held-for-trading financial assets	(VIII)2	4,568,806,108.84	2,998,781,599.63
Notes receivable	(VIII)3	325,150,195.09	36,395,000.00
Accounts receivable	(VIII)4	1,103,901,466.25	1,276,149,689.44
Receivables financing	(VIII)5	2,001,669.46	163,766,913.10
Prepayments	(VIII)6	37,664,552.30	63,627,425.42
Other receivables	(VIII)7	940,014,994.01	948,842,094.30
Including: Interest receivable	(VIII)7	-	-
Dividends receivable	(VIII)7	343,386,866.06	416,040,485.62
Inventories	(VIII)8	218,898,192.87	225,122,821.48
Non-current assets due within one year	(VIII)9	17,451,380.98	902,225,293.93
Other current assets	(VIII)10	189,673,500.87	185,903,140.53
Total current assets		23,483,208,238.91	20,416,742,717.23
Non-current Assets:			
Long-term receivables	(VIII)11	3,856,466,116.99	5,661,327,499.07
Long-term equity investments	(VIII)12	96,666,117,776.27	92,364,293,919.05
Investments in other equity instruments	(VIII)13	157,461,648.16	171,945,275.02
Other non-current financial assets	(VIII)14	877,576,442.83	1,745,740,896.41
Investment properties	(VIII)15	4,958,374,968.79	5,123,690,119.56
Fixed assets	(VIII)16	28,986,538,326.35	32,033,326,083.50
Including: Fixed assets - cost		51,987,700,820.76	55,185,206,442.91
Accumulated depreciation		22,787,694,400.09	23,088,313,866.49
Provision for impairment of fixed assets		213,504,483.08	63,574,868.76
Construction in progress	(VIII)17	2,909,817,281.46	2,413,844,407.64
Right-of-use assets	(VIII)18	9,441,668,311.22	9,342,642,222.33
Intangible assets	(VIII)19	18,073,062,184.72	19,277,065,115.61
Development expenditure	(IX)2	50,990,153.18	17,412,196.16
Goodwill	(VIII)20	6,493,002,246.44	6,411,426,891.09
Long-term prepaid expenses	(VIII)21	993,793,505.29	986,356,904.90
Deferred tax assets	(VIII)22	415,063,477.03	434,498,820.95
Other non-current assets	(VIII)23	1,194,155,989.62	1,186,789,378.79
Total non-current assets		175,074,088,428.35	177,170,359,730.08
TOTAL ASSETS		198,557,296,667.26	197,587,102,447.31

AT 31 DECEMBER 2023

Consolidated Balance Sheet - continued

RMB

Item	Notes	31/12/2023	31/12/2022 (Restated)
Current liabilities:			
Short-term borrowings	(VIII)24	15,714,045,288.97	7,164,338,366.18
Notes payable	(VIII)25	73,461,165.82	-
Accounts payable	(VIII)26	691,765,137.25	811,149,397.66
Receipts in advance	(VIII)27	17,387,537.36	9,886,531.59
Contract liabilities	(VIII)28	142,080,101.00	141,899,551.03
Employee benefits payable	(VIII)29	917,964,606.65	936,834,718.13
Including: Payroll payable		883,913,277.13	897,442,262.83
Welfare payable		-	-
Taxes payable	(VIII)30	923,053,572.50	917,933,169.09
Other payables	(VIII)31	1,654,622,170.02	1,755,885,258.26
Including: Interest payable	(VIII)31	-	-
Dividends payable	(VIII)31	111,897,214.27	92,374,921.29
Non-current liabilities due within one year	(VIII)32	6,817,404,289.25	11,641,223,688.95
Other current liabilities	(VIII)33	2,143,842,534.53	3,161,147,525.96
Total current liabilities		29,095,626,403.35	26,540,298,206.85
Non-current Liabilities:			
Long-term borrowings	(VIII)34	18,227,543,954.71	12,390,099,177.85
Bonds payable	(VIII)35	14,287,508,564.15	19,088,293,099.02
Including: Preferred shares		-	-
Perpetual bonds		-	-
Lease liabilities	(VIII)36	1,001,172,206.92	948,350,914.04
Long-term payables	(VIII)37	3,822,862,202.17	3,551,315,590.31
Long-term employee benefits payable	(VIII)38	603,009,921.91	639,095,931.43
Provisions	(VIII)39	85,590,059.41	35,365,156.43
Deferred income	(VIII)40	1,024,776,557.73	1,031,273,189.74
Deferred tax liabilities	(VIII)22	4,659,638,104.37	4,855,019,835.33
Other non-current liabilities	(VIII)41	179,634,263.73	186,383,117.00
Total non-current liabilities		43,891,735,835.10	42,725,196,011.15
TOTAL LIABILITIES		72,987,362,238.45	69,265,494,218.00
Shareholders' equity:			
Share capital	(VIII)42	2,499,074,661.00	2,499,074,661.00
Including: State capital		-	-
State-owned corporate capital		2,264,090,797.00	2,283,118,870.00
Collective capital		-	-
Private capital		218,857,094.00	195,001,566.00
Foreign capital		16,126,770.00	20,954,225.00
Capital reserve	(VIII)43	37,076,846,803.06	34,751,640,835.25
Other comprehensive income	(VIII)44	-903,626,594.35	-689,553,619.86
Special reserve	(VIII)45	34,003,994.41	26,358,259.97
Surplus reserve	(VIII)46	1,095,980,563.68	1,001,917,449.15
Unappropriated profit	(VIII)47	19,045,313,519.75	16,701,988,301.14
Total equity attributable to shareholders of the Company		58,847,592,947.55	54,291,425,886.65
Minority interests		66,722,341,481.26	74,030,182,342.66
TOTAL SHAREHOLDERS' EQUITY		125,569,934,428.81	128,321,608,229.31
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		198,557,296,667.26	197,587,102,447.31

The accompanying notes form part of the financial statements.

The financial statements were signed by the following:

Xu Song

Legal Representative

Tu Xiaoping

Chief Financial Officer

Hu Shaode

Head of Accounting Department

CHINA MERCHANTS PORT GROUP CO., LTD.

AT 31 DECEMBER 2023

Balance Sheet of the Company

RMB

Item	Notes	31/12/2023	31/12/2022
Current Assets:			
Cash and bank balances		3,281,038,218.84	3,333,936,587.44
Held-for-trading financial assets		1,500,517,808.22	1,502,601,369.86
Prepayments		10,075,055.61	-
Other receivables	(XX)1	1,742,461,670.32	2,749,637,755.23
Including: Interest receivable	(XX)1	-	-
Dividends receivable	(XX)1	167,092,526.14	147,896,763.88
Other current assets		10,882,675.96	7,774,206.30
Total current assets		6,544,975,428.95	7,593,949,918.83
Non-current Assets:			
Long-term receivables		9,391,615.50	9,240,200.34
Long-term equity investments	(XX)2	55,168,618,338.79	53,433,613,471.49
Investments in other equity instruments		148,088,364.25	144,700,378.28
Other non-current financial assets		-	950,321,309.06
Fixed assets		27,343,639.28	28,826,135.19
Including: Fixed assets - cost		32,478,382.04	31,811,887.38
Accumulated depreciation		5,134,742.76	2,985,752.19
Provision for impairment of fixed assets		-	-
Construction in progress		607,774.34	15,435,512.32
Intangible assets		54,876,218.77	50,303,126.12
Development expenditure		38,923,289.23	6,219,670.14
Long-term prepaid expenses		665,319.42	873,700.49
Deferred tax assets		928,465.21	928,465.21
Total non-current assets		55,449,443,024.79	54,640,461,968.64
TOTAL ASSETS		61,994,418,453.74	62,234,411,887.47

CHINA MERCHANTS PORT GROUP CO., LTD.

AT 31 DECEMBER 2023

Balance Sheet of the Company - continued

RMB

Item	Notes	31/12/2023	31/12/2022
Current Liabilities:			
Receipts in advance		5,358,074.44	-
Employee benefits payable		45,188,572.96	38,763,907.88
Including: Payroll payable		45,032,983.18	38,672,237.18
Welfare payable		-	-
Taxes payable		1,046,270.66	1,251,923.17
Other payables		376,323,201.93	373,569,651.65
Including: Interest payable		-	-
Dividends payable		34,577,578.12	34,577,578.12
Non-current liabilities due within one year		5,119,243,623.45	2,146,233,151.54
Other current liabilities		2,007,190,136.98	3,017,713,424.64
Total current liabilities		7,554,349,880.42	5,577,532,058.88
Non-current Liabilities:			
Long-term borrowings		7,979,000,000.00	4,988,000,000.00
Bonds payable		3,000,000,000.00	8,000,000,000.00
Deferred tax liabilities		41,948,362.13	41,622,256.05
Total non-current liabilities		11,020,948,362.13	13,029,622,256.05
TOTAL LIABILITIES		18,575,298,242.55	18,607,154,314.93
SHAREHOLDERS' EQUITY			
Share capital		2,499,074,661.00	2,499,074,661.00
Including: State capital		-	-
State-owned corporate capital		2,264,090,797.00	2,283,118,870.00
Collective capital		-	-
Private capital		218,857,094.00	195,001,566.00
Foreign capital		16,126,770.00	20,954,225.00
Capital reserve		37,704,543,586.11	37,749,723,642.07
Other comprehensive income		120,520,832.83	99,525,686.03
Surplus reserve		1,095,980,563.68	1,001,917,449.15
Unappropriated profit		1,999,000,567.57	2,277,016,134.29
TOTAL SHAREHOLDERS' EQUITY		43,419,120,211.19	43,627,257,572.54
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		61,994,418,453.74	62,234,411,887.47

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2023

Consolidated Income Statement

RMB

Item	Notes	2023	2022 (Restated)
I. Total operating income	(VIII)48	15,750,475,780.22	16,230,489,127.55
Less: Operating costs	(VIII)48	9,318,186,707.75	9,650,461,712.94
Taxes and surcharges	(VIII)49	312,998,026.19	282,249,473.46
Administrative expenses	(VIII)50	1,776,641,155.38	1,765,094,736.51
Research and development expenses	(VIII)51	223,739,072.07	287,706,178.70
Financial expenses	(VIII)52	1,839,113,328.14	2,258,713,672.42
Including: Interest expenses		2,238,152,796.66	2,225,162,805.79
Interest income		497,593,921.36	469,834,098.05
Net exchange loss		85,519,920.28	477,004,284.27
Add: Other income	(VIII)53	224,389,260.77	241,648,070.42
Investment income	(VIII)54	6,348,676,940.80	7,377,655,506.33
Including: Income from investments in associates and joint ventures	(VIII)54	5,979,007,585.96	7,185,182,148.75
Gains (Losses) from changes in fair value (Losses are marked with "-")	(VIII)55	73,352,800.52	-129,033,650.11
Gains (Losses) from impairment of credit (Losses are marked with "-")	(VIII)56	37,284,041.18	-223,473,576.55
Losses from impairment of assets (Losses are marked with "-")	(VIII)57	-191,297,311.28	-22,159,020.20
Gains from disposal of assets	(VIII)58	36,759,532.61	55,130,095.52
II. Operating profit		8,808,962,755.29	9,286,030,778.93
Add: Non-operating income	(VIII)59	87,302,024.12	279,274,452.77
Including: Government grants		-	1,640,553.77
Less: Non-operating expenses	(VIII)60	97,072,840.72	220,442,254.68
III. Gross profit		8,799,191,938.69	9,344,862,977.02
Less: Income tax expenses	(VIII)63	1,303,579,852.93	1,112,959,676.75
IV. Net profit		7,495,612,085.76	8,231,903,300.27
(I) Categorized by continuity of operation			
1. Net profit from continuing operation		7,495,612,085.76	8,231,903,300.27
2. Net profit from discontinued operation		-	-
(II) Categorized by attribution of ownership			
1. Net profit attributable to shareholders of the Company		3,571,800,762.16	3,338,693,816.70
2. Profit or loss attributable to minority shareholders		3,923,811,323.60	4,893,209,483.57
V. Other comprehensive income, net of tax	(VIII)66	209,856,768.77	1,628,631,938.02
(I) Other comprehensive income attributable to shareholders of the Company, net of tax		-214,072,974.49	208,085,368.23
1. Other comprehensive income that will not be reclassified to profit or loss		-73,874,071.89	-22,706,023.29
(1) Changes from remeasurement of the defined benefit plan		7,480,103.34	-12,793,128.73
(2) Other comprehensive income that cannot be reclassified to profit or loss under the equity method		-83,841,725.07	-11,550,762.02
(3) Changes in fair value of investments in other equity instruments		2,487,549.84	1,637,867.46
2. Other comprehensive income that will be reclassified subsequently to profit or loss		-140,198,902.60	230,791,391.52
(1) Other comprehensive income that can be reclassified to profit or loss under the equity method		-366,028,318.84	-110,193,707.53
(2) Translation differences of financial statements denominated in foreign currencies		225,829,416.24	340,985,099.05
(II) Other comprehensive income attributable to minority interests, net of tax		423,929,743.26	1,420,546,569.79
VI. Total comprehensive income attributable to:		7,705,468,854.53	9,860,535,238.29
(I) Shareholders of the Company		3,357,727,787.67	3,546,779,184.93
(II) Minority shareholders		4,347,741,066.86	6,313,756,053.36
VII. Earnings per share			
(I) Basic earnings per share (Yuan/share)		1.43	1.61
(II) Diluted earnings per share (Yuan/share)		1.43	1.61

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2023

Income Statement of the Company

RMB

Item	Notes	2023	2022
I. Operating income	(XX)3	17,326,885.29	3,669,891.36
Less: Operating costs	(XX)3	3,686,411.84	2,276,202.60
Taxes and surcharges		2,161,621.42	1,126,365.82
Administrative expenses		167,273,393.24	154,023,617.71
Research and development expenses		14,046,526.98	15,151,413.80
Financial expenses		397,006,521.97	361,633,510.16
Including: Interest expenses		482,413,617.32	491,933,634.55
Interest income		89,862,634.06	144,120,475.54
Net exchange loss		2,296,890.14	3,785,346.40
Add: Other income		206,131.06	499,438.35
Investment income	(XX)4	1,597,599,935.27	1,053,614,451.09
Including: Income from investments in associates and joint ventures	(XX)4	1,111,522,805.93	384,257,363.02
Losses from changes in fair value (Losses are marked with "-")		-48,217,517.53	-125,383,212.19
Losses from impairment of assets (Losses are marked with "-")		-43,605,014.00	-
Gains from disposal of assets		-	237,727.99
II. Operating profit		939,135,944.64	398,427,186.51
Add: Non-operating income		18,698.11	545,089.04
Less: Non-operating expenses		104,998.04	18.84
III. Gross profit		939,049,644.71	398,972,256.71
Less: Income tax expenses		-1,581,500.55	-8,376,614.77
IV. Net profit		940,631,145.26	407,348,871.48
V. Other comprehensive income, net of tax		20,995,146.80	1,625,433.48
(I) Other comprehensive income that cannot be reclassified to profit or loss		3,661,309.41	1,391,486.75
1. Changes from remeasurement of the defined benefit plan		-	-
2. Other comprehensive income that cannot be reclassified to profit or loss under the equity method		1,120,319.93	27,649.59
3. Changes in fair value of investments in other equity instruments		2,540,989.48	1,363,837.16
(II) Other comprehensive income that will be reclassified to profit or loss		17,333,837.39	233,946.73
1. Other comprehensive income that can be reclassified to profit or loss under the equity method		17,333,837.39	233,946.73
2. Translation differences of financial statements denominated in foreign currencies		-	-
VI. Total comprehensive income		961,626,292.06	408,974,304.96

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2023

Consolidated Cash Flow Statement

RMB

Item	Notes	2023	2022
I. Cash Flows from Operating Activities:			
Cash receipts from sales of goods and rendering of services		16,019,658,434.90	16,547,850,742.82
Receipts of tax refunds		53,272,648.95	239,426,543.45
Other cash receipts relating to operating activities	(VIII) 67(1)	927,564,019.09	1,141,794,925.33
Sub-total of cash inflows		17,000,495,102.94	17,929,072,211.60
Cash payments for goods purchased and services received		4,550,256,851.25	4,790,513,865.61
Cash payments to and on behalf of employees		3,598,624,870.64	3,612,535,626.78
Payments of various types of taxes		1,418,779,686.67	1,579,320,175.46
Other cash payments relating to operating activities	(VIII) 67(1)	853,227,059.21	1,026,325,153.40
Sub-total of cash outflows		10,420,888,467.77	11,008,694,821.25
Net Cash Flows from Operating Activities	(VIII) 68(1)	6,579,606,635.17	6,920,377,390.35
II. Cash Flows from Investing Activities:			
Cash receipts from disposal and recovery of investments		28,430,740,038.14	40,894,899,081.53
Cash receipts from investments income		2,329,944,728.79	2,429,981,136.20
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		144,845,803.86	13,812,483.21
Net cash receipts from disposals of subsidiaries and other business units	(VIII) 68(3)	1,683,385,533.43	-
Other cash receipts relating to investing activities	(VIII) 67(2)	3,164,955,303.27	295,064,509.34
Sub-total of cash inflows		35,753,871,407.49	43,633,757,210.28
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		1,929,374,936.21	2,133,837,244.47
Cash payments to acquire investments		29,974,648,554.87	54,509,066,114.35
Other cash payments relating to investing activities	(VIII) 67(2)	82,663,303.33	954,802,482.30
Sub-total of cash outflows		31,986,686,794.41	57,597,705,841.12
Net Cash Flows from Investing Activities		3,767,184,613.08	-13,963,948,630.84
III. Cash Flows from Financing Activities:			
Cash receipts from capital contributions		217,520,934.61	10,642,126,434.50
Including: Cash receipts from capital contributions from minority shareholders of subsidiaries		217,520,934.61	-
Cash receipts from borrowings		29,416,872,247.55	29,859,438,534.05
Cash receipts from issue of bonds		6,000,000,000.00	19,248,308,650.00
Other cash receipts relating to financing activities	(VIII) 67(3)	334,754,229.63	56,303,169.80
Sub-total of cash inflows		35,969,147,411.79	59,806,176,788.35
Cash repayments of borrowings		31,919,051,211.87	46,432,911,425.29
Cash payments for distribution of dividends or profits or settlement of interest expenses		5,167,695,546.01	4,732,910,153.42
Including: Payments for distribution of dividends or profits to minority shareholders of subsidiaries		1,955,677,172.68	1,900,086,012.38
Other cash payments relating to financing activities	(VIII) 67(3)	6,867,093,830.32	1,124,116,740.35
Sub-total of cash outflows		43,953,840,588.20	52,289,938,319.06
Net Cash Flows from Financing Activities		-7,984,693,176.41	7,516,238,469.29
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		89,206,087.64	367,287,004.46
V. Net Increase in Cash and Cash Equivalents		2,451,304,159.48	839,954,233.26
Add: Opening balance of cash and cash equivalents	(VIII) 68(2)	13,567,309,471.62	12,727,355,238.36
VI. Closing Balance of Cash and Cash Equivalents	(VIII) 68(2)	16,018,613,631.10	13,567,309,471.62

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2023

Cash Flow Statement of the Company

RMB

Item	Notes	2023	2022
I. Cash Flows from Operating Activities:			
Other cash receipts relating to operating activities		205,894,785.22	108,295,282.75
Sub-total of cash inflows		205,894,785.22	108,295,282.75
Cash payments for goods purchased and services received		142,500.00	86,280.54
Cash payments to and on behalf of employees		111,864,640.42	102,305,409.21
Payments of various types of taxes		2,203,522.03	162,077,694.07
Other cash payments relating to operating activities		197,101,786.33	64,738,420.24
Sub-total of cash outflows		311,312,448.78	329,207,804.06
Net Cash Flows from Operating Activities		-105,417,663.56	-220,912,521.31
II. Cash Flows from Investing Activities:			
Cash receipts from disposal and recovery of investments		11,200,000,000.00	33,317,450,238.74
Cash receipts from investment income		934,979,575.11	770,719,728.64
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		-	1,002,668.00
Other cash receipts relating to investing activities		1,948,842,841.79	50,285,632.68
Sub-total of cash inflows		14,083,822,416.90	34,139,458,268.06
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		23,594,300.69	42,642,426.69
Cash payments to acquire investments		11,589,128,994.69	45,942,721,212.13
Other cash payments relating to investing activities		890,011,664.40	1,523,809,248.36
Sub-total of cash outflows		12,502,734,959.78	47,509,172,887.18
Net Cash Flows from Investing Activities		1,581,087,457.12	-13,369,714,619.12
III. Cash Flows from Financing Activities:			
Cash receipts from capital contributions		-	10,642,126,434.50
Cash receipts from borrowings		6,250,000,000.00	9,171,668,674.85
Cash receipts from issue of bonds		6,000,000,000.00	16,000,000,000.00
Other cash receipts relating to financing activities		6,728,017.13	6,303,169.80
Sub-total of cash inflows		12,256,728,017.13	35,820,098,279.15
Cash repayments of borrowings		12,125,000,000.00	20,529,408,504.85
Cash payments for distribution of dividends or profits or settlement of interest expenses		1,650,693,345.10	1,257,422,374.13
Other cash payments relating to financing activities		9,832,313.92	23,179,821.90
Sub-total of cash outflows		13,785,525,659.02	21,810,010,700.88
Net Cash Flows from Financing Activities		-1,528,797,641.89	14,010,087,578.27
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		176,979.73	714,582.29
V. Net (Decrease) Increase in Cash and Cash Equivalents (Losses are marked with "-")		-52,950,868.60	420,175,020.13
Add: Opening balance of cash and cash equivalents		3,333,936,587.44	2,913,761,567.31
VI. Closing Balance of Cash and Cash Equivalents		3,280,985,718.84	3,333,936,587.44

The accompanying notes form part of the financial statements.

Consolidated Statement of Changes in Shareholders' Equity

RMB

Item	2023								
	Equity attributable to shareholders of the Company							Minority interests	Total shareholders' equity
	Share capital	Capital reserve	Other comprehensive income	Including: Foreign currency conversion difference	Special reserve	Surplus reserve	Unappropriated profit		
I. Closing balance of the preceding year	2,499,074,661.00	34,751,640,835.25	-691,536,248.44	-681,788,363.07	26,358,259.97	1,001,917,449.15	16,679,688,347.09	73,994,641,893.21	128,261,785,197.23
Add: Changes in accounting policies	-	-	1,982,628.58	1,982,628.58	-	-	22,299,954.05	35,540,449.45	59,823,032.08
Corrections of prior period errors	-	-	-	-	-	-	-	-	-
Business combination involving enterprises under common control	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
II. Opening balance of the year	2,499,074,661.00	34,751,640,835.25	-689,553,619.86	-679,805,734.49	26,358,259.97	1,001,917,449.15	16,701,988,301.14	74,030,182,342.66	128,321,608,229.31
III. Changes for the year	-	2,325,205,967.81	-214,072,974.49	225,829,416.24	7,645,734.44	94,063,114.53	2,343,325,218.61	-7,307,840,861.40	-2,751,673,800.50
(I) Total comprehensive income	-	-	-214,072,974.49	225,829,416.24	-	-	3,571,800,762.16	4,347,741,066.86	7,705,468,854.53
(II) Owners' contributions and reduction in capital	-	2,325,205,967.81	-	-	-317,684.31	-	-1,883,909.97	-9,190,432,492.89	-6,867,428,119.36
1. Ordinary shares contributed by owners	-	-	-	-	-	-	-	685,424,826.14	685,424,826.14
2. Capital contribution from holders of other equity instruments	-	-	-	-	-	-	-	-4,222,148,460.84	-4,222,148,460.84
3. Share-based payment recognized in shareholders' equity	-	1,053,188.36	-	-	-	-	-	523,302.32	1,576,490.68
4. Others	-	2,324,152,779.45	-	-	-317,684.31	-	-1,883,909.97	-5,654,232,160.51	-3,332,280,975.34
(III) Profit distribution	-	-	-	-	-	94,063,114.53	-1,226,591,633.58	-2,477,802,768.49	-3,610,331,287.54
1. Transfer to surplus reserve	-	-	-	-	-	94,063,114.53	-94,063,114.53	-	-
2. Distribution to shareholders	-	-	-	-	-	-	-1,124,583,597.45	-2,256,143,657.02	-3,380,727,254.47
3. Others	-	-	-	-	-	-	-7,944,921.60	-221,659,111.47	-229,604,033.07
(IV) Transfers within shareholders' equity	-	-	-	-	-	-	-	-	-
1. Capitalization of capital reserve	-	-	-	-	-	-	-	-	-
2. Capitalization of surplus reserve	-	-	-	-	-	-	-	-	-
3. Loss offset by surplus reserve	-	-	-	-	-	-	-	-	-
4. Retained earnings carried forward from other comprehensive income	-	-	-	-	-	-	-	-	-
5. Others	-	-	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	-	7,963,418.75	-	-	12,653,333.12	20,616,751.87
1. Transfer to special reserve in the year	-	-	-	-	61,589,514.21	-	-	66,309,179.08	127,898,693.29
2. Amount utilized in the year	-	-	-	-	-53,626,095.46	-	-	-53,655,845.96	-107,281,941.42
(VI) Others	-	-	-	-	-	-	-	-	-
IV. Closing balance 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	66,722,341,481.26	125,569,934,428.81

Consolidated Statement of Changes in Shareholders' Equity - continued

RMB

Item	2022 (Restated)								
	Equity attributable to shareholders of the Company							Minority interests	Total shareholders' equity
	Share capital	Capital reserve	Other comprehensive income	Including: Foreign currency conversion difference	Special reserve	Surplus reserve	Unappropriated profit		
I. Closing balance of the preceding year	1,922,365,124.00	23,592,702,758.70	-890,125,318.18	-1,020,790,833.54	9,184,429.12	961,182,562.00	14,205,879,106.49	71,234,238,229.35	111,035,426,891.48
Add: Changes in accounting policies	-	-	-	-	-	-	21,052,360.17	33,445,604.29	54,497,964.46
Corrections of prior period errors	-	-	-	-	-	-	-	-	-
Business combination involving enterprises under common control	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
II. Opening balance of the year	1,922,365,124.00	23,592,702,758.70	-890,125,318.18	-1,020,790,833.54	9,184,429.12	961,182,562.00	14,226,931,466.66	71,267,683,833.64	111,089,924,855.94
III. Changes for the year	576,709,537.00	11,158,938,076.55	200,571,698.32	340,985,099.05	17,173,830.85	40,734,887.15	2,475,056,834.48	2,762,498,509.02	17,231,683,373.37
(I) Total comprehensive income	-	-	208,085,368.23	340,985,099.05	-	-	3,338,693,816.70	6,313,756,053.36	9,860,535,238.29
(II) Owners' contributions and reduction in capital	576,709,537.00	11,158,938,076.55	-	-	-	-	-	-683,588,937.26	11,052,058,676.29
1. Ordinary shares contributed by owners	576,709,537.00	10,055,823,793.40	-	-	-	-	-	971,135,730.31	11,603,669,060.71
2. Capital contribution from holders of other equity instruments	-	-	-	-	-	-	-	-	-
3. Share-based payment recognized in shareholders' equity	-	-4,365,536.60	-	-	-	-	-	-3,266,354.51	-7,631,891.11
4. Others	-	1,107,479,819.75	-	-	-	-	-	-1,651,458,313.06	-543,978,493.31
(III) Profit distribution	-	-	-	-	-	40,734,887.15	-871,150,652.13	-2,897,141,819.77	-3,727,557,584.75
1. Transfer to surplus reserve	-	-	-	-	-	40,734,887.15	-40,734,887.15	-	-
2. Transfer to general risk reserve	-	-	-	-	-	-	-	-	-
3. Distribution to shareholders	-	-	-	-	-	-	-826,617,003.32	-2,698,588,539.77	-3,525,205,543.09
4. Others	-	-	-	-	-	-	-3,798,761.66	-198,553,280.00	-202,352,041.66
(IV) Transfers within shareholders' equity	-	-	-7,513,669.91	-	-	-	7,513,669.91	-	-
1. Capitalization of capital reserve	-	-	-	-	-	-	-	-	-
2. Capitalization of surplus reserve	-	-	-	-	-	-	-	-	-
3. Loss offset by surplus reserve	-	-	-	-	-	-	-	-	-
4. Retained earnings carried forward from other comprehensive income	-	-	-7,513,669.91	-	-	-	7,513,669.91	-	-
5. Others	-	-	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	-	17,173,830.85	-	-	29,473,212.69	46,647,043.54
1. Transfer to special reserve in the year	-	-	-	-	62,696,039.72	-	-	86,478,912.67	149,174,952.39
2. Amount utilized in the year	-	-	-	-	45,522,208.87	-	-	-57,005,699.98	-102,527,908.85
(VI) Others	-	-	-	-	-	-	-	-	-
IV. Closing balance of the year	2,499,074,661.00	34,751,640,835.25	-689,553,619.86	-679,805,734.49	26,358,259.97	1,001,917,449.15	16,701,988,301.14	74,030,182,342.66	128,321,608,229.31

The accompanying notes form part of the financial statements.

FOR THE YEAR ENDED 31 DECEMBER 2023

The Company's Statement of Changes in Shareholders' Equity

RMB

Item	2023						
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Unappropriated profit	Total shareholders' equity
I. Closing balance of the preceding year	2,499,074,661.00	37,749,723,642.07	99,525,686.03	-	1,001,917,449.15	2,277,016,134.29	43,627,257,572.54
Add: Changes in accounting policies	-	-	-	-	-	-	-
Corrections of prior period errors	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
II. Opening balance of the year	2,499,074,661.00	37,749,723,642.07	99,525,686.03	-	1,001,917,449.15	2,277,016,134.29	43,627,257,572.54
III. Changes for the year	-	-45,180,055.96	20,995,146.80	-	94,063,114.53	-278,015,566.72	-208,137,361.35
(I) Total comprehensive income	-	-	20,995,146.80	-	-	940,631,145.26	961,626,292.06
(II) Owners' contributions and reduction in capital	-	-45,180,055.96	-	-	-	-	-45,180,055.96
1. Ordinary shares contributed by owners	-	-	-	-	-	-	-
2. Share-based payment recognized in shareholders' equity	-	-	-	-	-	-	-
3. Share-based payment recognized in owners' equity	-	1,890,784.31	-	-	-	-	1,890,784.31
4. Others	-	-47,070,840.27	-	-	-	-	-47,070,840.27
(III) Profit distribution	-	-	-	-	94,063,114.53	-1,218,646,711.98	-1,124,583,597.45
1. Transfer to surplus reserve	-	-	-	-	94,063,114.53	-94,063,114.53	-
2. Distribution to shareholders	-	-	-	-	-	-1,124,583,597.45	-1,124,583,597.45
3. Others	-	-	-	-	-	-	-
(IV) Transfers within shareholders' equity	-	-	-	-	-	-	-
1. Capitalization of capital reserve	-	-	-	-	-	-	-
2. Capitalization of surplus reserve	-	-	-	-	-	-	-
3. Loss offset by surplus reserve	-	-	-	-	-	-	-
4. Retained earnings carried forward from other comprehensive income	-	-	-	-	-	-	-
5. Others	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	-	-	-	-
1. Transfer to special reserve in the year	-	-	-	-	-	-	-
2. Amount utilized in the year	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-
IV. Closing balance 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

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2023

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

RMB

Item	2022						
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Unappropriated profit	Total shareholders' equity
I. Closing balance of the preceding year	1,922,365,124.00	27,594,079,596.13	105,412,294.52	-	961,182,562.00	2,729,507,111.31	33,312,546,687.96
Add: Changes in accounting policies	-	-	-	-	-	-	-
Corrections of prior period errors	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
II. Opening balance of the year	1,922,365,124.00	27,594,079,596.13	105,412,294.52	-	961,182,562.00	2,729,507,111.31	33,312,546,687.96
III. Changes for the year	576,709,537.00	10,155,644,045.94	-5,886,608.49	-	40,734,887.15	-452,490,977.02	10,314,710,884.58
(I) Total comprehensive income	-	-	1,625,433.48	-	-	407,348,871.48	408,974,304.96
(II) Owners' contributions and reduction in capital	576,709,537.00	10,155,644,045.94	-	-	-	-	10,732,353,582.94
1. Ordinary shares contributed by owners	576,709,537.00	10,055,823,793.40	-	-	-	-	10,632,533,330.40
2. Share-based payment recognized in shareholders' equity	-	-6,388,558.75	-	-	-	-	-6,388,558.75
3. Others	-	106,208,811.29	-	-	-	-	106,208,811.29
(III) Profit distribution	-	-	-	-	40,734,887.15	-867,351,890.47	-826,617,003.32
1. Transfer to surplus reserve	-	-	-	-	40,734,887.15	-40,734,887.15	-
2. Transfer to general risk reserve	-	-	-	-	-	-	-
3. Distribution to shareholders	-	-	-	-	-	-826,617,003.32	-826,617,003.32
4. Others	-	-	-	-	-	-	-
(IV) Transfers within shareholders' equity	-	-	-7,512,041.97	-	-	7,512,041.97	-
1. Capitalization of capital reserve	-	-	-	-	-	-	-
2. Capitalization of surplus reserve	-	-	-	-	-	-	-
3. Loss offset by surplus reserve	-	-	-	-	-	-	-
4. Retained earnings carried forward from other comprehensive income	-	-	-7,512,041.97	-	-	7,512,041.97	-
5. Others	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	-	-	-	-
1. Transfer to special reserve in the year	-	-	-	-	-	-	-
2. Amount utilized in the year	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-
IV. Closing balance of the year	2,499,074,661.00	37,749,723,642.07	99,525,686.03	-	1,001,917,449.15	2,277,016,134.29	43,627,257,572.54

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

(I) GENERAL INFORMATION OF THE COMPANY

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

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

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

(II) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Basis of preparation of financial statements

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

Going concern

As at 31 December 2023, the Group had total current liabilities in excess of total current assets by RMB 5,612,418,164.44. As at 31 December 2023, the Group had available and unused line of credit and bonds amounting to RMB 69,439,268,355.68, which is greater than the balance of the net current liabilities. The Group can obtain financial support from the available line of credit and bonds when needed. Therefore, the financial statements have been prepared on a going concern basis.

(III) STATEMENT OF COMPLIANCE WITH THE ASBE

The financial statements of the Company have been prepared in accordance with ASBE, and present truly and completely, the Company's and consolidated financial position as at 31 December 2023, and the Company's and consolidated results of operations and cash flows for the year then ended.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Accounting year

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

2. Operating cycle

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

3. Functional currency

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

5. Basis of accounting and principle of measurement

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

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

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

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

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

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

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

(IV) **SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES** - continued

6. Business combinations

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

6.1 Business combinations involving enterprises under common control

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

Assets and liabilities obtained shall be measured at their respective carrying amounts as recorded by the combining entities at the date of the combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination is adjusted to the share premium in capital reserve. If the share premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

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

6.2 Business combinations not involving enterprises under common control and goodwill

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

The cost of combination is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree. Where a business combination not involving enterprises under common control is achieved in stages that involve multiple transactions, the cost of combination is the sum of the consideration paid at the acquisition date and the fair value at the acquisition date of the acquirer's previously held interest in the acquiree. The intermediary expenses (fees in respect of auditing, legal services, valuation and consultancy services, etc.) and other administrative expenses attributable to the business combination are recognized in profit or loss in the periods when they are incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities acquired by the acquirer in a business combination that meet the recognition criteria shall be measured at fair value at the acquisition date.

(IV) **SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES** - continued

6. Business combinations - continued

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

7. Consolidated financial statements

7.1 Determination criteria of control

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

7.2 Preparation of consolidated financial statements

The scope of consolidation in the consolidated financial statements is determined on the basis of control.

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

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

For subsidiaries acquired through a business combination involving enterprises not under common control, the operating results and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated income statement and consolidated cash flow statement, as appropriate.

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving enterprises under common control or the party being absorbed under merger by absorption are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the date when they first came under the common control of the ultimate controlling party are included in the consolidated income statement and consolidated cash flow statement, as appropriate.

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

7. Consolidated financial statements - continued

7.2 Preparation of consolidated financial statements - continued

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

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

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

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

When the Group loses control over a subsidiary due to disposal of equity investment or other reasons, any retained interest is re-measured at its fair value at the date when control is lost. The difference between (i) the aggregate of the consideration received on disposal and the fair value of any retained interest and (ii) the share of the former subsidiary's net assets cumulatively calculated from the acquisition date according to the original proportion of ownership interests is recognized as investment income in the period in which control is lost, and the goodwill is offset accordingly. Other comprehensive income associated with investment in the former subsidiary is reclassified to investment income in the period in which control is lost.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

7. Consolidated financial statements - continued

7.2 Preparation of consolidated financial statements - continued

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

8. Joint arrangements

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

The Group accounts for investments in joint ventures using equity method. Refer to Note (IV), 15.3.2 "Long-term equity investments accounted for using the equity method" for details.

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

9. Cash and cash equivalents

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

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

10.1 Transactions denominated in foreign currencies

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

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

10.2 Translation of financial statements denominated in foreign currencies

For the purpose of preparing the consolidated financial statements, financial statements of a foreign operation are translated from the foreign currency into RMB using the following method: assets and liabilities on the balance sheet are translated at the spot exchange rate prevailing at the balance sheet date; shareholders' equity items except for unappropriated profit are translated at the spot exchange rates at the dates on which such items arose; all items in the income statement as well as items reflecting the distribution of profits are translated at the average exchange rates of the accounting period of the consolidated financial statements; the opening balance of unappropriated profit is the translated closing balance of the previous year's unappropriated profit; the closing balance of unappropriated profit is calculated and presented on the basis of each translated income statement and profit distribution item. The difference between the translated assets and the aggregate of liabilities and shareholders' equity items is recognized as other comprehensive income and included in shareholders' equity.

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments

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

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

Financial assets and financial liabilities are initially measured at fair value (the method for determining the fair values of the financial assets and financial liabilities is set out in related disclosures under "basis of accounting and principle of measurement" in note(IV) 5). For financial assets and financial liabilities at fair value through profit or loss, transaction costs are immediately recognized in profit or loss. For other financial assets and financial liabilities, transaction costs are included in their initial recognized amounts. Upon initial recognition of contract assets, notes receivable and accounts receivable that do not contain significant financing component or without considering the financing component included in the contract with a term not exceeding one year under the Accounting Standards for Business Enterprises No. 14 - Revenue ("Revenue Standards"), the Group adopts the transaction price as defined in the Revenue Standards for initial measurement.

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

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

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

11.1 Classification, recognition and measurement of financial assets

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.1 Classification, recognition and measurement of financial assets - continued

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

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

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.1 Classification, recognition and measurement of financial assets - continued

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

11.1.1 Financial assets measured at amortized cost

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

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

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

11.1.2 Financial assets at FVTOCI

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.1 Classification, recognition and measurement of financial assets - continued

11.1.3 Financial assets at FVTPL

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

11.2 Impairment of financial instruments

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.2 Impairment of financial instruments - continued

11.2.1 Significant increase of credit risk

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.2 Impairment of financial instruments - continued

11.2.1 Significant increase of credit risk - continued

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

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

11.2.2 Credit-impaired financial assets

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.2 Impairment of financial instruments - continued

11.2.3 Determination of expected credit loss

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

- For financial assets, the credit loss is the present value of the difference between the contractual cash flows that are due to the Group under the contract and the cash flows that the Group expects to receive;
- For undrawn loan commitments (refer to Note IV, 11.4.1.3 for the detail of accounting policies), the credit loss is the present value of the difference between the contractual cash flows that are due to the Group if the holder of the loan commitments draws down the loan, and the cash flows that the Group expects to receive if the loan is drawn down. The Group's estimation of the ECL for loan commitments is consistent with its expectation of the loan commitments drawn down.
- For financial guarantee contracts (refer to Note IV, 11.4.1.3 for the detail of accounting policies), the credit loss is the present value of the expected payments to reimburse the holder for the credit loss incurred less any amounts that the Group expects to receive from the holder, the debtor or any other party.
- For financial assets credit-impaired at the balance sheet date, but not purchased or originated credit-impaired, the credit loss is the difference between the gross carrying amount of the financial assets and the present value of estimated future cash flows discounted at the original effective interest rate.

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

11.2.4 Write-down of financial assets

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

11.3 Transfer of financial assets

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.3 Transfer of financial assets - continued

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.4 Classification of financial liabilities and equity instruments

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

11.4.1 Classification, recognition and measurement of financial liabilities

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

11.4.1.1 Financial liabilities at FVTPL

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.4 Classification of financial liabilities and equity instruments - continued

11.4.1 Classification, recognition and measurement of financial liabilities - continued

11.4.1.1 Financial liabilities at FVTPL - continued

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

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

11.4.1.2 Other financial liabilities

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.4 Classification of financial liabilities and equity instruments - continued

11.4.1 Classification, recognition and measurement of financial liabilities - continued

11.4.1.3 Financial guarantee contracts and loan commitments

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Subsequent to initial recognition, financial guarantee contracts that are not designated as financial liabilities at fair value through profit or loss or financial liabilities arising from transfer of financial assets that do not meet the derecognition criteria or those arising from continuing involvement in the transferred financial assets, and loan commitments to provide a loan at a below-market interest rate, which are not designated at fair value through profit or loss, are measured at the higher of: (1) amount of loss provision; and (2) the amount initially recognized less cumulative amortization amount determined based on the revenue standards.

11.4.2 Derecognition of financial liabilities

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

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

11.4.3 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued (including refinanced), repurchased, sold and cancelled by the Group are recognized as changes in equity. Changes in fair value of equity instruments are not recognized by the Group. Transaction costs related to equity transactions are deducted from equity.

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.5 Derivatives and embedded derivatives

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

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

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

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

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

11.6 Offsetting financial assets and financial liabilities

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

11.7 Compound instruments

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.7 Compound instruments - continued

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

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

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

11.8 Reclassification of financial instruments

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.8 Reclassification of financial instruments - continued

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

Where a financial asset at FVTPL is reclassified as a financial asset at amortized cost by the Group, the fair value at the date of reclassification is determined as the new gross carrying amount.

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

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

12. Receivables

12.1 Determination and accounting methods for expected credit losses of receivables

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

12. Receivables - continued

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

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

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

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

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

13. Receivables financing

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

14. Inventories

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

14.1.1 Categories of inventories

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

14. Inventories - continued

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

14.1.2 Valuation method of inventories upon delivery

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

14.1.3 Inventory count system

The perpetual inventory system is maintained for stock system.

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

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

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

15. Long-term equity investments

15.1 Basis for determining joint control and significant influence over investee

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

15.2 Determination of initial investment cost

For a long-term equity investment acquired through business combination involving enterprises under common control, share of carrying amount of owners' equity of the acquiree in the consolidated financial statements of ultimate controlling party is recognized as initial investment cost of long-term equity investment at the date of combination. The difference between initial investment cost of long-term equity investment and cash paid, non-cash assets transferred and carrying amount of liabilities assumed, is adjusted in capital reserve. If the balance of capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained earnings. If the consideration of the combination is satisfied by the issue of equity securities, the initial investment cost of the long-term equity investment is the share of carrying amount of owners' equity of the acquiree in the consolidated financial statements of ultimate controlling party at the date of combination. The aggregate face value of the shares issued is accounted for as share capital. The difference between the initial investment cost and the aggregate face value of the shares issued is adjusted to capital reserve. If the balance of capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained earnings. Where equity interests in an acquiree are acquired in stages through multiple transactions ultimately constituting a business combination involving enterprises under common control, the acquirer shall determine if these transactions are considered to be a "package deal". If yes, these transactions are accounted for as a single transaction where control is obtained. If no, the initial investment cost of the long-term equity investment is the share of carrying amount of owners' equity of the acquiree in the consolidated financial statements of ultimate controlling party at the date of combination. The difference between the initial investment cost and the sum of carrying amount of equity investments previously held in the acquiree and the new investment cost is adjusted to capital reserve. If the balance of capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained earnings. Other comprehensive income recognized for the previously held equity investments by accounting treatment of equity method or non-trading equity instrument investments designated as at FVTOCI is not subject to accounting treatment temporarily.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

15. Long-term equity investments - continued

15.2 Determination of initial investment cost - continued

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

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

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

15.3 Subsequent measurement and recognition of profit or loss

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

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

15. Long-term equity investments - continued

15.3 Subsequent measurement and recognition of profit or loss - continued

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

15. Long-term equity investments - continued

15.4 Disposal of long-term equity investments

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

15. Long-term equity investments - continued

15.4 Disposal of long-term equity investments - continued

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

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

16. Investment properties

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

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

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

Category	Depreciation life (year)	Residual value rate (%)	Annual depreciation rate (%)
Land use rights	21.25-50	-	2.00-4.71
Buildings and structures	10-43.17	5.00	2.20-9.50

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

16. Investment properties - continued

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

17. Fixed assets and depreciation

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

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

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

18. Construction in progress

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

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

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

19. Borrowing costs

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

20. Intangible assets

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

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

20. Intangible assets - continued

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

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

21. Impairment of long-term assets

The Group assesses at the balance sheet date whether there is any indication that long-term equity investments, investment properties measured at cost model, fixed assets, construction in progress, right-of-use assets, intangible assets with a finite useful life and assets related to contract costs may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. Intangible assets with indefinite useful life and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that the assets may be impaired.

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

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

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

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

22. Long-term prepaid expenses

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

23. Contract liabilities

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

24. Employee benefits

24.1 Short-term employee benefits

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

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

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

24.2 Post-employment benefits

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

24. Employee benefits - continued

24.2 Post-employment benefits - continued

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

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

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

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

24.3 Termination benefits

Termination benefits refer to the compensations the Group pay to the employees for terminating the employment relationship with employees before the expiry of the employment contracts or encouraging employees to accept voluntary redundancy. When the Group provides termination benefits to employees, employee benefit liabilities are recognized for termination benefits, with a corresponding charge to profit or loss for the period at the earlier of: (1) when the Group cannot unilaterally withdraw the offer of termination benefits because of the termination plan or a curtailment proposal; and (2) when the Group recognizes costs or expenses related to restructuring that involves the payment of termination benefits.

24.4 Other long-term employee benefits

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

24. Employee benefits - continued

24.4 Other long-term employee benefits - continued

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

The Group provides internal retirement benefits to employees accepting the internal retirement arrangements. Internal retirement benefits refer to the payments of salaries and social security contributions for employees who reach the retirement age regulated by the country and are approved to quit the job voluntarily. For internal retirement benefits, the internal retirement benefits the Group is expected to pay during the period from the date when employees stop providing services to the date of normal retirement are recognized as liabilities at the present value and included in profit or loss for the period when relevant recognition requirements of the internal retirement benefits are met.

25. Provisions

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

26. Share-based payments

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

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

27. Preferred stock, perpetual bonds and other financial instruments

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

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

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

28. Revenue recognition

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

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

The Group recognizes revenue based on the transaction price allocated to the performance obligation when the Group satisfies a performance obligation in the contract, namely, when the customer obtains control over relevant goods or services. A performance obligation is a commitment that the Group transfers a distinct goods or service to a customer in the contract.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

28. Revenue recognition - continued

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

It is a performance obligation satisfied during a period of time and the Group recognizes revenue during a period of time according to the progress of performance if one of the following conditions is met: (i) the customer obtains and consumes economic benefits at the same time of the Group's performance; (ii) the customer is able to control goods or services in progress during the Group's performance; (iii) goods or services generated during the Group's performance have irreplaceable utilization, and the Group is entitled to collect amounts of cumulative performance part which have been done up to now. Otherwise, revenue is recognized at a point in time when the customer obtains control over the relevant goods or services.

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

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to a customer. In determining the transaction price, the Group should consider the effects of variable consideration, significant financing components in the contract, non-cash consideration and consideration payable to customers.

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

28. Revenue recognition - continued

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

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

28. Revenue recognition - continued

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

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

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

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

29. Contract costs

29.1 Costs of obtaining a contract

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

29.2 Costs to fulfil a contract

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

29. Contract costs - continued

29.3 Impairment loss of assets related to contract costs

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

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

30. Government grants

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

30. Government grants - continued

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

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

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

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

31. Income tax

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

31.1 Current income tax

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

31.2 Deferred tax assets and deferred tax liabilities

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

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

(IV) **SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES** - continued

31. Deferred tax assets/ deferred tax liabilities - continued

31.2 Deferred tax assets and deferred tax liabilities - continued

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

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

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

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

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

31.3 Income tax offsetting

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

32. Leases

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

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

32.1 The Group as lessee

32.1.1 Separating components of a lease

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

32.1.2 Right-of-use assets

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

32. Leases - continued

32.1 The Group as lessee - continued

32.1.3 Lease liabilities

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

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

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

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

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

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

- where there is a change in the lease term, or in the assessment of an option to purchase the underlying asset, the Group remeasures the lease liabilities, on the basis of the revised lease term and the revised discount rate;
- where there is a change in the amounts expected to be payable under a residual value guarantee, or in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities, on the basis of the revised lease payments and the unchanged discount rate, unless the change in the lease payments results from a change in floating interest rates, in which case a revised discount rate is applied to calculate the present value.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

32. Leases - continued

32.1 The Group as lessee - continued

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

The Group elects not to recognize right-of-use assets or lease liabilities for short-term leases and leases of low-value assets, i.e., port and terminal facilities, buildings, machinery and equipment, furniture, fixture and other equipment, motor vehicles and cargo ships and others. A short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less and does not contain a call option. A lease of low-value assets is a lease that, the value of the underlying asset is less than RMB50,000 when it is new. For short-term leases and leases of low-value assets, the Group recognizes the lease payments in profit or loss, or in the cost of related assets on a straight-line basis over each period within the lease term.

32.1.5 Lease modifications

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

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

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification, the Group should allocate the consideration in the modified contract, determine the lease term of the modified lease and remeasure the lease liabilities based on the present value of the changed lease payments and the revised discount rate.

For lease modifications that decrease the scope of the lease or shorten the term of the lease, the Group should decrease the carrying amount of the right-of-use assets with any gain or loss relating to the partial or full termination of the lease recognized in profit or loss. For re-measurement of lease liabilities due to other lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use assets.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

32. Leases - continued

32.1 The Group as lessee - continued

32.1.6 Sale and leaseback transactions

The Group as seller-lessee

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

32.2 The Group as lessor

32.2.1 Separating components of a lease

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

32.2.2 Classification of leases

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

32.2.2.1 The Group as lessor under operating leases

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

32. Leases - continued

32.2 The Group as lessor - continued

32.2.2 Classification of leases - continued

32.2.2.2 The Group as lessor under finance leases

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

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

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

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

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

32.2.3 Subleases

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

32. Leases - continued

32.2 The Group as lessor - continued

32.2.4 Lease modifications

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

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

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

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

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

32.2.5 Sale and leaseback transactions

The Group as the buyer-lessor

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

33. Exchange of non-monetary assets

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

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

34. Safety production cost

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

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

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

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

The Group regularly reviews the judgments, estimates and assumptions on a going concern basis. Changes in accounting estimates which only affect the current period should be recognized in the current period; changes which not only affect the current but the future periods should be recognized in the current and future periods. At the balance sheet date, key assumptions and uncertainties in critical judgments and accounting estimates that are likely to lead to significant adjustments to the carrying amounts of assets and liabilities in the future are as follows:

Goodwill impairment

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

Recognition of deferred income tax

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

(VI) CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Changes in significant accounting policies

1.1 Interpretation No. 16 of the Accounting Standards for Business Enterprises

The Interpretation No. 16 of the Accounting Standards for Business Enterprises (the "Interpretation No. 16") was issued by the Ministry of Finance on 30 November 2022, which clarified the accounting treatment concerning the exemption of initial recognition of deferred income tax relating to assets and liabilities arising from a single transaction.

Interpretation No. 16 revised the coverage of exemption of the initial recognition of deferred income tax in the *Accounting Standards for Business Enterprises No. 18 – Income Tax*, and specified that the relevant provisions on the exemption of initial recognition of deferred tax liabilities and deferred tax assets are not applicable to a single transaction (not a business combination) that affects neither the accounting profit nor taxable income (or deductible losses) at the time of transaction, and where the assets and liabilities initially recognized generate equal taxable temporary differences and deductible temporary differences. The Interpretation became effective from 1 January 2023 and could be early applied. The Group started to apply the Interpretation from 1 January 2023, adopted the retrospective adjustment method for accounting treatment, and restated the financial statements for the comparative year. The impacts are listed as follows:

Item	1/1/2022	Adjustment	1/1/2022
Assets:			
Deferred tax assets	398,145,710.84	56,499,013.55	454,644,724.39
Liabilities:			
Deferred tax liabilities	4,550,417,470.61	2,001,049.09	4,552,418,519.70
Shareholders' equity:			
Unappropriated profit	14,205,879,106.49	21,052,360.17	14,226,931,466.66
Minority interests	71,234,238,229.35	33,445,604.29	71,267,683,833.64

Item	31/12/2022	Adjustment	31/12/2022
Assets:			
Deferred tax assets	372,927,261.40	61,571,559.55	434,498,820.95
Liabilities:			
Deferred tax liabilities	4,853,271,307.86	1,748,527.47	4,855,019,835.33
Shareholders' equity:			
Other comprehensive income	-691,536,248.44	1,982,628.58	-689,553,619.86
Unappropriated profit	16,679,688,347.09	22,299,954.05	16,701,988,301.14
Minority interests	73,994,641,893.21	35,540,449.45	74,030,182,342.66

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

1. Changes in significant accounting policies - continued

1.1 Interpretation No. 16 of the Accounting Standards for Business Enterprises - continued

Item	2022	Adjustment	2022
Profit and loss:			
Income tax expenses	1,113,179,679.35	-220,002.60	1,112,959,676.75
Net profit	8,231,683,297.67	220,002.60	8,231,903,300.27
Profit or loss attributable to minority shareholders	4,894,237,074.85	-1,027,591.28	4,893,209,483.57
Other comprehensive income attributable to shareholders of the Company, net of tax	206,102,739.65	1,982,628.58	208,085,368.23
Other comprehensive income attributable to minority interests, net of tax	1,417,424,133.35	3,122,436.44	1,420,546,569.79

(VII) TAXES

1. Major taxes and tax rates

Taxes	Tax basis	Tax rate
Enterprise income tax	Taxable income	8.25%-34% (Note 1)
	Dividend income tax	5%,10% (Note 2)
Value-added tax ("VAT") (Note 3)	Income from sale of goods	9%,13%
	Income from transportation, loading and unloading business and part of modern service industries	6%
	Income from sale of real estate, property management, lease of real estate, etc.	3%, 5%, 9%
	Income from leases of movable properties	13%
Social contribution tax (Note 4)	Income	0.65%-7.6%
Deed tax	Land use right and property transfer amount	3%-5%
Property tax	70% of cost of property or rental income	1.2% or 12%
City maintenance and construction tax	VAT paid	1%-7%
Education surtax	VAT paid	3%
Land use tax	Land area actually occupied	RMB 1-12 per square meter
Environmental protection tax (Note 5)	Amount of pollution equivalents of the taxable air pollutants converted based on the quantity of pollutions discharged	RMB 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 certain others are subject to the preferential tax rate for small and micro enterprises of 20%, certain domestic subsidiaries are subject to the preferential tax rate for high-tech enterprises or encouraged industrial enterprises in the region of 15%, 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 are actual owners holding more than 25% interest in the subsidiaries in China, they will enjoy a preferential tax rate of 5%.

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

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

Note 5: The environmental protection tax is the tax paid by Zhanjiang Port (Group) Co., Ltd. (hereinafter referred to as "Zhanjiang Port"), a domestic subsidiary of the Group, to the government.

2. Tax preference

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

(VII) TAXES - continued

2. Tax preference - continued

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

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

As approved by Shekou Taxation Sub-bureau of Shenzhen Tax Bureau, State Administration of Taxation on 12 October 2017, certain subsidiaries of the Group are exempted from VAT for auxiliary logistics services (warehousing services, excluding delivery services) provided to overseas enterprises in 2023.

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

Item	31/12/2023	31/12/2022
Cash	974,692.93	726,960.10
Including: RMB	2,767.60	2,767.60
USD	225,565.37	44,853.90
HKD	25,259.89	26,167.88
BRL	8,625.45	6,536.63
Others	712,474.62	646,634.09
Bank deposits (Note 1)	13,934,385,410.92	11,219,776,605.37
Including: RMB	8,215,456,953.08	8,846,763,966.57
USD	3,189,067,302.34	1,045,085,866.19
EUR	655,188,558.31	745,066,787.31
BRL	283,264,276.30	379,062,088.91
HKD	1,211,715,308.91	141,668,372.90
AUD	36,381,245.06	4,708,056.85
FCFA	295,232,843.14	-
Others	48,078,923.78	57,421,466.64
Other cash and bank balances (Note 2)	54,207,918.46	553,726,619.61
Including: LKR	39,287,209.66	-
RMB	14,920,544.77	340,778,819.19
HKD	164.03	212,571,712.02
USD	-	376,088.40
Funds deposited in Finance Company (Note 3)	2,090,078,155.93	1,841,698,554.32
Total	16,079,646,178.24	13,615,928,739.40
Including: Total amount of funds deposited overseas	4,143,910,318.92	4,012,922,744.09

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(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 and funds frozen for ETC card business which are included in the balance of bank deposits at the end of the year amounted to RMB 13,563,157.74 and RMB 12,000.00, respectively.

Note 2: The funds frozen for litigation, the balance of the securities account, the restricted banker's letter of guarantee, and the restricted performance bond, which are included in the balance of other cash and bank balances at the end of the year, amounted to RMB 1,826,085.98, RMB 7,684,462.32, RMB 4,214,480.40, RMB 40,482,889.76.

Note 3: The funds deposited in Finance Company included the interest receivable amounting to RMB 933,933.26.

2. Held-for-trading financial assets

Item	31/12/2023	31/12/2022
Financial assets classified as at FVTPL	4,568,806,108.84	2,998,781,599.63
Including: Investments in debt instruments	450,209.48	-
Investments in equity investments	-	135,742.11
Structured deposits	4,568,355,899.36	2,998,645,857.52
Total	4,568,806,108.84	2,998,781,599.63

3. Notes receivable

(1) Category of notes receivable

Category	31/12/2023	31/12/2022
Bank acceptance	315,150,195.09	395,000.00
Commercial acceptance	10,000,000.00	36,000,000.00
Total	325,150,195.09	36,395,000.00

Note: In 2023, no provision for bad debts of notes receivable is assessed on an individual basis and, the acceptor of bank acceptance and commercial acceptance for which provision for bad debts is assessed on a portfolio basis has high credit ratings with no significant credit risks, therefore, no provision for bad debts is made.

(2) As at 31 December 2023, the Group has no notes receivable pledged.

(3) As at 31 December 2023, the Group has no endorsed or discounted and not yet matured notes receivable at the balance sheet date.

(4) The Group has no notes receivable written off in 2023.

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)**

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

4. Accounts receivable

(1) Overall situation of accounts receivable

Category	31/12/2023	31/12/2022
Accounts receivable	1,194,923,829.34	1,370,162,956.88
Les: provision for credit loss	91,022,363.09	94,013,267.44
Total	1,103,901,466.25	1,276,149,689.44

(2) Aging analysis of accounts receivable

Aging	31/12/2023	31/12/2022
Within 1 year	1,112,613,215.99	1,296,002,000.92
1-2 years	23,735,983.67	11,157,744.62
2-3 years	3,139,299.76	10,897,749.26
More than 3 years	55,435,329.92	52,105,462.08
Total	1,194,923,829.34	1,370,162,956.88

(3) Disclosure of accounts receivable by category

Credit rating	Expected credit loss rate (%)	31/12/2023			31/12/2022		
		Gross carrying amount	Bad debt provision	Carrying amount	Gross carrying amount	Bad debt provision	Carrying amount
A	0.00-0.10	622,585,699.82	428,822.70	622,156,877.12	757,893,845.42	254,506.65	757,639,338.77
B	0.10-0.30	428,914,672.70	552,173.90	428,362,498.80	437,329,923.88	579,435.66	436,750,488.22
C	0.30-50.00	62,942,396.67	9,638,519.30	53,303,877.37	91,915,183.34	12,581,359.16	79,333,824.18
D	50.00-100.00	80,481,060.15	80,402,847.19	78,212.96	83,024,004.24	80,597,965.97	2,426,038.27
Total	--	1,194,923,829.34	91,022,363.09	1,103,901,466.25	1,370,162,956.88	94,013,267.44	1,276,149,689.44

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

Category	31 December 2023					31 December 2022				
	Gross carrying amount		Bad debt provision		Carrying amount	Gross carrying amount		Bad debt provision		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Bad debt provision assessed on an individual basis	80,481,060.15	6.74	80,402,847.19	99.90	78,212.96	83,024,004.24	6.06	80,597,965.97	97.08	2,426,038.27
Bad debt provision assessed on a portfolio basis	1,114,442,769.19	93.26	10,619,515.90	0.95	1,103,823,253.29	1,287,138,952.64	93.94	13,415,301.47	1.04	1,273,723,651.17
Total	1,194,923,829.34	100.00	91,022,363.09	—	1,103,901,466.25	1,370,162,956.88	100.00	94,013,267.44	—	1,276,149,689.44

Bad debt provision assessed on an individual basis:

Name	31 December 2023			Reason for provision
	Gross carrying amount	Bad debt provision	Proportion (%)	
Entity 1	24,908,308.44	24,908,308.44	100.00	Low probability of recovery
Entity 2	15,228,816.61	15,150,603.67	99.49	Low probability of recovery
Entity 3	7,693,327.33	7,693,327.33	100.00	Low probability of recovery
Entity 4	6,169,500.45	6,169,500.45	100.00	Low probability of recovery
Entity 5	5,923,278.20	5,923,278.20	100.00	Low probability of recovery
Others	20,557,829.12	20,557,829.10	100.00	Low probability of recovery
Total	80,481,060.15	80,402,847.19	—	—

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

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

4. Accounts receivable - continued

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

Bad debt provision assessed on a portfolio basis:

Name	31 December 2023		
	Accounts receivable	Bad debt provision	Proportion (%)
A	622,585,699.82	428,822.70	0.07
B	428,914,672.70	552,173.90	0.13
C	62,942,396.67	9,638,519.30	15.31
Total	1,114,442,769.19	10,619,515.90	— —

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

Item	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	Total
At 1 January 2023	13,415,301.47	80,597,965.97	94,013,267.44
Gross carrying amount of accounts receivable at 1 January 2023			
- Transfer to credit-impaired accounts receivable	-	-	-
- Reversal of accounts receivable that are not credit-impaired	-	-	-
Provision for the year	3,361,539.37	17,614,537.42	20,976,076.79
Reversal for the year	-5,995,730.86	-5,694,956.74	-11,690,687.60
Effect of changes in the scope of consolidation	-	-5,662,552.89	-5,662,552.89
Transfer-out due to derecognition of financial assets (including direct write-down)	-	-8,087,700.00	-8,087,700.00
Other changes	-161,594.08	1,635,553.43	1,473,959.35
At 31 December 2023	10,619,515.90	80,402,847.19	91,022,363.09

(6) Details of bad debt provision

Category	31/12/2022	Changes for the year					31/12/2023
		Provision	Recovery or reversal	Effect of changes in the scope of consolidation	Charge-off or write-off	Other changes	
Bad debt provision assessed on an individual basis	80,597,965.97	17,614,537.42	-5,694,956.74	-5,662,552.89	-8,087,700.00	1,635,553.43	80,402,847.19
Bad debt provision assessed on a portfolio basis	13,415,301.47	3,361,539.37	-5,995,730.86	-	-	-161,594.08	10,619,515.90
Total	94,013,267.44	20,976,076.79	-11,690,687.60	-5,662,552.89	-8,087,700.00	1,473,959.35	91,022,363.09

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

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

4. Accounts receivable - continued

(7) Accounts receivable written off in the year

Item	Nature	Amount	Reason for write-off	Procedures performed	Arising from related party transactions or not
Entity A	Service fees	8,087,700.00	Confirmed as irrecoverable	Yes	No
Total	— —	8,087,700.00	— —	— —	— —

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

Name of entity	Relationship with the Group	31/12/2023	Aging	Proportion of the amount to the total accounts receivable (%)	Bad debt provision at 31/12/2023
Client 1	Non-related party	259,396,393.45	Within 1 year, 1-2 years	21.71	30,325.21
Client 2	Non-related party	68,403,654.05	Within 1 year	5.72	54,946.81
Client 3	Non-related party	43,464,824.09	Within 1 year, 1-2 years	3.64	7,510.99
Client 4	Non-related party	29,747,677.62	Within 1 year	2.49	7,909.61
Client 5	Non-related party	29,355,671.89	Within 1 year	2.46	-
Total		430,368,221.10		36.02	100,692.62

5. Receivables financing

(1) Classification of receivables financing

Item	31/12/2023	31/12/2022
Bank acceptance measured at fair value	2,001,669.46	163,766,913.10

(2) As at 31 December 2023, the Group has no pledged receivables financing.

(3) At the end of the year, the Company's receivables financing that have been endorsed or discounted and have not yet matured at the balance sheet date are as follows:

Item	Amount derecognized at the end of the year	Amount not derecognized at the end of the year
Bank acceptance measured at fair value	16,291,826.66	-
Total	16,291,826.66	-

(4) In 2023, no provision for bad debt of receivables financing is assessed on an individual basis and, the acceptor of bank acceptance for which provision for bad debts is assessed on a portfolio basis has high credit ratings with no significant credit risks, therefore, no provision for credit loss is made.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

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

6. Prepayments

(1) Aging analysis of prepayments

Aging	31/12/2023			31/12/2022		
	Gross carrying amount	Proportion (%)	Impairment provision	Gross carrying amount	Proportion (%)	Impairment provision
Within 1 year (inclusive)	36,798,888.01	97.70	-	61,917,391.43	97.31	-
1-2 years (inclusive)	615,427.75	1.63	-	1,589,158.49	2.50	-
2-3 years (inclusive)	129,361.04	0.34	-	-	-	-
More than 3 years	120,875.50	0.33	-	120,875.50	0.19	-
Total	37,664,552.30	100.00	-	63,627,425.42	100.00	-

(2) As at 31 December 2023, the Group has no significant prepayments aged more than one year.

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

Name of entity	Relationship with the Company	31/12/2023	Aging	Proportion of the closing balance to the total prepayments (%)	Reason for not being settled
Entity 1	Non-related party	14,057,775.95	Within 1 year	37.32	Unsettled prepayment for premium
Entity 2	Non-related party	6,591,641.10	Within 1 year, 1-2 years, and 2-3 years	17.50	Unsettled prepayment for communication charges
Entity 3	Non-related party	2,298,659.10	Within 1 year	6.10	Unsettled prepayment for premium
Entity 4	Non-related party	743,362.83	Within 1 year	1.97	Unsettled prepayment for procurement
Entity 5	Non-related party	641,646.87	Within 1 year	1.70	Unsettled prepayment for procurement
Total		24,333,085.85		64.59	

7. Other receivables

7.1 Presentation of other receivables

Item	31/12/2023	31/12/2022
Dividends receivable	343,386,866.06	416,040,485.62
Other receivables	596,628,127.95	532,801,608.68
Total	940,014,994.01	948,842,094.30

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)**

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

7. Other receivables - continued

7.2 Dividends receivable

(1) Presentation of dividends receivable

Name of investee	31/12/2023	31/12/2022
China Nanshan Development (Group) Incorporation ("Nanshan Group")	203,577,000.00	240,591,000.00
Zhanjiang Merchants Port City Investment Co., Ltd. ("Merchants Port City")	38,809,044.77	41,847,044.77
Dalian Port Logistics Network Co., Ltd.	30,605,256.76	-
Yingkou Gangxin Technology Co., Ltd.	23,881,213.75	-
COSCO Logistics (Zhanjiang) Co., Ltd.	13,449,001.16	18,449,001.16
China Ocean Shipping Agency (Shenzhen) Co., Ltd.	11,232,000.00	-
Tin-can Island Container Terminal Ltd	21,960,680.22	65,121,449.40
Qingdao Qianwan United Container Terminal Co., Ltd.	-	50,000,000.00
Others	216,400.00	448,447.23
Sub-total	343,730,596.66	416,456,942.56
Less: Bad debt provision	343,730.60	416,456.94
Carrying amount	343,386,866.06	416,040,485.62

(2) Significant dividends receivable aged more than 1 year

Name of investee	31/12/2023	31/12/2022	Aging	Reason for not being recovered	Whether bad debts have been incurred and the basis for determination
Nanshan Group	129,549,000.00	111,042,000.00	1-2 years	Undergoing relevant formalities, expected to be recovered by the end of 2024	No

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

Item	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit loss	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	
At 1 January 2023	416,456.94	-	-	416,456.94
Balance at 1 January 2023				
- Transfer to Stage 2	-	-	-	-
- Transfer to Stage 3	-	-	-	-
- Reverse to Stage 2	-	-	-	-
- Reverse to Stage 1	-	-	-	-
Provision for the year	-	-	-	-
Reversal for the year	-72,726.34	-	-	-72,726.34
Transfer-out due to derecognition of financial assets (including direct write-down)	-	-	-	-
Other changes	-	-	-	-
At 31 December 2023	343,730.60	-	-	343,730.60

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

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

7. Other receivables - continued

7.2 Dividends receivable - continued

(4) Details of bad debt provision

Category	31/12/2022	Changes for the year				31/12/2023
		Provision	Recovery or reversal	Charge-off or write-off	Other changes	
Bad debt provision assessed on an individual basis	-	-	-	-	-	-
Bad debt provision assessed on a portfolio basis	416,456.94	-	-72,726.34	-	-	343,730.60
Total	416,456.94	-	-72,726.34	-	-	343,730.60

7.3 Other receivables

(1) Aging analysis of other receivables

Aging	31/12/2023			31/12/2022		
	Other receivables	Bad debt provision	Proportion (%)	Other receivables	Bad debt provision	Proportion (%)
Within 1 year	261,380,065.65	3,386,613.18	1.30	487,428,214.83	229,150,234.71	47.01
1-2 years	268,634,561.16	189,669,720.48	70.61	192,100,283.58	4,690,780.38	2.44
2-3 years	189,029,374.18	4,675,136.05	2.47	12,444,128.52	9,740,862.33	78.28
More than 3 years	834,322,127.22	759,006,530.55	90.97	844,098,122.57	759,687,263.40	90.00
Total	1,553,366,128.21	956,738,000.26		1,536,070,749.50	1,003,269,140.82	

(2) Disclosure of other receivables by nature

Item	31/12/2023	31/12/2022
Operation compensation (Note 1)	857,551,782.45	859,677,826.43
Advance payments	264,603,548.43	295,592,304.09
Land compensation (Note 2)	89,630,000.00	89,630,000.00
Guarantees and deposits	24,853,374.42	26,402,747.81
Special subsidy	24,800,000.00	31,716,257.00
Others	291,927,422.91	233,051,614.17
Sub-total	1,553,366,128.21	1,536,070,749.50
Less: Bad debt provision	956,738,000.26	1,003,269,140.82
Total	596,628,127.95	532,801,608.68

Note 1: It represents the operation compensation receivable by a subsidiary of the Company from the holding company of its minority shareholder in accordance with the agreement. As at 31 December 2023, a bad debt provision has been made for the accumulated outstanding compensation amounting to RMB 857,551,782.45.

Note 2: On 9 October 2021, Zhanjiang Port, a subsidiary of the Company, entered into the Agreement on Recovery of State-owned Land Use Rights with the local government. Pursuant to the Agreement, Zhanjiang Port shall return the land of approximately 195.68 mu located in Zhanjiang Comprehensive Bonded Zone on the east of Shugang Avenue, which is amounting to RMB 89,630,000.00. The above-mentioned land has been returned before 31 December 2021. As at 31 December 2023, the above-mentioned land compensation of RMB 89,630,000.00 has not been recovered yet.

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

7. Other receivables - continued

7.3 Other receivables - continued

(3) Provision for credit loss of other receivables

Credit rating	Expected credit loss rate (%)	31/12/2023				31/12/2022			
		12-month expected credit loss	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	Total	12-month expected credit loss	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	Total
A	0.00-0.10	596,631,116.95	-	-	596,631,116.95	532,760,873.61	-	-	532,760,873.61
B	0.10-0.30	-	-	-	-	-	-	-	-
C	0.30-50.00	-	-	-	-	-	-	-	-
D	50.00-100.00	-	-	956,735,011.26	956,735,011.26	-	-	1,003,309,875.89	1,003,309,875.89
Gross carrying amount	---	596,631,116.95	-	956,735,011.26	1,553,366,128.21	532,760,873.61	-	1,003,309,875.89	1,536,070,749.50
Bad debt provision	---	2,989.00	-	956,735,011.26	956,738,000.26	24,451.35	-	1,003,244,689.47	1,003,269,140.82
Carrying amount	---	596,628,127.95	-	-	596,628,127.95	532,736,422.26	-	65,186.42	532,801,608.68

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

Name	31/12/2023	Bad debt provision	ECL rate (%)	Reason for provision
Entity 1	857,551,782.45	857,551,782.45	100.00	Expected to be unrecoverable (Note)
Entity 2	64,841,250.09	64,841,250.09	100.00	Expected to be unrecoverable
Entity 3	14,000,000.00	14,000,000.00	100.00	Expected to be unrecoverable
Others	20,341,978.72	20,341,978.72	100.00	Expected to be unrecoverable
Total	956,735,011.26	956,735,011.26	---	---

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

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

Item	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit loss	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	
At 1 January 2023	24,451.35	-	1,003,244,689.47	1,003,269,140.82
Balance of other receivables at 1 January 2023				
- Transfer to Stage 2	-	-	-	-
- Transfer to Stage 3	-	-	-	-
- Reverse to Stage 2	-	-	-	-
- Reverse to Stage 1	6,000.00	-	-6,000.00	-
Provision for the year	36,129.03	-	3,459,687.18	3,495,816.21
Reversal for the year	-27,462.35	-	-47,267,828.40	-47,295,290.75
Effect of changes in the scope of consolidation	-36,129.03	-	-545,545.45	-581,674.48
Charge-off for the year	-	-	-	-
Write-off for the year	-	-	-73,074.00	-73,074.00
Other changes	-	-	-2,076,917.54	-2,076,917.54
At 31 December 2023	2,989.00	-	956,735,011.26	956,738,000.26

(5) Details of bad debt provision

Category	01/01/2023	Changes for the year			31/12/2023		
		Provision	Recovery or reversal	Effect of changes in the scope of consolidation	Charge-off or write-off	Other changes	
Bad debt provision assessed on an individual basis	1,003,244,689.47	3,459,687.18	-47,273,828.40	-545,545.45	-73,074.00	-2,076,917.54	956,735,011.26
Bad debt provision assessed on a portfolio basis	24,451.35	36,129.03	-21,462.35	-36,129.03	-	-	2,989.00
Total	1,003,269,140.82	3,495,816.21	-47,295,290.75	-581,674.48	-73,074.00	-2,076,917.54	956,738,000.26

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

Name	Amount recovered or reversed	Reason for retrieve	Recovered through	Basis to determine the original proportion of bad debt provision and its reasonableness
Entity 4	47,169,811.32	Improvement in debtor's operations	Cash	Based on prior years' financial position
Total	47,169,811.32			

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(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) Write-off of other receivables in the year

Item	Nature	Amount	Reason for write-off	Procedures performed	Arising from related party transactions or not
Entity 5	Rents receivable	73,074.00	The counterparty was unable to make payments	Write-off upon approval	No
Total	— —	73,074.00	— —	— —	— —

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

Name of entity	Relationship with the Group	Nature	31/12/2023	Aging	Proportion to total other receivables (%)	Closing balance of provision for credit loss
Entity 1	Non-related party	Operation compensation	857,551,782.45	Within 1 year, more than 3 years	55.21	857,551,782.45
Entity 2	Non-related party	Advance payments	122,674,255.48	Within 1 year, 1-2 years, 2-3 years	7.90	-
Entity 3	Non-related party	Land compensation	89,630,000.00	2-3 years	5.77	-
Entity 4	Non-related party	Advance payments	64,841,250.09	Within 1 year, 1-2 years, 2-3 years, more than 3 years	4.17	64,841,250.09
Entity 5	Non-related party	Advance payments	59,698,841.66	Within 1 year	3.84	-
Total	— —	— —	1,194,396,129.68	— —	76.89	922,393,032.54

8. Inventories

(1) Category of inventories

Item	31/12/2023			31/12/2022		
	Gross carrying amount	Provision for decline in value of inventories	Carrying amount	Gross carrying amount	Provision for decline in value of inventories	Carrying amount
Raw materials	217,097,512.98	1,234,628.38	215,862,884.60	196,425,573.04	1,326,130.64	195,099,442.40
Finished goods	2,520,205.91	-	2,520,205.91	17,248,970.37	-	17,248,970.37
Others	515,102.36	-	515,102.36	12,774,408.71	-	12,774,408.71
Total	220,132,821.25	1,234,628.38	218,898,192.87	226,448,952.12	1,326,130.64	225,122,821.48

(2) Provision for decline in value of inventories

Category	1/1/2023	Increase		Decrease		Effect of translation of financial statements denominated in foreign currencies	31/12/2023
		Provision	Others	Reversal or charge-off	Others		
Raw materials	1,326,130.64	-	-	99,456.13	-	7,953.87	1,234,628.38

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(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 decline in value of inventories - continued

Provision for decline in value of inventories is made on an item-by-item basis and no provision for decline in value of inventories is made on a portfolio basis. Provision for decline in value of inventories is reversed in the current year due to the rebound in value of inventories.

(3) As at 31 December 2023, the Group has no capitalized borrowing cost in the balance of inventories.

9. Non-current assets due within one year

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

Item	31/12/2023	31/12/2022
Long-term receivables due within one year	17,468,849.83	903,128,422.35
Less: Bad debt provision	17,468.85	903,128.42
Carrying amount	17,451,380.98	902,225,293.93

(2) Provision for bad debts

Item	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit loss	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	
At 1 January 2023	903,128.42	-	-	903,128.42
Gross carrying amount of long-term receivables at 1 January 2023				
- Transfer to Stage 2	-	-	-	-
- Transfer to Stage 3	-	-	-	-
- Reverse to Stage 2	-	-	-	-
- Reverse to Stage 1	-	-	-	-
Provision for the year	6,200.00	-	-	6,200.00
Reversal for the year	-891,859.57	-	-	-891,859.57
Transfer-out due to derecognition of financial assets (including direct write-down)	-	-	-	-
Other changes	-	-	-	-
At 31 December 2023	17,468.85	-	-	17,468.85

(3) Details of bad debt provision

Category	31/12/2022	Changes for the year				31/12/2023
		Provision	Recovery or reversal	Charge-off or write-off	Other changes	
Bad debt provision assessed on a portfolio basis	903,128.42	6,200.00	-891,859.57	-	-	17,468.85
Total	903,128.42	6,200.00	-891,859.57	-	-	17,468.85

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

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

10. Other current assets

(1) Category of other current assets

Item	31/12/2023	31/12/2022
Input tax to be deducted and certified	115,121,766.13	70,627,183.33
Prepaid taxes	71,771,659.09	98,329,205.73
Others	2,780,075.65	16,946,751.47
Total	189,673,500.87	185,903,140.53

11. Long-term receivables

(1) Details of long-term receivables

Item	31/12/2023			31/12/2022			Range of discount rate at the end of year
	Gross carrying amount	Bad debt provision	Carrying amount	Gross carrying amount	Bad debt provision	Carrying amount	
Advances to shareholders (Note 1)	1,167,470,819.35	1,167,470.82	1,166,303,348.53	3,864,736,673.31	3,864,736.67	3,860,871,936.64	3.65%-8.50%
Guarantees for finance leases	10,695,876.01	10,695.88	10,685,180.13	10,659,515.88	10,659.52	10,648,856.36	0-5.37%
Land compensation receivable (Note 2)	2,691,932,000.00	-	2,691,932,000.00	2,692,032,000.00	-	2,692,032,000.00	-
Others	4,996,969.31	-	4,996,969.31	-	-	-	-
Total	3,875,095,664.67	1,178,166.70	3,873,917,497.97	6,567,428,189.19	3,875,396.19	6,563,552,793.00	-
Less: Long-term receivables due within 1 year	17,468,849.83	17,468.85	17,451,380.98	903,128,422.35	903,128.42	902,225,293.93	-
Long-term receivables due after 1 year	3,857,626,814.84	1,160,697.85	3,856,466,116.99	5,664,299,766.84	2,972,267.77	5,661,327,499.07	-

Note 1: It mainly represents the aggregate principal and interest receivable from Port of Newcastle and Terminal Link SAS, equivalent to RMB 921,402,438.00 and 211,768,361.35, respectively.

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

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

Note 2: On 5 November 2019, Shantou CM Port Group Co., Ltd. ("Shantou Port") entered into the Contract for the Acquisition of State-Owned Land Use Rights in Shantou with Shantou Land Reserve Center. Pursuant to the contract, the land and attached buildings of approximately 370.96 mu located in Zhuchi Deepwater Port on the south of Zhongshan East Road of Shantou should be returned to Shantou Land Reserve Center by Shantou Port, which is amounting to RMB1,558,032,000.00. Among them, 183.63 mu of land and attached buildings have been transferred in 2019, and the remaining 187.33 mu of land and attached buildings have been transferred in 2020. As at 31 December 2023, the land compensation totalling RMB1,158,032,000.00 has not yet been recovered.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

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

11. Long-term receivables - continued

(1) Details of long-term receivables - continued

Note 2: - continued

On 21 August 2020, Shantou Port entered into the Contract for the Acquisition of State-Owned Land Use Rights in Shantou with Land Reserve Center of Shantou Haojiang District. Pursuant to the contract, the land and attached buildings of approximately 152.34 mu located in Yutianwen, Queshi, Haojiang District, Shantou, should be returned to Land Reserve Center of Shantou Haojiang District by Shantou Port, which is amounting to RMB250,000,000.00. The transfer of above-mentioned land and attached buildings was completed before 31 December 2020. As at 31 December 2023, the land compensation totalling RMB200,000,000.00 has not yet been recovered.

On 22 December 2020, Shantou Port entered into the Contract for the Acquisition of State-Owned Land Use Rights in Shantou with Shantou Land Reserve Center. Pursuant to the contract, the land and attached buildings of approximately 648.78 mu located in Zhuchi Deepwater Port of Shantou should be returned to Shantou Land Reserve Center by Shantou Port, which is amounting to RMB2,724,876,000.00. Among them, 320 mu of land and attached buildings were transferred by 31 December 2020, which is amounting to RMB1,344,000,000.00, and the remaining 328.78 mu of land and attached buildings have not been transferred. As at 31 December 2023, the land compensation totalling RMB 1,333,900,000.00 has not yet been recovered.

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

Category	31 December 2023					31 December 2022				
	Gross carrying amount		Bad debt provision		Carrying amount	Gross carrying amount		Bad debt provision		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Bad debt provision assessed on a portfolio basis	3,875,095,664.67	100.00	1,178,166.70	0.03	3,873,917,497.97	6,567,428,189.19	100.00	3,875,396.19	0.06	6,563,552,793.00
Total	3,875,095,664.67	100.00	1,178,166.70	— —	3,873,917,497.97	6,567,428,189.19	100.00	3,875,396.19	— —	6,563,552,793.00

Bad debt provision assessed on a portfolio basis

Name	31 December 2023		
	Accounts receivable	Bad debt provision	Proportion (%)
A	3,875,095,664.67	1,178,166.70	0.03
Total	3,875,095,664.67	1,178,166.70	— —

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)**

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

11. Long-term receivables - continued

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

Item	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit loss	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	
At 1 January 2023	3,875,396.19	-	-	3,875,396.19
Gross carrying amount of long-term receivables at 1 January 2023				
- Transfer to Stage 2	-	-	-	-
- Transfer to Stage 3	-	-	-	-
- Reverse to Stage 2	-	-	-	-
- Reverse to Stage 1	-	-	-	-
Provision for the year	921,438.82	-	-	921,438.82
Reversal for the year	-3,618,668.31	-	-	-3,618,668.31
Charge-off for the year	-	-	-	-
Write-off for the year	-	-	-	-
Other changes	-	-	-	-
At 31 December 2023	1,178,166.70	-	-	1,178,166.70

(4) Details of bad debt provision

Category	1/1/2023	Changes for the year				31/12/2023
		Provision	Recovery or reversal	Charge-off or write-off	Effect of changes in the scope of consolidation	
Advances to shareholders	3,864,736.67	921,402.46	-3,618,668.31	-	-	1,167,470.82
Guarantees for finance leases	10,659.52	36.36	-	-	-	10,695.88
Land compensation receivable	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	3,875,396.19	921,438.82	-3,618,668.31	-	-	1,178,166.70

(5) 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 2023

(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) Details of long-term equity investments

Investees	Accounting method	31/12/2022	Changes for the year									31/12/2023	Closing balance of provision for impairment	
			Increase	Decrease	Investment income under equity method	Reconciliation of other comprehensive income	Other equity movements	Cash dividends or profits declared	Others	Provision for impairment	Effect of translation of financial statements denominated in foreign currencies			
I. Joint ventures														
Euro-Asia Océangate S.à r.l.	Equity method	2,787,204,745.37	-	-	186,208,262.73	-847,649,041.64	-	-	-123,177,188.28	-	-	43,254,636.78	2,045,841,414.96	-
Port of Newcastle	Equity method	2,048,681,775.65	-	-	-10,864,327.20	-22,300,558.83	-	-	-	-	-	59,506,810.29	2,075,023,699.91	-
Others	Equity method	4,880,906,534.70	5,720,923.74	-33,913,627.22	221,260,745.53	-9,322,791.00	-1,228,997.17	-239,356,160.34	-	-	-	13,061,592.11	4,837,128,220.35	-
Sub-total		9,716,793,055.72	5,720,923.74	-33,913,627.22	396,604,681.06	-879,272,391.47	-1,228,997.17	-362,533,348.62	-	-	-	115,823,039.18	8,957,993,335.22	-
II. Associates														
Shanghai International Port (Group) Co., Ltd. (hereinafter referred to as "Shanghai Port Group")	Equity method	34,171,898,201.17	-	-	3,700,844,097.27	-15,345,010.77	269,871,649.40	-914,383,798.30	-	-	-	-	37,212,885,138.77	-
Nanshan Group	Equity method	6,377,197,726.21	-	-	214,805,574.66	43,279,577.18	757,245.35	-74,028,000.00	-	-	-	-2,767,082.88	6,559,245,040.52	-
Terminal Link SAS	Equity method	6,395,609,168.37	-	-	221,059,137.39	110,006,179.63	-	-381,826,231.04	-	-	-	108,192,659.85	6,453,040,914.20	-
Liaoning Port Co., Ltd. ("Liaoning Port") (Note)	Equity method	4,021,162,878.74	-	-	151,571,456.52	1,605,319.83	2,186,919.86	-47,236,402.20	-	-	-	-5,132,381.49	4,124,157,791.26	359,989,686.74
Shenzhen China Merchants Qianhai Industrial Development Co., Ltd.	Equity method	7,403,186,521.01	-	-	42,538,797.17	-	-	-	-	-	-	-	7,445,725,318.18	-
Ningbo Zhoushan Port Company Limited ("Ningbo Zhoushan")	Equity method	17,974,630,545.05	-	-	1,049,986,813.85	20,609,205.32	-23,196,655.58	-390,875,794.33	-	-	-	-	18,631,154,114.31	-
Others	Equity method	6,303,815,822.78	892,560,547.98	-5,123,348.92	201,597,028.04	-15,914,070.05	-191,087.11	-128,730,841.44	-	-	-	33,902,072.53	7,281,916,123.81	2,344,389.02
Sub-total		82,647,500,863.33	892,560,547.98	-5,123,348.92	5,582,402,904.90	144,241,201.14	249,428,071.92	-1,937,081,067.31	-	-	-	134,195,268.01	87,708,124,441.05	362,334,075.76
Total		92,364,293,919.05	898,281,471.72	-39,036,976.14	5,979,007,585.96	-735,031,190.33	248,199,074.75	-2,299,614,415.93	-	-	-	250,018,307.19	96,666,117,776.27	362,334,075.76

Note: The provision for the impairment of Liaoning Port is made in previous years. No evidence of impairment was found this year, and no impairment test was conducted.

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(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) Impairment testing of significant long-term equity investments

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

Item	Carrying amount	Recoverable amount	Projection period	Key parameters for projection period	Basis to determine the parameters for projection period	Key parameters for steady period	Basis to determine the key parameters for steady period
Terminal Link SAS(note)	6,453,040,914.20	7,453,973,943.83	5 years	Pre-tax discount rate, 7.8%~12.2%	The discount rate is a pre-tax discount rate that reflects the specific risks of the underlying asset group or combination of asset groups	Perpetual growth rate, 1.559%~5.010%	Forward inflation rate published by BNP Paribas

Note: The Terminal Link SAS Asset Group consists of five asset groups which are tested for impairment during the year with no impairment identified.

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(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	1/1/2023	Changes for the year					31/12/2023	Dividend income recognized for the year	Accumulated gains included in other comprehensive income	Accumulated losses included in other comprehensive income	Reasons for designation as at fair value through other comprehensive income
		Addition	Reduction	Gains included in other comprehensive income for the year	Losses included in other comprehensive income for the year	Effect of changes in the scope of consolidation					
China Ocean Shipping Agency Shenzhen Co., Ltd.	144,301,178.28	-	-	3,387,985.97	-	-	147,689,164.25	20,056,500.00	134,179,164.25	-	It is a non-trading equity instrument investment
Others	27,644,096.74	-	-	33,084.28	-215,602.37	-17,689,094.74	9,772,483.91	-	3,873,283.91	-3,128,300.00	It is a non-trading equity instrument investment
Total	171,945,275.02	-	-	3,421,070.25	-215,602.37	-17,689,094.74	157,461,648.16	20,056,500.00	138,052,448.16	-3,128,300.00	—

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

Item	Accumulated gains transferred to retained earnings due to derecognition	Accumulated losses transferred to retained earnings due to derecognition	Reason for derecognition
Others	-	-	Changes in the scope of consolidation
Total	-	-	—

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(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	31/12/2023	31/12/2022
Financial assets at FVTPL	877,576,442.83	1,745,740,896.41
Including: Investments in equity instruments	877,576,442.83	1,745,740,896.41
Including: Antong Holdings Co., Ltd. ("Antong Holdings") (Note)	-	950,321,309.06
Qingdao Port International Co., Ltd.	850,222,729.23	767,553,775.66
Others	27,353,713.60	27,865,811.69

Note: As at 31 December 2023, the Company and Zhanjiang Zhongli Ocean Shipping Tally Co., Ltd., a subsidiary of the Company, together hold 6.83% equity interest in Antong Holdings and has appointed one director to Antong Holdings. Therefore, the Company has significant influence over Antong Holdings and has changed its equity investment in Antong Holdings from other non-current financial assets to long-term equity investments in an associate.

15. Investment properties

(1) Investment properties measured at cost

Item	Land use rights	Buildings and structures	Total
I. Cost			
1. At 1 January 2023	128,269,825.38	6,177,602,852.51	6,305,872,677.89
2. Increase for the year	8,388,170.37	13,843,232.32	22,231,402.69
(1) Purchases	-	1,002,852.62	1,002,852.62
(2) Transfer from fixed assets	-	12,840,379.70	12,840,379.70
(3) Transfer from intangible assets	8,388,170.37	-	8,388,170.37
3. Decrease for the year	-	-	-
4. At 31 December 2023	136,657,995.75	6,191,446,084.83	6,328,104,080.58
II. Accumulated depreciation and amortization			
1. At 1 January 2023	43,054,991.58	1,139,127,566.75	1,182,182,558.33
2. Increase for the year	4,514,324.10	183,032,229.36	187,546,553.46
(1) Provision for the year	2,571,200.74	180,261,875.48	182,833,076.22
(2) Transfer from fixed assets	-	2,770,353.88	2,770,353.88
(3) Transfer from intangible assets	1,943,123.36	-	1,943,123.36
3. Decrease for the year	-	-	-
4. At 31 December 2023	47,569,315.68	1,322,159,796.11	1,369,729,111.79
III. Impairment provision			
1. At 1 January 2023	-	-	-
2. Increase for the year	-	-	-
3. Decrease for the year	-	-	-
4. At 31 December 2023	-	-	-
IV. Carrying amount			
1. At 31 December 2023	89,088,680.07	4,869,286,288.72	4,958,374,968.79
2. At 1 January 2023	85,214,833.80	5,038,475,285.76	5,123,690,119.56

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(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	Carrying amount at 31/12/2023	Carrying amount at 31/12/2022	Reasons for not obtaining certificate of title	Expected time of completion
Buildings, structures, and land use rights	24,363,424.74	24,008,665.10	Some buildings and structures have not yet obtained certificates of land use rights	The certificate of title is underway

16. Fixed assets

16.1 Summary of fixed assets

Item	31/12/2023	31/12/2022
Fixed assets	28,986,501,937.59	32,033,317,707.66
Disposal of fixed assets	36,388.76	8,375.84
Total	28,986,538,326.35	32,033,326,083.50

16.2 Fixed assets

(1) Details of fixed assets

Item	Port and terminal facilities	Buildings and structures	Machinery and equipment, furniture, fixture and other equipment	Motor vehicles and cargo ships	Total
I. Cost	—	—	—	—	—
1. At 1 January 2023	33,376,255,522.14	2,027,195,029.06	17,467,174,796.88	2,314,581,094.83	55,185,206,442.91
2. Increase for the year	355,653,533.35	5,819,641.52	946,224,073.20	15,977,020.14	1,323,674,268.21
(1) Purchase	37,782,655.58	31,964.06	322,325,677.27	13,660,825.82	373,801,122.73
(2) Transfer from development expenditure	6,341,635.07	-	8,723,850.63	-	15,065,485.70
(3) Transfer from construction in progress	311,529,242.70	1,453,075.86	344,378,153.65	2,316,194.32	659,676,666.53
(4) Transfer from right-of-use assets	-	-	270,796,391.65	-	270,796,391.65
(5) Transfer from other accounts	-	4,334,601.60	-	-	4,334,601.60
3. Decrease for the year	2,763,230,873.66	261,672,874.02	1,842,920,457.17	60,681,086.42	4,928,505,291.27
(1) Disposal or retirement	42,219,921.65	16,064,482.96	139,255,106.92	52,104,672.51	249,644,184.04
(2) Transfer to investment properties	-	12,840,379.70	-	-	12,840,379.70
(3) Effect of changes in the scope of consolidation	2,720,840,274.13	232,768,011.36	1,701,179,778.57	8,576,413.91	4,663,364,477.97
(4) Transfer to right-of-use assets	170,677.88	-	2,485,571.68	-	2,656,249.56
4. Adjustments to the amount carried forward	-1,058,728.12	-	184,445.13	83,718.00	-790,564.99
5. Reclassification	-57,793,950.52	51,434,642.27	6,359,308.25	-	-
6. Effect of translation of financial statements denominated in foreign currencies	227,485,569.31	2,918,280.50	164,288,140.60	13,423,975.49	408,115,965.90
7. At 31 December 2023	31,137,311,072.50	1,825,694,719.33	16,741,310,306.89	2,283,384,722.04	51,987,700,820.76
II. Accumulated depreciation	—	—	—	—	—
1. At 1 January 2023	10,720,998,321.19	635,722,974.00	10,636,302,077.50	1,095,290,493.80	23,088,313,866.49
2. Increase for the year	963,017,607.23	78,532,518.38	930,468,443.58	108,868,177.01	2,080,886,746.20
(1) Provision	963,017,607.23	74,197,916.78	837,465,030.34	108,868,177.01	1,983,548,731.36
(2) Transfer from right-of-use assets	-	-	93,003,413.24	-	93,003,413.24
(3) Transfer from other accounts	-	4,334,601.60	-	-	4,334,601.60
3. Decrease for the year	1,131,042,660.07	90,575,216.73	1,243,641,341.44	55,932,196.77	2,521,191,415.01
(1) Disposal or retirement	31,267,071.50	14,971,013.85	121,150,414.20	49,154,025.33	216,542,524.88
(2) Transfer to investment properties	-	2,770,353.88	-	-	2,770,353.88
(3) Effect of changes in the scope of consolidation	1,099,775,588.57	72,833,849.00	1,122,490,927.24	6,778,171.44	2,301,878,536.25
4. Reclassification	-1,509,396.69	625,422.16	883,974.53	-	-
5. Effect of translation of financial statements denominated in foreign currencies	46,017,171.79	713,896.63	88,553,012.49	4,401,121.50	139,685,202.41
6. At 31 December 2023	10,597,481,043.45	625,019,594.44	10,412,566,166.66	1,152,627,595.54	22,787,694,400.09
III. Impairment provision	—	—	—	—	—
1. At 1 January 2023	57,546,986.63	5,985,164.85	42,717.28	-	63,574,868.76
2. Increase for the year	138,917,159.59	3,429,362.62	7,577,097.23	-	149,923,619.44
3. Disposal or retirement for the year	-	-	-	-	-
4. Effect of translation of financial statements denominated in foreign currencies	-	-	5,994.88	-	5,994.88
5. At 31 December 2023	196,464,146.22	9,414,527.47	7,625,809.39	-	213,504,483.08
IV. Carrying amount	—	—	—	—	—
1. At 31 December 2023	20,343,365,882.83	1,191,260,597.42	6,321,118,330.84	1,130,757,126.50	28,986,501,937.59
2. At 1 January 2023	22,597,710,214.32	1,385,486,890.21	6,830,830,002.10	1,219,290,601.03	32,033,317,707.66

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(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 2023.
- (3) Fixed assets leased out under operating leases

Item	Carrying amount at 31/12/2023	Carrying amount at 31/12/2022
Buildings and structures	190,979,949.85	196,480,507.61
Port and terminal facilities	35,709,105.32	33,260,157.31
Machinery and equipment, furniture, fixture and other equipment	5,012,091.76	7,920,761.45
Total	231,701,146.93	237,661,426.37

- (4) Fixed assets without ownership certificates

Item	Carrying amount at 31/12/2023	Carrying amount at 31/12/2022	Remark
Buildings, structures, port and terminal facilities	1,539,024,375.12	1,786,308,720.95	This is mainly due to the fact that certain buildings and structures have not yet obtained the land use rights of the corresponding land and the approval procedures have not yet been completed.

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

Item	Amount	Remark
Cost of fixed assets fully depreciated but still in use at the end of the year	4,947,824,713.22	
Cost of fixed assets temporarily idle at the end of the year	-	
Fixed assets disposed and retired in the year:	— —	— —
Including: Cost of fixed assets disposed and retired in the year	249,644,184.04	
Net book value of fixed assets disposed and retired in the year	33,101,659.16	
Loss on disposal or retirement of fixed assets in the year	18,876,795.60	

- (6) The details of the Group's fixed assets with restricted ownership as at 31 December 2023 are set out in Note (VIII) 64.

- (7) Impairment testing of fixed assets

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

Item	Carrying amount	Recoverable amount	Amount of impairment	Projection period	Key parameters for projection period	Key parameters for steady period	Basis to determine the key parameters for steady period
Zhoushan RoRo Asset Group (Note)	397,078,829.12	208,048,600.00	189,030,229.12	10 years	Pre-tax discount rate, 12.01%	Perpetual growth rate, 2.20%	China's forward inflation rate published by the World Bank
Total	397,078,829.12	208,048,600.00	189,030,229.12	— —	— —	— —	— —

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(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

(7) Impairment testing of fixed assets - continued

Note: Zhoushan RoRo Asset Group include fixed assets and intangible assets, of which fixed assets are impaired at the amount of RMB 147,557,081.15 and intangible assets are impaired at the amount of RMB 41,473,147.97.

16.3 Disposal of fixed assets

Item	31/12/2023	31/12/2022
Machinery and equipment, furniture, fixture and other equipment	36,388.76	8,375.84
Total	36,388.76	8,375.84

17. Construction in progress

(1) Presentation of construction in progress

Item	31/12/2023	31/12/2022
Construction in progress	2,907,014,186.24	2,405,872,478.61
Materials for construction of fixed assets	2,803,095.22	7,971,929.03
Total	2,909,817,281.46	2,413,844,407.64

(2) Details of construction in progress

Item	31/12/2023			31/12/2022		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Port and terminal facilities	2,380,800,758.33	-	2,380,800,758.33	1,991,321,268.14	-	1,991,321,268.14
Infrastructure	252,638,193.22	-	252,638,193.22	201,444,537.67	-	201,444,537.67
Berths and yards	178,174,354.90	-	178,174,354.90	18,728,577.14	-	18,728,577.14
Cargo ships under construction	1,726,548.68	-	1,726,548.68	-	-	-
Others	93,674,331.11	-	93,674,331.11	194,378,095.66	-	194,378,095.66
Total	2,907,014,186.24	-	2,907,014,186.24	2,405,872,478.61	-	2,405,872,478.61

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(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) The top ten balances of construction in progress

Item	Budget amount	31/12/2022	Increase for the year	Transfer to fixed assets	Other decreases for the year	Effect of translation of financial statements denominated in foreign currencies	31/12/2023	Proportion of accumulated construction investment in budget (%)	Construction progress (%)	Amount of accumulated capitalized interest	Including: Capitalized interest for the year	Interest capitalization rate for the current year (%)	Capital source
Reconstruction project of HIPG container, oil terminal and tank area	2,817,485,265.02	817,365,084.37	-	-	-	13,860,209.69	831,225,294.06	57.68	57.68	942,888.05	-	-	Own funds and loans
Phase I project for the stuffing and destuffing service area of Baoman Port Area, Zhanjiang Port	683,007,100.00	269,045,354.01	227,860,991.66	-	-	-	496,906,345.67	72.75	72.75	29,908,415.82	10,355,373.62	3.50	Own funds and loans
General cargo terminal project at Donghai Island Port Area of Zhanjiang Port	905,348,400.00	448,877,835.04	67,384.80	-	-	-	448,945,219.84	49.59	49.59	44,364,372.49	-	-	Own funds and loans
Phase I expansion project for the container terminal at Baoman Port Area, Zhanjiang Port	2,342,775,800.00	191,463,684.57	37,101,454.78	-	-	-	228,565,139.35	9.76	9.76	1,011,370.60	57,750.00	3.30	Own funds and loans
TCP tire-type container crane project	211,491,137.08	16,222,603.92	138,123,291.50	6,430,507.98	-	6,438,252.61	154,353,640.05	76.02	76.02	-	-	-	Own funds
Subsequent construction work in progress at HIPG terminal	84,992,400.00	28,006,814.86	56,051,165.83	16,985,386.70	3,212,066.78	657,829.52	64,518,356.73	99.67	99.67	-	-	-	Own funds
Back land reclamation project on Haidagan Bulk Yard and Supporting Facilities and Liquid Bulk Berth	82,400,000.00	60,576,339.80	1,674,220.80	-	-	-	62,250,560.60	75.55	75.55	-	-	-	Own funds
Installation project of bucket-wheel stacker reclaimer, Zhanjiang Port	74,800,000.00	51,551,526.93	837,359.25	-	-	-	52,388,886.18	70.04	70.04	2,671,994.44	837,359.25	3.50	Own funds and loans
AMPLIACAO PLATAFORMAS REEFER	71,524,388.49	-	53,555,672.30	6,045,103.81	-	1,479,878.70	48,990,447.19	76.95	76.95	-	-	-	Own funds
Dachanwan phase II project	918,521,317.23	24,872,917.72	21,319,643.76	-	-	-	46,192,561.48	5.03	5.03	-	-	-	Own funds
Total	8,192,345,807.82	1,907,982,161.22	536,591,184.68	29,460,998.49	3,212,066.78	22,436,170.52	2,434,336,451.15	—	—	78,899,041.40	11,250,482.87	—	

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

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

17. Construction in progress - continued

(4) Materials for construction of fixed assets

Item	31/12/2023			31/12/2022		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Materials for construction of fixed assets	2,803,095.22	-	2,803,095.22	7,971,929.03	-	7,971,929.03

(5) Impairment testing of construction in progress

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

Item	Carrying amount	Recoverable amount	Amount of impairment	Projection period	Key parameters for projection period	Key parameters for steady period	Basis to determine the key parameters for steady period
HIPG Asset Group	9,116,161,496.49	51,365,680,683.52	-	5 years	Pre-tax discount rate, 7.55%	Perpetual growth rate, 7%	Consult the expected growth rate of the industry
Total	9,116,161,496.49	51,365,680,683.52	-				

18. Right-of-use assets

(1) Details of right-of-use assets

Item	Port and terminal facilities	Buildings and structures	Machinery and equipment, furniture, fixture and other equipment	Land use rights	Motor vehicles, cargo ships and others	Total
I. Cost	---	---	---	---	---	---
1. At 1 January 2023	7,414,725,804.49	174,746,285.16	361,404,132.03	2,833,468,093.15	15,456,422.12	10,799,800,736.95
2. Increase for the year	126,996,462.16	47,184,328.34	5,908,348.40	314,033,487.98	5,119,357.99	499,241,984.87
(1) Purchase	126,825,784.28	47,184,328.34	3,422,776.72	314,033,487.98	5,119,357.99	496,585,735.31
(2) Others	170,677.88	-	2,485,571.68	-	-	2,656,249.56
3. Decrease for the year	83,575,652.80	14,851,420.78	277,492,044.42	-	8,251,408.84	384,170,526.84
(1) Termination of lease	83,575,652.80	13,723,966.87	6,695,652.77	-	8,251,408.84	112,246,681.28
(2) Decrease due to change in the scope of consolidation	-	1,127,453.91	-	-	-	1,127,453.91
(3) Transfer to fixed assets	-	-	270,796,391.65	-	-	270,796,391.65
4. Effect of translation of financial statements denominated in foreign currencies	104,207,338.95	2,294,309.58	594,918.95	49,298,269.33	-	156,394,836.81
5. At 31 December 2023	7,562,353,952.80	209,373,502.30	90,415,354.96	3,196,799,850.46	12,324,371.27	11,071,267,031.79
II. Accumulated depreciation	---	---	---	---	---	---
1. At 1 January 2023	940,705,350.30	59,749,857.79	119,454,049.67	326,945,093.98	10,304,162.88	1,457,158,514.62
2. Increase for the year	262,536,189.49	24,038,515.68	20,649,140.40	46,180,031.37	4,099,083.51	357,502,960.45
(1) Provision	262,536,189.49	24,038,515.68	20,649,140.40	46,180,031.37	4,099,083.51	357,502,960.45
3. Decrease for the year	80,201,819.61	14,365,794.00	99,372,627.07	-	8,251,408.84	202,191,649.52
(1) Termination of lease	80,201,819.61	13,538,700.80	6,369,213.83	-	8,251,408.84	108,361,143.08
(2) Transfer to fixed assets	-	-	93,003,413.24	-	-	93,003,413.24
(3) Decrease due to change in the scope of consolidation	-	827,093.20	-	-	-	827,093.20
4. Effect of translation of financial statements denominated in foreign currencies	10,472,990.85	495,286.98	558,342.85	5,602,274.34	-	17,128,895.02
5. At 31 December 2023	1,133,512,711.03	69,917,866.45	41,288,905.85	378,727,399.69	6,151,837.55	1,629,598,720.57
III. Impairment provision	---	---	---	---	---	---
1. At 1 January 2023	-	-	-	-	-	-
2. Increase for the year	-	-	-	-	-	-
3. Decrease for the year	-	-	-	-	-	-
4. At 31 December 2023	-	-	-	-	-	-
IV. Carrying amount	---	---	---	---	---	---
1. At 31 December 2023	6,428,841,241.77	139,455,635.85	49,126,449.11	2,818,072,450.77	6,172,533.72	9,441,668,311.22
2. At 1 January 2023	6,474,020,454.19	114,996,427.37	241,950,082.36	2,506,522,999.17	5,152,259.24	9,342,642,222.33

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(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	Land use rights	Terminal management rights	Others	Total
I. Cost	—	—	—	—
1. At 1 January 2023	15,314,517,408.67	9,033,916,504.04	1,500,585,297.68	25,849,019,210.39
2. Increase for the year	4,829,976.87	70,899,565.34	210,116,533.73	285,846,075.94
(1) Purchase	4,707,118.86	70,899,565.34	204,248,227.46	279,854,911.66
(2) Transfer from R&D expenditure	-	-	279,255.32	279,255.32
(3) Other increase	122,858.01	-	5,589,050.95	5,711,908.96
3. Decrease for the year	1,391,040,555.28	-	97,786,230.03	1,488,826,785.31
(1) Disposal	117,561,406.55	-	12,263,934.48	129,825,341.03
(2) Effect of changes in the scope of consolidation	1,242,052,238.36	-	85,144,042.52	1,327,196,280.88
(3) Transfer to investment properties	8,388,170.37	-	-	8,388,170.37
(4) Other decrease	23,038,740.00	-	378,253.03	23,416,993.03
4. Effect of translation of financial statements denominated in foreign currencies	3,238,376.56	614,328,132.15	55,732,509.00	673,299,017.71
5. At 31 December 2023	13,931,545,206.82	9,719,144,201.53	1,668,648,110.38	25,319,337,518.73
II. Accumulated amortization	—	—	—	—
1. At 1 January 2023	4,096,452,545.66	1,897,700,710.79	562,263,716.23	6,556,416,972.68
2. Increase for the year	337,512,145.19	265,684,203.80	83,683,325.73	686,879,674.72
(1) Provision	337,512,145.19	265,684,203.80	83,683,325.73	686,879,674.72
(2) Other increase	-	-	-	-
3. Decrease for the year	136,784,782.90	-	70,286,984.40	207,071,767.30
(1) Disposal	24,240,728.18	-	12,642,187.51	36,882,915.69
(2) Transfer to investment properties	1,943,123.36	-	-	1,943,123.36
(3) Effect of changes in the scope of consolidation	110,600,931.36	-	57,644,796.89	168,245,728.25
(4) Other decrease	-	-	-	-
4. Effect of translation of financial statements denominated in foreign currencies	1,454,778.05	131,353,162.92	20,232,242.87	153,040,183.84
5. At 31 December 2023	4,298,634,686.00	2,294,738,077.51	595,892,300.43	7,189,265,063.94
III. Impairment provision	—	—	—	—
1. At 1 January 2023	15,537,122.10	-	-	15,537,122.10
2. Increase for the year	28,662,259.14	-	12,810,888.83	41,473,147.97
3. Decrease for the year	-	-	-	-
4. At 31 December 2023	44,199,381.24	-	12,810,888.83	57,010,270.07
IV. Carrying amount	—	—	—	—
1. At 31 December 2023	9,588,711,139.58	7,424,406,124.02	1,059,944,921.12	18,073,062,184.72
2. At 1 January 2023	11,202,527,740.91	7,136,215,793.25	938,321,581.45	19,277,065,115.61

(2) Land use rights without ownership certificates as at 31 December 2023:

Item	Carrying amount at 31/12/2023	Carrying amount at 31/12/2022
Land use rights (Note)	2,374,139,495.63	2,511,195,386.58

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(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 2023: - continued

Note: At 31 December 2023, 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 691,828.56 m², and Dachanwan Port area Phase II land use rights obtained by ASJ, the costs of which are RMB 1,179,949,191.44 and RMB 918,521,317.23 respectively.

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

ASJ is negotiating with relevant government departments for handling the ownership certificates of Dachanwan Port area Phase II land use rights obtained by it.

(3) Impairment testing of intangible assets

Refer to Note (VIII), 16.2 (7) for details.

20. Goodwill

(1) Details of goodwill

Investee	Sources	31/12/2022	Increase	Decrease	Effect of translation of financial statements denominated in foreign currencies	31/12/2023
TCP	Acquisition of equity	2,716,399,522.38	-	-	270,072,549.76	2,986,472,072.14
Mega Shekou Container Terminals Limited ("Mega SCT")	Acquisition of equity	1,815,509,322.42	-	-	-	1,815,509,322.42
CM Port	Acquisition of equity	993,992,000.00	-	-	-	993,992,000.00
Shantou Port	Acquisition of equity	552,317,736.65	-	-	-	552,317,736.65
Zhanjiang Port	Acquisition of equity	418,345,307.68	-	-	-	418,345,307.68
Shenzhen Mawan Project	Acquisition of equity	408,773,001.00	-	-	-	408,773,001.00
Ningbo Daxie Container Terminal Co., Ltd. (formerly known as Ningbo Daxie China Merchants International Terminals Co. Ltd.) ("Ningbo Daxie")	Consolidation of associate into subsidiary	188,497,194.41	-	188,497,194.41	-	-
Others	Acquisition of equity	288,255,850.88	-	-	-	288,255,850.88
Sub-total	— —	7,382,089,935.42	-	188,497,194.41	270,072,549.76	7,463,665,290.77
Provision for impairment of goodwill	— —	970,663,044.33	-	-	-	970,663,044.33
Total	— —	6,411,426,891.09	-	188,497,194.41	270,072,549.76	6,493,002,246.44

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(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	31/12/2022	Provision	Decrease	Effect of translation of financial statements denominated in foreign currencies	31/12/2023
Zhanjiang Port	418,345,307.68	-	-	-	418,345,307.68
Shantou Port	552,317,736.65	-	-	-	552,317,736.65
Total	970,663,044.33	-	-	-	970,663,044.33

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

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

When testing the goodwill for impairment, the Group compares the carrying amount of related asset groups and portfolio of asset groups (including goodwill) with the recoverable amount. If the recoverable amount is less than the carrying amount, the difference is included in profit or loss for the period. The Group determines the recoverable amount of the asset groups and portfolio of asset groups that generate goodwill at fair value less cost of disposal or at present value of expected future cash flows. The fair value is determined using market approach. The present value of cash flows is estimated based on the forecast of cash flows for 5 years to 25 years detailed forecast period and subsequent forecast period. The estimated future cash flows for the detailed forecast period are based on the business plan established by the management; the expected future cash flows for the subsequent forecast period are determined in conjunction with the level of the final year of the detailed forecast period, combined with the Group's business plans, industry trends and inflation rates. The growth rate adopted will not exceed the long-term average growth rate of the country where the asset groups and portfolio of asset groups are located. The key assumptions used by the Group in estimating the present value of future cash flows include growth rate and discount rate etc. The pre-tax discount rate and the growth rate for subsequent forecast period adopted in 2023 are 10.97%-21.99% and 2.20%-3.02% 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 2023

(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: 12.23% 2. Average revenue growth rate for projection period: 3.35% 3. Average profit margin for projection period: 37.58%	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: 12.23% 2. Average revenue growth rate for steady period: 2.20% 3. Average profit margin for steady period: 42.89%	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 (TCP refers to Brazil's forward inflation rate published by the World Bank) 3. Average 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	25 years	1. Pre-tax discount rate: 21.99% 2. Average revenue growth rate for projection period: 5.36% 3. Average profit margin for projection period: 53.33%		1. Pre-tax discount rate: 21.99% 2. Average revenue growth rate for steady period: 3.02% 3. Average profit margin for steady period: 54.81%	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

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

21. Long-term prepaid expenses

Presentation of long-term prepaid expenses:

Item	31/12/2022	Effect of changes in the scope of consolidation	Increase for the year	Amortization in the year	Other decreases	31/12/2023	Reason for other decreases
Tonggu channel widening project (Note 1)	455,446,696.75	-	-	14,449,031.76	-	440,997,664.99	— —
West public channel widening project at West port area (Note 2)	249,437,402.87	-	-	9,919,028.64	1,538,430.04	237,979,944.19	Reclassify to dredging project
Dredging project	69,760,419.37	-	26,871,419.28	17,342,403.61	-	79,289,435.04	— —
Relocation project of Nanhai Rescue Bureau	37,554,111.50	-	-	1,107,368.40	-	36,446,743.10	— —
Expenditures for the improvement of leased fixed assets	20,631,173.37	-	3,920,837.53	2,374,618.58	82,477.87	22,094,914.45	Transfer to inventory account
Others	153,527,101.04	-8,905,237.72	80,141,950.88	47,779,010.68	-	176,984,803.52	— —
Total	986,356,904.90	-8,905,237.72	110,934,207.69	92,971,461.67	1,620,907.91	993,793,505.29	— —

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(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	31/12/2023		31/12/2022 (Restated)	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Lease liabilities	812,240,581.51	218,145,932.73	582,736,512.28	164,262,934.19
Unrealized profit	749,254,178.80	183,009,204.87	756,772,558.79	184,729,651.97
Terminal operating right	714,547,999.18	214,364,399.78	702,633,317.13	210,789,995.14
Depreciation of fixed assets	162,352,087.79	40,588,021.95	154,724,225.49	35,753,675.92
Provision for credit loss	151,277,238.51	32,071,347.97	190,727,520.03	35,544,695.31
Accrued and unpaid wages	126,623,677.19	27,883,418.55	161,026,788.29	35,802,355.38
Provisions	85,590,059.41	29,100,620.20	35,365,156.43	12,024,153.19
Deductible losses	43,785,085.09	10,946,271.43	182,211,924.34	40,193,891.36
Deferred income	39,203,663.56	9,101,072.49	36,723,054.56	8,709,144.22
Amortization of computer software	7,345,031.20	1,836,257.80	9,291,532.77	2,322,883.19
Provision for impairment of assets	6,698,523.93	1,555,485.91	5,507,073.16	1,376,768.29
Organization costs	1,028,867.64	257,216.91	3,498,150.00	874,537.50
Others	70,987,022.41	18,570,226.51	57,124,137.75	15,595,505.07
Total	2,970,934,016.22	787,429,477.10	2,878,341,951.02	747,980,190.73

(2) Deferred tax liabilities before offsetting

Item	31/12/2023		31/12/2022 (Restated)	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Withholding dividend income tax	41,551,214,196.81	2,840,377,397.22	37,565,601,815.13	2,568,624,605.88
Lease business	1,017,854,192.39	282,003,933.26	783,000,219.10	224,483,346.07
Terminal operating right	307,617,857.01	92,285,357.10	302,488,503.92	90,746,551.18
Fair value adjustment of assets acquired from business combination	4,880,293,882.18	1,292,552,086.64	7,755,954,464.86	1,762,190,010.27
Depreciation of fixed assets	975,166,842.96	272,103,476.86	1,119,997,714.31	280,579,814.18
Changes in fair value of other non-current financial assets	408,104,042.76	99,604,068.18	330,012,225.76	82,503,056.44
Changes in fair value of investments in other equity instruments	134,179,164.24	33,544,791.03	130,791,178.28	32,697,794.57
Valuation of held-for-trading financial assets and liabilities	2,161,643.84	540,410.96	-	-
Others	1,045,132,765.59	118,992,583.19	1,169,095,183.52	126,676,026.52
Total	50,321,724,587.78	5,032,004,104.44	49,156,941,304.88	5,168,501,205.11

(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 (Restated)	Balance of deferred tax assets or liabilities after offsetting at the end of the prior year (Restated)
Deferred tax assets	-372,366,000.07	415,063,477.03	-313,481,369.78	434,498,820.95
Deferred tax liabilities	-372,366,000.07	4,659,638,104.37	-313,481,369.78	4,855,019,835.33

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(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) Deductible temporary differences and deductible losses for which deferred tax assets are not recognized

Item	31/12/2023	31/12/2022
Deductible temporary differences	966,126,806.19	930,204,772.41
Deductible losses	2,334,799,700.50	2,112,659,943.00
Total	3,300,926,506.69	3,042,864,715.41

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

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

Year	31/12/2023	31/12/2022
2023	-	515,101,493.80
2024	483,200,212.68	488,358,232.03
2025	375,189,307.19	375,208,491.05
2026	110,765,532.94	112,756,494.15
2027	612,819,518.30	600,178,442.73
2028	752,825,129.39	-
Deductible losses due after 2029	-	21,056,789.24
Total	2,334,799,700.50	2,112,659,943.00

23. Other non-current assets

Item	31/12/2023	31/12/2022
Advances for the channel project (Note)	1,013,508,448.79	989,752,762.75
Prepayments for fixed assets	144,896,516.09	117,094,834.14
Prepayments for terminal franchise	29,807,737.16	27,493,116.21
Others	5,943,287.58	52,448,665.69
total	1,194,155,989.62	1,186,789,378.79

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

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)**

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

24. Short-term borrowings

(1) Classification of short-term borrowings

Item	31/12/2023	31/12/2022
Credit borrowings	15,593,937,427.86	7,149,322,782.85
Guaranteed borrowings (Note 1)	110,096,708.33	-
Mortgage borrowings (Note 2)	10,011,152.78	15,015,583.33
Total	15,714,045,288.97	7,164,338,366.18

Note 1: The borrowings are guaranteed by Guangdong Zhanjiang Port Logistics Co., Ltd. ("Zhanjiang Port Logistics"), a subsidiary of the Company.

Note 2: It represents the short-term borrowings obtained by Zhoushan RoRo, a subsidiary of the Company, with the land use rights and buildings on the land held by it as the collateral.

(2) As at 31 December 2023, the Group has no short-term borrowings that are overdue.

25. Notes payable

Category	31/12/2023	31/12/2022
Bank acceptance	64,280,925.21	-
Commercial acceptance	9,180,240.61	-
Total	73,461,165.82	-

26. Accounts payable

Item	31/12/2023	31/12/2022
Service fee	246,400,717.07	299,350,272.24
Material purchase fee	117,170,447.10	132,460,163.17
Construction fee	100,672,753.10	110,687,325.42
Equipment payments	52,762,565.74	87,445,302.02
Rental fee	13,591,518.23	8,304,019.32
Others	161,167,136.01	172,902,315.49
Total	691,765,137.25	811,149,397.66

(1) Aging of accounts payable

Aging	31/12/2023		31/12/2022	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	617,528,837.76	89.27	710,976,970.28	87.65
1-2 years	26,506,267.62	3.83	47,038,049.65	5.80
2-3 years	30,254,034.46	4.37	26,667,189.69	3.29
More than 3 years	17,475,997.41	2.53	26,467,188.04	3.26
Total	691,765,137.25	100.00	811,149,397.66	100.00

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

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

26. Accounts payable - continued

(2) Significant accounts payable aged more than 1 year

Name of entity	31/12/2023	Aging	Reason for outstanding or not being carried forward
Quanzhou Antong Logistics Co., Ltd.	16,948,161.45	2-3 years	To be paid upon confirmation by both parties.

27. Receipts in advance

Item	31/12/2023	31/12/2022
Rental fee received in advance	8,993,727.31	6,205,443.31
Management fee received in advance	2,659,217.99	-
Others	5,734,592.06	3,681,088.28
Total	17,387,537.36	9,886,531.59

(1) Aging of receipts in advance

Aging	31/12/2023		31/12/2022	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	17,387,537.36	100.00	9,884,079.59	99.98
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	2,452.00	0.02
Total	17,387,537.36	100.00	9,886,531.59	100.00

(2) As at 31 December 2023, the Group has no significant receipts in advance aged more than one year.

(3) As at 31 December 2023, the Group has no receipts in advance with significant changes in carrying amount.

28 Contract liabilities

(1) Details of contract liabilities

Item	31/12/2023	31/12/2022
Port charges received in advance	84,869,413.45	55,045,635.27
Service fee received in advance	26,198,333.07	59,729,035.75
Warehousing fee received in advance	3,204,091.87	3,048,588.90
Others	27,808,262.61	24,076,291.11
Total	142,080,101.00	141,899,551.03

(2) There are no significant changes in carrying amount of contract liabilities during the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

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

28 Contract liabilities - continued

(3) As at 31 December 2023, the Group has no significant contract liabilities aged more than one year.

(4) Qualitative analysis of contract liabilities

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

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

An amount of RMB 91,180,530.23 included in the carrying amount of contract liabilities at the beginning of 2023 has been recognized as revenue in the current year, including contract liabilities arising from settled but unfinished construction resulting from the contract of service fees received in advance amounting to RMB 24,937,772.66, contract liabilities arising from settled but unfinished construction resulting from the contract of port charges received in advance amounting to RMB 50,149,195.64, contract liabilities arising from settled but unfinished construction resulting from contract of warehousing fee received in advance amounting to RMB 3,048,588.90, and contract liabilities arising from settled but unfinished construction resulting from other contracts amounting to RMB 13,044,973.03.

29. Employee benefits payable

(1) Presentation of employee benefits payable

Item	31/12/2022	Effect of changes in the scope of consolidation	Increase for the year	Decrease for the year	31/12/2023
1. Short-term benefits	921,533,425.99	-35,636,773.69	3,243,766,906.07	3,219,390,381.18	910,273,177.19
2. Post-employment benefits - defined contribution plan	13,383,514.93	-4,201,592.85	351,623,760.71	352,451,682.76	8,354,000.03
3. Termination benefits	2,423,282.78	-	5,158,916.08	7,582,198.86	-
4. Other benefits due within 1 year	-	-	4,053,449.56	4,053,449.56	-
5. Others	-505,505.57	-631,121.04	5,145,597.17	4,671,541.13	-662,570.57
Total	936,834,718.13	-40,469,487.58	3,609,748,629.59	3,588,149,253.49	917,964,606.65

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(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	31/12/2022	Effect of changes in the scope of consolidation	Increase for the year	Decrease for the year	31/12/2023
1. Wages and salaries, bonuses, allowances and subsidies	897,442,262.83	-33,339,184.53	2,606,547,914.19	2,586,737,715.36	883,913,277.13
2. Staff welfare	-	-	169,221,198.72	169,221,198.72	-
3. Social insurance contributions	10,545,539.44	-891,098.34	204,136,593.97	199,978,211.04	13,812,824.03
Including: Medical insurance	8,631,543.96	-836,747.58	173,636,271.40	170,223,587.11	11,207,480.67
Work injury insurance	53,916.77	-54,350.76	17,211,021.96	17,210,587.97	-
Others	1,860,078.71	-	13,289,300.61	12,544,035.96	2,605,343.36
4. Housing funds	-95,060.47	274.00	198,040,769.72	198,042,657.10	-96,673.85
5. Labour union and employee education funds	13,642,129.96	-1,406,764.82	50,814,109.87	50,314,255.40	12,735,219.61
6. Other short-term benefits	-1,445.77	-	15,006,319.60	15,096,343.56	-91,469.73
Total	921,533,425.99	-35,636,773.69	3,243,766,906.07	3,219,390,381.18	910,273,177.19

(3) Presentation of defined benefit plans

Item	31/12/2022	Effect of changes in the scope of consolidation	Increase for the year	Decrease for the year	31/12/2023
I. Basic pension	9,761,086.14	-1,383,333.72	258,989,715.66	259,128,522.95	8,238,945.13
II. Unemployment insurance	49,026.91	-49,434.91	6,077,524.71	6,077,116.71	-
III. Enterprise annuity	3,573,401.88	-2,768,824.22	86,556,520.34	87,246,043.10	115,054.90
Total	13,383,514.93	-4,201,592.85	351,623,760.71	352,451,682.76	8,354,000.03

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

30. Taxes payable

Item	31/12/2022	Effect of changes in the scope of consolidation	Provision for the year	Payment for the year	Effect of translation of financial statements denominated in foreign currencies	31/12/2023
Enterprise income tax	804,846,345.79	-3,002,884.36	1,123,434,326.28	1,108,672,570.98	3,089,589.10	819,694,805.83
VAT	30,032,002.80	-613,554.49	205,611,948.35	215,161,352.07	352,761.87	20,221,806.46
Other taxes	83,054,820.50	-4,006,342.06	522,874,894.04	522,097,230.12	3,310,817.85	83,136,960.21
Total	917,933,169.09	-7,622,780.91	1,851,921,168.67	1,845,931,153.17	6,753,168.82	923,053,572.50

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(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	31/12/2023	31/12/2022
Dividends payable	111,897,214.27	92,374,921.29
Other payables	1,542,724,955.75	1,663,510,336.97
Total	1,654,622,170.02	1,755,885,258.26

(2) Dividends payable

Item	31/12/2023	31/12/2022
Ordinary share dividends	111,897,214.27	92,374,921.29
Including: China Merchants Zhangzhou Development Zone Co., Ltd. (Note)	77,734,806.46	20,000,000.00
Dalian Port Container Development Co., Ltd. ("Dalian Port Container")	16,160,696.61	14,000,000.00
Dalian Port Jifa Logistics Co., Ltd.	9,575,104.42	3,000,000.00
Yingkou Port Group Co., Ltd. ("Yingkou Port Group")	5,372,456.78	-
Yiu Lian Dockyards Limited	2,334,150.00	-
Qingdao Port (Group) Co., Ltd.	720,000.00	-
Zhanjiang Infrastructure Construction Investment Group Co., Ltd.	-	41,400,234.06
Sri Lanka Ports Authority	-	10,446,900.00
Dalian City Construction Investment Group Co., Ltd (formerly known as Dalian City Investment Holding Group Co., Ltd.)	-	3,527,787.23

Note: As at 31 December 2023, the Group has no significant dividends payable aged more than one year.

(3) Other payables

(a) Disclosure of other payables by nature

Item	31/12/2023	31/12/2022
Amount payable for construction and quality warranty	575,941,472.21	643,816,817.51
Guarantees and deposits	246,316,308.32	221,628,920.81
Accrued expenses	139,920,340.25	190,048,988.98
Customer discount	129,780,042.30	164,622,341.62
Port construction and security fee	27,939,655.23	36,697,168.04
Balance of payment for transfer of land use rights	-	11,295,700.00
Others	422,827,137.44	395,400,400.01
Total	1,542,724,955.75	1,663,510,336.97

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(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) Significant other payables aged more than one year or past due

Company name	Amount payable	Aging	Reason for being outstanding
Transport Bureau of Shenzhen Municipality (Ports Administration of Shenzhen Municipality)	79,679,948.23	1-2 years and more than 3 years	To be paid upon confirmation by both parties
CCCC Water Transport Planning and Design Institute Co., Ltd.	58,666,012.94	1-2 years, 2-3 years and more than 3 years	To be paid upon confirmation by both parties
Lac Assal Investment Holding Company Limited	48,162,348.73	1-2 years	To be paid upon confirmation by both parties
Shanghai Zhenhua Heavy Industries Co., Ltd.	37,248,716.35	1-2 years and more than 3 years	The contracted settlement condition has not been reached
Shantou Transportation Bureau	31,358,355.47	More than 3 years	To be paid upon confirmation by both parties
Wuxi Huadong Heavy Machinery Co., Ltd.	10,090,410.68	2-3 years	To be paid upon confirmation by both parties
China Merchants Real Estate (Shenzhen) Co., Ltd.	10,079,369.00	More than 3 years	To be paid upon confirmation by both parties
Guangdong Groton Group Co., Ltd. (formerly known as Guangdong Hengtai Guotong Industrial Co., Ltd.)	10,000,000.00	More than 3 years	The contracted settlement condition has not been reached
Shantou Finance Bureau	10,000,000.00	More than 3 years	To be paid upon confirmation by both parties
Total	295,285,161.40	—	—

32. Non-current liabilities due within one year

Item	31/12/2023	31/12/2022
Long-term borrowings due within one year (Note VIII, 34)	1,033,008,184.01	2,313,191,859.96
Including: Credit borrowings	532,282,391.00	1,368,934,869.99
Guaranteed borrowings	410,725,775.58	219,564,028.82
Mortgage and pledged borrowings	30,352,589.61	715,461,578.62
Guaranteed and mortgage borrowings	59,647,427.82	9,231,382.53
Bonds payable due within one year (Note VIII, 35)	5,267,490,749.32	8,668,651,537.27
Lease liabilities due within one year (Note VIII, 36)	248,634,286.86	306,942,164.80
Long-term payables due within one year (Note VIII, 37)	184,534,373.50	155,665,725.85
Long-term employee benefits payable due within one year (Note VIII, 38)	49,730,825.21	54,414,877.57
Other non-current liabilities due within one year (Note VIII, 41)	34,005,870.35	142,357,523.50
Total	6,817,404,289.25	11,641,223,688.95

33. Other current liabilities

(1) Details of other current liabilities

Item	31/12/2023	31/12/2022
Short-term bonds payable	2,007,190,136.98	3,017,713,424.64
Accrued professional agency fee	114,638,017.33	124,799,040.22
Others	22,014,380.22	18,635,061.10
Total	2,143,842,534.53	3,161,147,525.96

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(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	31/12/2022	Amount issued in the current year	Interest accrued based on par value	Amortization of premiums or discounts	Repayment in the current year	31/12/2023	Is it in breach of contract?
2.43% RMB 2 billion Super & Short-term Commercial Paper	2,000,000,000.00	2.43%	2023-11-7	90 days	2,000,000,000.00	-	2,000,000,000.00	7,190,136.98	-	-	2,007,190,136.98	No
2.35% RMB 2 billion Super & Short-term Commercial Paper	2,000,000,000.00	2.35%	2023-3-1	180 days	2,000,000,000.00	-	2,000,000,000.00	23,114,754.10	-	2,023,114,754.10	-	No
2.05% RMB 2 billion Super & Short-term Commercial Paper	2,000,000,000.00	2.05%	2023-6-14	180 days	2,000,000,000.00	-	2,000,000,000.00	20,163,934.43	-	2,020,163,934.43	-	No
1.75% RMB 1 billion Super & Short-term Commercial Paper	1,000,000,000.00	1.75%	2022-9-1	270 days	1,000,000,000.00	1,005,657,534.24	-	7,287,671.24	-	1,012,945,205.48	-	No
1.93% RMB 2 billion Super & Short-term Commercial Paper	2,000,000,000.00	1.93%	2022-9-8	180 days	2,000,000,000.00	2,012,055,890.40	-	6,979,725.60	-	2,019,035,616.00	-	No
Total	9,000,000,000.00	—	—	—	9,000,000,000.00	3,017,713,424.64	6,000,000,000.00	64,736,222.35	-	7,075,259,510.01	2,007,190,136.98	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

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

34. Long-term borrowings

Category	31/12/2023	31/12/2022	Range of year-end interest rate
Credit borrowings	16,857,281,855.60	12,319,883,867.05	1.20%-3.80%
Guaranteed borrowings (Note 1)	845,725,775.58	1,020,670,858.02	2.95%-12.90%
Mortgage and pledged borrowings (Note 2)	314,794,387.22	1,082,723,114.44	3.40%-3.96%
Guaranteed and mortgage borrowings (Note 3)	1,242,750,120.32	280,013,198.30	2.95%
Total	19,260,552,138.72	14,703,291,037.81	— —
Less: Long-term borrowings due within one year	1,033,008,184.01	2,313,191,859.96	— —
Including: Credit borrowings	532,282,391.00	1,368,934,869.99	— —
Guaranteed borrowings	410,725,775.58	219,564,028.82	— —
Mortgage and pledged borrowings	30,352,589.61	715,461,578.62	— —
Guaranteed and mortgage borrowings	59,647,427.82	9,231,382.53	— —
Long-term borrowings due after one year	18,227,543,954.71	12,390,099,177.85	— —

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

Note 2: On 31 December 2023, the Group obtained the long-term borrowings of RMB 314,794,387.22(31 December 2022: RMB 1,082,723,114.44) with the land with property right, fixed assets and construction in progress of Yide Port Co., Ltd. ("Yide Port"), as well as the land with property right of Guangdong Shunkong Port Development and Construction Co., Ltd. ("Shunkong Port"), as collaterals.

Note 3: On 31 December 2023, Shenzhen Haixing Harbor Development Co., Ltd. ("Shenzhen Haixing") obtained the long-term borrowings of RMB 1,242,750,120.32 (31 December 2022: RMB 280,013,198.30) with the land with property right as collaterals, and the borrowings are guaranteed by CM Port and Sinotrans South China Co., Ltd.

Details of mortgage and pledged borrowings are as follows:

Company name	31/12/2023	31/12/2022	Collateral and pledge
Bank of China Qianhai Shekou Branch	1,242,750,120.32	280,013,198.30	Land use rights of Shenzhen Haixing
China Construction Bank Shunde Branch	206,239,867.27	236,479,995.32	Land use rights and fixed assets of Yide Port
Bank of Communications Co., Ltd. Guangdong Branch	108,554,519.95	-	Land use rights (Phase II) of Shunde
China Development Bank Corporation	-	494,997,308.55	The Group's entire equity in CICT
International Finance Corporation	-	123,849,460.76	
African Development Bank	-	56,864,864.36	
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.	-	46,859,749.65	
The OpecFund For International Development	-	40,139,904.25	The Group's entire equity in TML
Societe de Promotion et de Participation pour la Cooperation Economique S.A.	-	40,170,265.09	
Deutsche Investitions-und Entwicklungsgesellschaft MBH	-	33,449,920.21	
China Minsheng Bank Co., Ltd. Zhoushan Branch	-	9,911,646.25	Land use rights and fixed assets of Zhoushan RoRo
Total	1,557,544,507.54	1,362,736,312.74	

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

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

(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	31/12/2023	31/12/2022
5.000% USD 600 million corporate bond	4,304,565,371.23	4,227,154,465.35
4.750% USD 500 million corporate bond	3,605,285,143.36	3,542,544,662.47
4.000% USD 500 million corporate bond	3,544,024,689.32	3,482,186,896.02
2.690% RMB 3 billion corporate bond	3,027,415,890.40	3,027,415,890.40
2.450% RMB 3 billion corporate bond	3,023,560,273.97	3,023,560,273.97
3.520% RMB 2 billion corporate bond	2,050,147,945.19	2,050,147,945.19
4.375% USD 900 million corporate bond	-	6,371,347,105.64
3.360% RMB 2 billion corporate bond	-	2,032,587,397.25
Total	19,554,999,313.47	27,756,944,636.29
Less: Bonds payable due within one year	5,267,490,749.32	8,668,651,537.27
Bonds payable due after one year	14,287,508,564.15	19,088,293,099.02

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

35. Bonds payable - continued

(2) Details of bonds payable

Name of bonds	Face value	Coupon rate	Date of issue	Term of the bond	Amount of issue	31/12/2022	Amount issued in the current year	Interest accrued based on par value	Amortization of premiums or discounts	Repayment in current year	Effect of translation of financial statements denominated in foreign currencies	31/12/2023	Is it in breach of contract?
4.375% USD 900 million corporate bond	USD 900,000,000.00	4.3750%	2018-8-6	5 years	USD 900,000,000.00	6,371,347,105.64	-	165,969,062.10	7,181,597.31	6,594,432,388.71	49,934,623.66	-	No
5.000% USD 600 million corporate bond	USD 600,000,000.00	5.0000%	2018-8-6	10 years	USD 600,000,000.00	4,227,154,465.35	-	211,325,733.29	5,708,335.36	211,183,578.27	71,560,415.50	4,304,565,371.23	No
4.750% USD 500 million corporate bond	USD 500,000,000.00	4.7500%	2015-8-3	10 years	USD 500,000,000.00	3,542,544,662.47	-	167,360,385.31	2,662,117.20	167,360,385.38	60,078,363.76	3,605,285,143.36	No
3.360% RMB 2 billion corporate bond	2,000,000,000.00	3.3600%	2020-7-7	3 years	2,000,000,000.00	2,032,587,397.25	-	34,612,602.75	-	2,067,200,000.00	-	-	No
3.520% RMB 2 billion corporate bond	2,000,000,000.00	3.5200%	2021-4-14	3 years	2,000,000,000.00	2,050,147,945.19	-	70,400,000.00	-	70,400,000.00	-	2,050,147,945.19	No
4.000% USD 500 million corporate bond	USD 500,000,000.00	4.0000%	2022-6-1	5 years	USD 500,000,000.00	3,482,186,896.02	-	140,882,105.54	2,781,931.67	140,841,532.67	59,015,288.76	3,544,024,689.32	No
2.690% RMB 3 billion corporate bond	3,000,000,000.00	2.6900%	2022-8-29	3 years	3,000,000,000.00	3,027,415,890.40	-	80,700,000.00	-	80,700,000.00	-	3,027,415,890.40	No
2.450% RMB 3 billion corporate bond	3,000,000,000.00	2.4500%	2022-9-5	2 years	3,000,000,000.00	3,023,560,273.97	-	73,500,000.00	-	73,500,000.00	-	3,023,560,273.97	No
Total	---	---	---	---	---	27,756,944,636.29	-	944,749,888.99	18,333,981.54	9,405,617,885.03	240,588,691.68	19,554,999,313.47	No
Less: Bonds payable due within one year	---	---	---	---	---	8,668,651,537.27	-	---	---	---	---	5,267,490,749.32	---
Bonds payable due after one year	---	---	---	---	---	19,088,293,099.02	-	---	---	---	---	14,287,508,564.15	---

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(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	31/12/2023	31/12/2022
Lease payment	2,782,133,802.80	1,963,098,776.36
Unrecognized financing cost	-1,532,327,309.02	-707,805,697.52
Total	1,249,806,493.78	1,255,293,078.84
Less: Lease liabilities due within one year	248,634,286.86	306,942,164.80
Lease liabilities due after one year	1,001,172,206.92	948,350,914.04

(2) Maturity of lease liabilities

Item	31/12/2023
Minimum lease payments under non-cancellable leases:	
1 st year subsequent to the balance sheet date	298,065,006.16
2 nd year subsequent to the balance sheet date	91,365,497.12
3 rd year subsequent to the balance sheet date	86,669,003.03
Subsequent years	2,306,034,296.49
Total	2,782,133,802.80

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

37. Long-term payables

(1) Presentation of long-term payables

Item	31/12/2023	31/12/2022
Long-term payables	4,001,789,922.65	3,698,632,219.45
Special payables	5,606,653.02	8,349,096.71
Total	4,007,396,575.67	3,706,981,316.16
Less: Long-term payables due within one year	184,534,373.50	155,665,725.85
Long-term payables due after one year	3,822,862,202.17	3,551,315,590.31

(2) Long-term payables

Item	31/12/2023	31/12/2022
Terminal management rights (Note)	3,958,393,516.47	3,657,579,951.15
Others	43,396,406.18	41,052,268.30
Total	4,001,789,922.65	3,698,632,219.45
Less: Long-term payables due within one year	184,534,373.50	155,665,725.85
Long-term payables due after one year	3,817,255,549.15	3,542,966,493.60

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

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

37. Long-term payables - continued

(2) Long-term payables - continued

Note: Mainly from CICT and TCP terminal management rights purchased. On 12 August 2011, the Group reached a 35-year building, operation and transfer agreement through the subsidiary CICT and Sri Lanka Port Authority on the building, operation, management and development of Colombo Port South Container Terminal (hereinafter referred to as "BOT"). The above-mentioned amount payable for the acquisition of terminal management rights is determined by discounting the amount to be paid in the future using the prevailing market interest rate according to the BOT agreement. As at 31 December 2023, the amount payable for the acquisition of terminal management rights is RMB 876,500,567.56.

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.

On 9 September 2021, TCP, a subsidiary of the Company, entered into a supplemental agreement to the Lease Agreement with APPA for the franchising rights of the Ports of Paranaguá and Antonina, pursuant to which the base figure for the calculation of franchising rights for the Ports of Paranaguá and Antonina was adjusted from Brazil IGP-M Inflation Index ("IGP-M index") to the Extended National Consumer Price Index ("IPCA index") of Brazilian Institute of Geography and Statistics("IBGE"). In November 2021, TCP readjusted the franchising rights using the IPCA index. As at 31 December 2023, the amount of franchising rights payable was RMB 3,081,892,948.91.

(3) Special payables

Item	31/12/2022	Increase for the year	Decrease for the year	Effect of changes in the scope of consolidation	31/12/2023	Reason
Employee housing fund	5,126,641.68	480,061.34	50.00	-	5,606,653.02	Note
Innovation workshop for model workers	3,222,455.03	-	-	-3,222,455.03	-	
Total	8,349,096.71	480,061.34	50.00	-3,222,455.03	5,606,653.02	

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 2023
(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	31/12/2023	31/12/2022
Post-employment benefits - net liabilities of defined benefit plans	509,605,071.25	516,950,669.03
Termination benefits	58,098,932.22	64,274,552.96
Others (Note)	85,036,743.65	112,285,587.01
Total	652,740,747.12	693,510,809.00
Less: Long-term employee benefits payable due within one year	49,730,825.21	54,414,877.57
Long-term employee benefits payable due after one year	603,009,921.91	639,095,931.43

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

(2) Changes in defined benefit plans

Present value of defined benefit plan obligations:

Item	2023	2022
I. Opening balance	516,950,669.03	463,858,274.44
II. Defined benefit cost included in profit or loss for the period	31,630,084.71	24,392,165.72
1. Current service cost	14,097,094.50	11,191,538.44
2. Past service cost	2,420,000.00	-
3. Interest adjustment	15,112,990.21	13,200,627.28
III. Defined benefit cost included in other comprehensive income	-22,975,434.75	50,820,198.04
1. Actuarial gains	-23,856,287.15	49,959,657.35
2. Effect of exchange rate changes	880,852.40	860,540.69
IV. Other changes	-16,000,247.74	-22,119,969.17
1. Benefits paid	-16,000,247.74	-22,119,969.17
2. Changes in the scope of consolidation	-	-
V. Closing balance	509,605,071.25	516,950,669.03

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

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

39. Provisions

Item	31/12/2022	Increase for the year	Decrease for the year	Effect of translation of financial statements denominated in foreign currencies	31/12/2023	Reason
Pending litigation	35,365,156.43	52,650,477.00	7,489,688.34	5,064,114.32	85,590,059.41	Note
Sales discount	-	179,125,657.39	179,125,657.39	-	-	
Total	35,365,156.43	231,776,134.39	186,615,345.73	5,064,114.32	85,590,059.41	

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

40. Deferred income

Item	31/12/2022	Increase for the year	Decrease for the year	31/12/2023
Government grants	1,031,273,189.74	41,207,834.25	47,704,466.26	1,024,776,557.73
Total	1,031,273,189.74	41,207,834.25	47,704,466.26	1,024,776,557.73

41. Other non-current liabilities

Item	31/12/2023	31/12/2022
Actuarial cost for the calculation of pension benefit difference for the public security bureau staff (Note 1)	198,642,177.67	175,742,813.67
Related party borrowings (Note 2)	11,945,870.35	3,162,000.00
Third party borrowings (Note 2)	-	143,755,523.50
Berth priority call right (Note 3)	439,990.79	4,480,217.05
Others	2,612,095.27	1,600,086.28
Total	213,640,134.08	328,740,640.50
Less: Other non-current liabilities due within one year	34,005,870.35	142,357,523.50
Including: Actuarial cost for the calculation of pension benefits difference for the public security bureau staff	22,060,000.00	15,440,000.00
Related party borrowings	11,945,870.35	3,162,000.00
Third party borrowings	-	123,755,523.50
Other non-current liabilities due after one year	179,634,263.73	186,383,117.00

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

41. Other non-current liabilities - continued

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

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

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

Note 3: It represents the berth priority call right as agreed in the contract entered into with the customers in 2003, with total amount of USD14 million. The Group must give priority to the berthing requirements of the contracted customers during the contract period. Chiwan Container Terminal amortized the berth priority call right over 20 years using straight-line method.

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

42. Share capital

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

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

42. Share capital - continued

Item	31/12/2021	Changes for the year					31/12/2022
		New issue of share	Bonus issue	Capitalization of surplus reserve	Others	Sub-total	
2022							
I. Restricted tradable shares	---	---	---	---	---	---	---
1. State-owned shares	-	-	-	-	-	-	-
2. State-owned corporate shares	-	576,709,537.00	-	-	-	576,709,537.00	576,709,537.00
3. Other domestic shares	9,821.00	-	-	-	-2,455.00	-2,455.00	7,366.00
4. Foreign shares	1,148,648,648.00	-	-	-	-1,148,648,648.00	-1,148,648,648.00	-
Total restricted tradable shares	1,148,658,469.00	576,709,537.00	-	-	-1,148,651,103.00	-571,941,566.00	576,716,903.00
II. Non-restricted tradable shares	---	---	---	---	---	---	---
1. Ordinary shares denominated in RMB	593,819,745.00	-	-	-	1,148,648,973.00	1,148,648,973.00	1,742,468,718.00
2. Foreign capital shares listed domestically	179,886,910.00	-	-	-	2,130.00	2,130.00	179,889,040.00
3. Foreign capital shares listed overseas	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-
Total non-restricted tradable shares	773,706,655.00	-	-	-	1,148,651,103.00	1,148,651,103.00	1,922,357,758.00
III. Total shares	1,922,365,124.00	576,709,537.00	-	-	-	576,709,537.00	2,499,074,661.00

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)**

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

43. Capital Reserve

Item	31/12/2022	Increase	Decrease	31/12/2023
2023				
I. Capital premium	34,208,812,963.50	2,244,317,625.22	-	36,453,130,588.72
Including: Capital contributed by investors	17,068,816,277.34	-	-	17,068,816,277.34
Differences arising from business combination involving enterprises under common control	13,302,937,205.73	-	-	13,302,937,205.73
Differences arising from acquisition of minority interests (Note 1)	2,165,423,814.02	2,242,433,715.25	-	4,407,857,529.27
Others	1,671,635,666.41	1,883,909.97	-	1,673,519,576.38
II. Other capital reserve	542,827,871.75	104,628,733.77	23,740,391.18	623,716,214.34
Including: Transfer from capital reserve under the previous accounting system	-2,781,133.00	-	-	-2,781,133.00
Unexercised share-based payment (Note 2)	5,591,402.00	1,528,712.73	475,524.37	6,644,590.36
Other changes in owners' equity of the investee under equity method other than changes in net profit or loss, profit distribution and other comprehensive income	540,017,602.75	103,100,021.04	23,264,866.81	619,852,756.98
Total	34,751,640,835.25	2,348,946,358.99	23,740,391.18	37,076,846,803.06
2022				
I. Capital premium	23,189,922,809.62	11,018,890,153.88	-	34,208,812,963.50
Including: Capital contributed by investors	7,012,992,483.94	10,055,823,793.40	-	17,068,816,277.34
Differences arising from business combination involving enterprises under common control	13,302,937,205.73	-	-	13,302,937,205.73
Differences arising from acquisition of minority interests	1,215,209,939.74	950,213,874.28	-	2,165,423,814.02
Others	1,658,783,180.21	12,852,486.20	-	1,671,635,666.41
II. Other capital reserve	402,779,949.08	151,303,029.21	11,255,106.54	542,827,871.75
Including: Transfer from capital reserve under the previous accounting system	-2,781,133.00	-	-	-2,781,133.00
Unexercised share-based payment	9,956,938.60	5,617,671.30	9,983,207.90	5,591,402.00
Other changes in owners' equity of the investee under equity method other than changes in net profit or loss, profit distribution and other comprehensive income	395,604,143.48	145,685,357.91	1,271,898.64	540,017,602.75
Total	23,592,702,758.70	11,170,193,183.09	11,255,106.54	34,751,640,835.25

Note 1: The changes for the year mainly represent the dividends attributable to CM Port that the Company chose to acquire in the form of share replacement and shareholding increase, which increased the capital reserve by RMB 2,269,118,327.61. Refer to Note (XI) 2 for details.

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

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

44. Other comprehensive income

Item	31/12/2022	2023						Other changes	31/12/2023
		Pre-tax amount for the year	Less: Amount included in other comprehensive income in the prior period but transferred to profit or loss in the current period	Less: Amount included in other comprehensive income in the prior period but transferred to retained earnings in the current period	Less: Income tax expenses	Attributable to the Company, net of tax	Attributable to minority shareholders, net of tax		
2023									
I. Other comprehensive income that will not be reclassified subsequently to profit or loss	51,014,303.06	60,755,557.83	-	-	846,996.46	-73,874,071.89	133,782,633.26	-	-22,859,768.83
Including: Changes arising from remeasurement of defined benefit plans	-10,189,712.88	25,003,573.00	-	-	-	7,480,103.34	17,523,469.66	-	-2,709,609.54
Other comprehensive income that can't be reclassified to profit or loss under equity method	-8,907,673.34	32,473,509.74	-	-	-	-83,841,725.07	116,315,234.81	-	-92,749,398.41
Changes in fair value of other equity instruments	70,111,689.28	3,278,475.09	-	-	846,996.46	2,487,549.84	-56,071.21	-	72,599,239.12
II. Other comprehensive income that will be reclassified subsequently to profit or loss	-740,567,922.92	149,948,207.40	-	-	-	-140,198,902.60	290,147,110.00	-	-880,766,825.52
Including: Other comprehensive income that may be reclassified to profit or loss under equity method	-60,762,188.43	-767,504,700.07	-	-	-	-366,028,318.84	-401,476,381.23	-	-426,790,507.27
Translation differences of financial statements denominated in foreign currencies	-679,805,734.49	917,452,907.47	-	-	-	225,829,416.24	691,623,491.23	-	-453,976,318.25
Total other comprehensive income	-689,553,619.86	210,703,765.23	-	-	846,996.46	-214,072,974.49	423,929,743.26	-	-903,626,594.35
2022 (Restated)									
I. Other comprehensive income that will not be reclassified subsequently to profit or loss	81,233,996.26	-72,230,027.20	-	-	329,334.05	-22,706,023.29	-49,853,337.96	7,513,669.91	51,014,303.06
Including: Changes arising from remeasurement of defined benefit plans	2,603,415.85	-49,039,668.45	-	-	-	-12,793,128.73	-36,246,539.72	-	-10,189,712.88
Other comprehensive income that can't be reclassified to profit or loss under equity method	2,643,088.68	-25,906,733.50	-	-	-	-11,550,762.02	-14,355,971.48	-	-8,907,673.34
Changes in fair value of other equity instruments	75,987,491.73	2,716,374.75	-	-	329,334.05	1,637,867.46	749,173.24	7,513,669.91	70,111,689.28
II. Other comprehensive income that will be reclassified subsequently to profit or loss	-971,359,314.44	1,701,191,299.27	-	-	-	230,791,391.52	1,470,399,907.75	-	-740,567,922.92
Including: Other comprehensive income that may be reclassified to profit or loss under equity method	49,431,519.10	-246,633,232.89	-	-	-	-110,193,707.53	-136,439,525.36	-	-60,762,188.43
Translation differences of financial statements denominated in foreign currencies	-1,020,790,833.54	1,947,824,532.16	-	-	-	340,985,099.05	1,606,839,433.11	-	-679,805,734.49
Total other comprehensive income	-890,125,318.18	1,628,961,272.07	-	-	329,334.05	208,085,368.23	1,420,546,569.79	7,513,669.91	-689,553,619.86

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

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

45. Special reserve

Item	31/12/2022	Increase	Decrease	31/12/2023
Safety production cost	26,358,259.97	61,589,514.21	53,943,779.77	34,003,994.41

46. Surplus reserve

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

47. Unappropriated profit

Item	Amount	Proportion of appropriation or allocation
2023		
Unappropriated profit at the beginning of the year before adjustment	16,679,688,347.09	
Add: Adjustment to unappropriated profit at beginning of the year	22,299,954.05	
Including: Changes in accounting policies	22,299,954.05	
Unappropriated profit at the beginning of the year after adjustment	16,701,988,301.14	
Add: Net profit of the year attributable to shareholders of the Company	3,571,800,762.16	
Unappropriated profit carried forward from other comprehensive income	-	
Less: Transfer to statutory surplus reserve in the current year	94,063,114.53	
Transfer to discretionary surplus reserve in the current year	-	
Ordinary shares' dividends payable	1,124,583,597.45	Note 1
Ordinary shares' dividends converted into share capital	-	
Pension benefit difference	7,944,921.60	Note 2
Transfer to the National Council for Social Security Fund of the PRC	-	
Distribution to holders of other equity instruments	-	
Others	1,883,909.97	
Unappropriated profit at the end of the year	19,045,313,519.75	

Item	Amount	Proportion of appropriation or allocation
2022 (Restated)		
Unappropriated profit at the beginning of the year before adjustment	14,205,879,106.49	
Add: Adjustment to unappropriated profit at beginning of the year	21,052,360.17	
Including: Changes in accounting policies	21,052,360.17	
Unappropriated profit at the beginning of the year after adjustment	14,226,931,466.66	
Add: Net profit of the year attributable to shareholders of the Company	3,338,693,816.70	
Unappropriated profit carried forward from other comprehensive income	7,513,669.91	
Less: Transfer to statutory surplus reserve in the current year	40,734,887.15	
Transfer to discretionary surplus reserve in the current year	-	
Ordinary shares' dividends payable	826,617,003.32	
Ordinary shares' dividends converted into share capital	-	
Pension benefit difference	3,798,761.66	
Distribution to holders of other equity instruments	-	
Others	-	
Unappropriated profit at the end of the year	16,701,988,301.14	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

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

47. Unappropriated profit - continued

Note 1: According to the resolution of shareholders' meeting on 22 May 2023, the Company distributes cash dividends of RMB 4.50 (inclusive of tax) for every 10 shares, totalling RMB 1,124,583,597.45 on the basis of the total shares of 2,499,074,661 at the end of 2022.

Note 2: This represents the difference between the pension benefits under the original standard and the retirement benefits of Shantou municipal police officers borne by Shantou Port. Shantou Port recognizes the related liabilities based on the actuarial results, and unappropriated profit of RMB 7,944,921.60 is eliminated based on the proportion of equity interest in Shantou Port.

48. Operating income and operating costs

(1) Details of operating income and operating costs

Item	2023		2022	
	Income	Cost	Income	Cost
Principal operation	15,568,944,030.70	9,085,897,544.06	16,072,394,601.93	9,433,786,605.46
Other operations	181,531,749.52	232,289,163.69	158,094,525.62	216,675,107.48
Total	15,750,475,780.22	9,318,186,707.75	16,230,489,127.55	9,650,461,712.94

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

48. Operating income and operating costs - continued

(2) Breakdown information of operating income and operating costs

Category of contracts	Ports operation		Bonded logistics operation		Other operations		Total	
	Operating income	Operating costs	Operating income	Operating costs	Operating income	Operating costs	Operating income	Operating costs
Mainland China, Hong Kong and Taiwan area	10,284,643,568.10	6,714,915,284.62	492,433,288.31	254,604,583.47	181,531,749.52	232,289,163.69	10,958,608,605.93	7,201,809,031.78
- Pearl River Delta	6,075,691,801.01	3,640,281,453.34	343,594,001.79	181,329,868.92	181,531,749.52	232,289,163.69	6,600,817,552.32	4,053,900,485.95
- Yangtze River Delta	557,788,311.93	361,926,675.75	-	-	-	-	557,788,311.93	361,926,675.75
- Bohai Rim	76,760,801.96	63,825,074.56	148,839,286.52	73,274,714.55	-	-	225,600,088.48	137,099,789.11
- Other areas	3,574,402,653.20	2,648,882,080.97	-	-	-	-	3,574,402,653.20	2,648,882,080.97
Other countries	4,751,630,018.56	2,081,165,945.51	40,237,155.73	35,211,730.46	-	-	4,791,867,174.29	2,116,377,675.97
Total	15,036,273,586.66	8,796,081,230.13	532,670,444.04	289,816,313.93	181,531,749.52	232,289,163.69	15,750,475,780.22	9,318,186,707.75

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

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

48. Operating income and operating costs - continued

(3) Description of performance obligations

The Group provides port service, bonded logistics service and other services. These services are obligations performed over a period of time. For port services, as the handling time for containers and bulk cargos is short, the management believes that it is not necessary to recognize revenue according to the progress towards the completion of contract and it is an appropriate method to recognize the fulfilment of performance obligation and revenue upon the completion of the service. For bonded logistics service and other services, the customers evenly obtain and consume the economic benefits from the Group's performance of contract, meanwhile the charging rules as agreed in the contract terms usually adopt daily/month/yearly basis. During the process of rendering services, the Group recognizes revenue using straight-line method. At the same time, the Group is primarily responsible for the above services and generally does not have any commitment to the amount of money expected to be returned to the customer.

Part of the Group's handling contracts are established with discount terms, i.e., the customers whose business volume reaches agreed level, are granted with preferential charge rate or discount. At the end of the year, as the business volume finally realized within the contract period is uncertain, the contract consideration is subject to variable factors. The management includes this part of discount in other payables and provisions. At the end of the year, the variable considerations arising from sales discount are set out in Note (VIII) 31 (3) and Note (VIII) 39.

(4) Descriptions on allocation to remaining performance obligations

At the end of the year, the amount of revenue corresponding to the performance obligations which the Group has entered into a contract for but has not fulfilled or completely fulfilled mainly included the contract liabilities of RMB 142,080,101.00, of which RMB 97,512,251.80 is expected to be recognized as revenue in 2024; and RMB 44,567,849.20 is expected to be recognized as revenue in 2025 and subsequent years.

49. Taxes and surcharges

Item	2023	2022
Property tax	75,912,651.85	63,233,633.53
Land use tax	37,809,190.33	36,260,260.97
City construction and maintenance tax	7,891,945.97	8,456,389.09
Education surcharges and local education surcharges	5,953,401.79	6,253,550.00
Stamp duty	5,057,465.35	8,694,943.46
Others (Note)	180,373,370.90	159,350,696.41
Total	312,998,026.19	282,249,473.46

Note: Others mainly represent the social contribution tax and tax on services borne by TCP, a subsidiary of the Company, totalled BRL 120,997,445.84 (equivalent to RMB 170,698,356.69) for the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

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

50. Administrative expenses

Item	2023	2022
Employee benefits	1,297,690,387.03	1,280,394,043.79
Depreciation expenses	75,710,865.79	79,095,275.09
Fees paid to agencies	63,693,285.42	80,164,840.55
Amortization of intangible assets	56,233,463.25	54,493,578.78
Others	283,313,153.89	270,946,998.30
Total	1,776,641,155.38	1,765,094,736.51

51. Research and development expenses

Item	2023	2022
Employee benefits	163,593,250.77	218,783,071.72
Direct materials and outsourced R&D	41,115,107.10	47,737,604.22
Depreciation and amortization	11,500,358.17	15,813,613.68
Others	7,530,356.03	5,371,889.08
Total	223,739,072.07	287,706,178.70

52. Financial expenses

Item	2023	2022
Interest expenses	2,016,181,859.25	1,960,177,578.36
Less: Interest income	497,593,921.36	469,834,098.05
Less: Capitalized interest expenses	45,140,959.39	30,960,097.84
Exchange differences	85,519,920.28	477,004,284.27
Interest expenses -Terminal management rights (Note)	206,277,567.64	222,326,056.63
Interest expenses on lease liabilities	60,834,329.16	73,619,268.64
Handling fee	5,316,520.88	21,148,526.03
Others	7,718,011.68	5,232,154.38
Total	1,839,113,328.14	2,258,713,672.42

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

53. Other income

Classification by nature	2023	2022
Business development subsidy	113,983,657.91	94,355,004.33
Transfer from allocation of deferred income (Note VIII 40)	47,704,466.26	45,858,732.41
Additional deduction of VAT	25,604,125.36	45,179,805.12
Special fund for operation	18,439,586.22	7,385,898.57
Steady post subsidies	1,682,015.15	5,771,198.38
Others	16,975,409.87	43,097,431.61
Total	224,389,260.77	241,648,070.42

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued**54. Investment income**

(1) Details of investment income:

Item	2023	2022
Income from long-term equity investments under equity method	5,979,007,585.96	7,185,182,148.75
Including: Income from long-term equity investments of associates under equity method	5,582,402,904.90	6,765,840,426.95
Income from long-term equity investments of joint ventures under equity method	396,604,681.06	419,341,721.80
Investment income from disposal of subsidiaries	216,949,902.47	-
Income from disposal of long-term equity investments (Losses are marked with "-")	77,647.56	-20,508.06
Investment income from held-for-trading financial assets	91,219,728.19	152,728,622.47
Investment income from other non-current financial assets	41,365,576.62	39,525,241.71
Dividend income from investments in other equity instruments	20,056,500.00	240,001.46
Total	6,348,676,940.80	7,377,655,506.33

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

Investee	2023	2022	Reason for changes
SIPG	3,700,844,097.27	4,762,565,562.93	Changes in net profit of investee
Ningbo Zhoushan	1,049,986,813.85	351,607,511.90	Changes in net profit of investee
Terminal Link SAS	221,059,137.39	364,965,366.44	Changes in net profit of investee
Nanshan Group	214,805,574.66	206,680,217.04	Changes in net profit of investee
Euro-Asia Oceangate S.à.r.l.	186,208,262.73	140,072,915.26	Changes in net profit of investee
Liaoning Port	151,571,456.52	144,196,061.13	Changes in net profit of investee
Shenzhen China Merchants Qianhai Industrial Development Co., Ltd.	42,538,797.17	218,696,415.40	Changes in net profit of investee
Others	411,993,446.37	996,398,098.65	Changes in net profit of investee
Total	5,979,007,585.96	7,185,182,148.75	

55. Gains (Losses) from changes in fair value

Source resulting in gains from changes in fair values (Losses are marked with "-")	2023	2022
Held-for-trading financial assets	49,197,662.35	34,417,357.38
Other non-current financial assets	24,155,138.17	-163,451,007.49
Including: Financial assets at fair value through profit or loss	24,155,138.17	-163,451,007.49
Total	73,352,800.52	-129,033,650.11

56. Gains (Losses) from impairment of credit

Item	2023	2022
I. Losses from impairment of credit of accounts receivable	-9,285,389.19	-5,939,952.37
II. Gains (Losses) from impairment of credit of other receivables (Losses are marked with "-")	43,872,200.88	-217,234,842.93
III. Gains (Losses) from impairment of credit of long-term receivables (Losses are marked with "-")	2,697,229.49	-298,781.25
Total	37,284,041.18	-223,473,576.55

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

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

57. Losses from impairment of assets

Item	2023	2022
Losses from impairment of fixed assets	-149,923,619.44	-6,048,776.05
Losses from impairment of intangible assets	-41,473,147.97	-15,537,122.10
Gains (Losses) from decline in value of inventories (Losses are marked with "-")	99,456.13	-573,122.05
Total	-191,297,311.28	-22,159,020.20

58. Gains from disposal of assets

Item	2023	2022	Amount included in non-recurring profit or loss for the current year
Gains from disposal of non-current assets	36,759,532.61	55,130,095.52	36,759,532.61
Including: Gains from disposal of intangible assets	35,051,791.80	57,590,483.04	35,051,791.80
Gains (Losses) from disposal of fixed assets (Losses are marked with "-")	1,713,921.04	-1,824,719.58	1,713,921.04
Other losses	-6,180.23	-635,667.94	-6,180.23

59. Non-operating income

Item	2023	2022	Amount included in non-recurring profit or loss for the current year
Compensation received for violation of contracts	55,396,338.32	2,930,876.85	55,396,338.32
Management service fee and directors' remuneration	11,964,440.07	8,190,857.40	11,964,440.07
Land rent deduction	7,124,609.25	6,421,113.49	7,124,609.25
Income from relocation compensation	5,558,730.17	6,955,000.00	5,558,730.17
Gains from retirement or damage of non-current assets	1,966,904.66	3,138,573.24	1,966,904.66
Including: Gains from retirement or damage of fixed assets	1,765,984.40	3,138,573.24	1,765,984.40
Exempted current accounts	197,118.09	25,091,421.77	197,118.09
Insurance claims	44,269.64	341,555.58	44,269.64
Operation compensation (Note)	-	213,574,591.16	-
Government grants	-	1,640,553.77	-
Others	5,049,613.92	10,989,909.51	5,049,613.92
Total	87,302,024.12	279,274,452.77	87,302,024.12

Note: Refer to Note (VIII), 7.3 (2) for details.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

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

60. Non-operating expenses

Item	2023	2022	Amount included in non-recurring profit or loss for the current year
Litigation loss	42,689,603.93	20,603,558.61	42,689,603.93
Losses on retirement of non-current assets	24,548,001.45	162,620,964.79	24,548,001.45
Including: Losses on retirement or damage of fixed assets	22,356,701.04	34,444,521.73	22,356,701.04
Expenditure on public welfare donations	11,153,329.51	21,352,071.53	11,153,329.51
Compensation and liquidated damages	1,195,947.89	11,552,735.44	1,195,947.89
Administrative fines and late fees	624,038.01	-	624,038.01
Others	16,861,919.93	4,312,924.31	16,861,919.93
Total	97,072,840.72	220,442,254.68	97,072,840.72

61. Borrowing costs

Item	Capitalization rate	Amount capitalized
Construction in progress	— —	— —
Phase I project for the stuffing and destuffing service area of Baoman Port Area, Zhanjiang Port	3.50%	10,355,373.62
Phase II project for the operation area terminal at Liaogeshan Port Area, Foshan Port	4.19%	10,134,790.48
Installation project of bucket-wheel stacker reclaimer, Zhanjiang Port	3.50%	837,359.25
Phase I expansion project for the container terminal at Baoman Port Area, Zhanjiang Port	3.30%	57,750.00
Other non-current assets	— —	— —
Advances for channels	3.50%	23,755,686.04
Sub-total	— —	45,140,959.39
Interest expenses included in profit or loss for the period (Excludes interest expense on terminal operating rights and lease liabilities)	— —	1,971,040,899.86
Total	— —	2,016,181,859.25

62. Translation of foreign currencies

Item	2023
Exchange differences included in profit or loss for the period	85,519,920.28
Total	85,519,920.28

63. Income tax expenses

Item	2023	2022
Current income tax expenses	1,129,424,872.77	871,429,455.95
Deferred income tax expenses	174,154,980.16	241,530,220.80
Total	1,303,579,852.93	1,112,959,676.75

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2023
 (Unless otherwise specified, the monetary unit shall be RMB)

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

63. Income tax expenses - continued

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

Item	2023
Total profit	8,799,191,938.69
Income tax expenses calculated at 25%	2,199,797,984.67
Effect of non-deductible costs, expenses and losses	272,242,876.02
Accrued income tax	384,531,164.82
Effect of deductible temporary differences and deductible losses for which deferred tax assets are not recognized in the year	232,164,986.26
Effect of tax-free income (Note)	-1,152,685,934.75
Effect of tax incentives and changes in tax rate	-461,574,423.95
Effect of different tax rates of subsidiaries operating in other jurisdictions	-191,471,358.38
Effect of utilizing deductible losses for which deferred tax assets were not recognized in prior period	-47,180,168.14
Effect of adjustments to income tax of prior year	-19,545,836.05
Others	87,300,562.43
Income tax expenses	1,303,579,852.93

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 2023

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

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

64. Assets with restricted ownership and use right

Item	31/12/2023				31/12/2022			
	Gross carrying amount	Carrying amount	Type of restriction	Status of restriction	Gross carrying amount	Carrying amount	Type of restriction	Status of restriction
Cash and bank balances (Note 1)	46,535,456.14	46,535,456.14	Restricted guarantee	Performance bonds, frozen funds, etc.	9,309,145.94	9,309,145.94	Restricted guarantees	Performance bonds, frozen funds for card business of Bank of Communications
Equity investment in CICT (Note 2)	-	-	---	---	2,115,796,097.99	2,115,796,097.99	Pledge	Pledge of equity
Equity investment in TML (Note 2)	-	-	---	---	1,047,063,416.30	1,047,063,416.30	Pledge	Pledge of equity
Fixed assets (Note 3)	330,222,332.58	291,001,239.59	Mortgage	Mortgage borrowings	341,870,382.84	341,870,382.84	Mortgage	Mortgage borrowings
Intangible assets (Note 3)	457,654,685.65	457,654,685.65	Mortgage	Mortgage borrowings	222,040,259.68	222,040,259.68	Mortgage	Mortgage borrowings
Construction in progress (Note 3)	-	-	---	---	4,298,598.50	4,298,598.50	Restricted construction in progress	Mortgage borrowings
Total	834,412,474.37	795,191,381.38	---	---	3,740,377,901.25	3,740,377,901.25	---	---

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

Note 2: Details of pledged equity are set out in Note (VIII) 34.

Note 3: 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 2023

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

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

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

Item	31/12/2022	Effect of changes in the scope of consolidation	Provision for the year	Reversal for the year	Write-off and charge-off for the year	Transfer-out due to sale in the current year	Other increases for the year	Other decreases for the year	Effect of translation of financial statements denominated in foreign currencies	31/12/2023
Provision for credit loss of accounts receivable	94,013,267.44	-5,662,552.89	20,976,076.79	-11,690,687.60	- 8,087,700.00	-	-	-	1,473,959.35	91,022,363.09
Provision for credit loss of other receivables	1,003,685,597.76	-581,674.48	3,495,816.21	-47,368,017.09	-73,074.00	-	-	-	-2,076,917.54	957,081,730.86
Provision for decline in value of inventories	1,326,130.64	-	-	-99,456.13	-	-	-	-	7,953.87	1,234,628.38
Provision for credit loss of long-term receivables	3,875,396.19	-	921,438.82	-3,618,668.31	-	-	-	-	-	1,178,166.70
Provision for impairment of long-term equity investments	357,168,270.27	-	-	-	-	-	-	-	5,165,805.49	362,334,075.76
Provision for impairment of fixed assets	63,574,868.76	-	149,923,619.44	-	-	-	-	-	5,994.88	213,504,483.08
Provision for impairment of intangible assets	15,537,122.10	-	41,473,147.97	-	-	-	-	-	-	57,010,270.07
Provision for impairment of goodwill	970,663,044.33	-	-	-	-	-	-	-	-	970,663,044.33
Total	2,509,843,697.49	-6,244,227.37	216,790,099.23	-62,776,829.13	-8,160,774.00	-	-	-	4,576,796.05	2,654,028,762.27

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

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

66. Other comprehensive income, net of tax

Details are set out in Note (VIII) 44.

67. Items in cash flow statement

(1) Cash relating to operating activities

Other cash receipts relating to operating activities

Item	2023	2022
Interest income	316,807,536.02	258,843,106.76
Government grants	163,169,407.30	146,183,117.33
Guarantees and deposits	59,967,562.07	56,548,699.29
Insurance indemnities	11,868,450.00	58,668,674.41
Rentals	11,677,109.86	6,633,711.38
Others	364,073,953.84	614,917,616.16
Total	927,564,019.09	1,141,794,925.33

Other cash payments relating to operating activities

Item	2023	2022
Advance payment	191,928,420.03	328,830,785.30
Operating expenses such as operating costs and administrative expenses etc.	167,200,604.70	136,317,839.62
Guarantees and deposits	59,616,680.63	47,134,870.60
Rentals	26,007,218.14	22,559,158.93
Harbor dues on cargo	7,279,452.46	14,619,372.24
Port charges	5,743,216.19	5,422,920.14
Others	395,451,467.06	471,440,206.57
Total	853,227,059.21	1,026,325,153.40

(2) Cash relating to investing activities

Cash receipts relating to significant investing activities

Item	2023	2022
Recovered structured deposits	28,397,000,000.00	40,874,000,000.00
Recovered lending(Note 1)	2,965,681,743.10	-
Dividends received	2,186,696,975.69	2,239,605,794.55
Funds for disposal of subsidiaries received (Note 2)	1,683,385,533.43	-
Total	35,232,764,252.22	43,113,605,794.55

Note 1: It represents the recovery of RMB 2,965,681,743.10 lent to Terminal Link SAS.

Note 2: The funds received for disposal of subsidiaries during the year represent the amount received for disposal of Ningbo Daxie.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(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	2023	2022
Purchase of structured deposits	29,967,000,000.00	36,954,000,000.00
Investment funds	-	17,549,460,113.25
Total	29,967,000,000.00	54,503,460,113.25

Other cash receipts relating to investing activities

Item	2023	2022
Recovered lending by Terminal Link SAS	2,965,681,743.10	-
Interest on advances for the project	177,940,904.60	169,844,015.81
Net cash receipts from acquisition of subsidiaries and other business units	-	74,295,900.85
Recovered principal for the advances of the project	-	45,535,614.18
Others	21,332,655.57	5,388,978.50
Total	3,164,955,303.27	295,064,509.34

Other cash payments relating to investing activities

Item	2023	2022
Performance guarantees for project development	39,087,797.69	-
Disposal of equity of subsidiaries	35,267,442.35	-
Payment of taxes on land acquisition and reserve by An Tong Jie Terminal Warehouse Service (Shenzhen) Co., Ltd. ("ATJ")	-	947,426,040.54
Others	8,308,063.29	7,376,441.76
Total	82,663,303.33	954,802,482.30

(3) Cash relating to financing activities

Other cash receipts relating to financing activities

Item	2023	2022
Sale and leaseback proceeds	328,026,212.50	50,000,000.00
Others	6,728,017.13	6,303,169.80
Total	334,754,229.63	56,303,169.80

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(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

Other cash payments relating to financing activities

Item	2023	2022
Repayment of perpetual bonds	4,222,148,460.84	-
Payment for the Company's acquisition of minority interests of CM Port	872,848,916.41	660,552,076.54
Lease expenses paid	829,455,300.35	422,373,905.31
Payment for the Company's acquisition of minority interests of Oasis King International Limited	818,659,106.04	-
Payment for the Company's acquisition of minority interests of CM International Tech	109,901,500.00	-
Payment for non-public shares issued by the Company	-	7,778,570.52
Others	14,080,546.68	33,412,187.98
Total	6,867,093,830.32	1,124,116,740.35

Changes in liabilities arising from financing activities

Item	31/12/2022	Increase for the year		Decrease for the year		31/12/2023
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term borrowings	7,164,338,366.18	18,324,960,509.40	531,121,750.39	10,306,375,337.00	-	15,714,045,288.97
Long-term borrowings	12,390,099,177.85	11,091,911,738.15	-	4,325,439,446.26	929,027,515.03	18,227,543,954.71
Non-current liabilities due within one year	11,641,223,688.95	-	7,930,642,448.33	12,695,530,031.31	58,931,816.72	6,817,404,289.25
Bonds payable	19,088,293,099.02	-	199,215,465.13	-	5,000,000,000.00	14,287,508,564.15
Lease liabilities	948,350,914.04	-	404,265,256.81	114,686,862.61	236,757,101.32	1,001,172,206.92
Dividends payable	92,374,921.29	-	2,924,344,643.64	2,880,173,694.97	24,648,655.69	111,897,214.27
Other current liabilities	3,017,713,424.64	6,328,026,212.50	77,180,966.07	7,415,730,466.23	-	2,007,190,136.98
Total	54,342,393,591.97	35,744,898,460.05	12,066,770,530.37	37,737,935,838.38	6,249,365,088.76	58,166,761,655.25

(4) The Company has no cash flows presented on a net basis

(5) Significant activities that do not involve cash receipts and payment for the current period but have an impact on the enterprise's financial position or may affect the enterprise's cash flows in the future and their financial effects:

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(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	2023	2022 (Restated)
1. Reconciliation of net profit to cash flows from operating activities:	— —	— —
Net profit	7,495,612,085.76	8,231,903,300.27
Add: Provision for impairment of assets	191,297,311.28	22,159,020.20
Provision for impairment of credit	-37,284,041.18	223,473,576.55
Depreciation of fixed assets	1,983,548,731.36	2,015,080,231.04
Depreciation of investment properties	182,833,076.22	184,276,397.36
Depreciation of right-of-use assets	357,502,960.45	349,846,619.98
Amortization of intangible assets	686,879,674.72	663,429,174.32
Amortization of long-term prepaid expenses	92,971,461.67	84,874,394.19
Losses (Gains) from disposal of fixed assets, intangible assets and other long-term assets (Losses are marked with "-")	-36,759,532.61	-55,130,095.52
Losses on retirement of fixed assets, intangible assets and other long-term assets	22,581,096.79	159,482,391.55
Losses (Gains) from changes in fair value (Losses are marked with "-")	-73,352,800.52	129,033,650.11
Financial expenses	2,185,350,735.70	2,532,320,466.47
Investment loss (income) (Losses are marked with "-")	-6,348,676,940.80	-7,377,655,506.33
Decrease in deferred tax assets	19,435,343.92	20,145,903.44
Increase in deferred tax liabilities	154,719,636.24	221,384,317.36
Decrease (Increase) in inventories (Losses are marked with "-")	6,316,130.87	-30,798,761.65
Decrease (Increase) in operating receivables (Losses are marked with "-")	-132,511,582.62	-245,987,914.80
Increase (Decrease) in operating payables (Losses are marked with "-")	-170,856,712.08	-207,459,774.19
Net cash flows from operating activities	6,579,606,635.17	6,920,377,390.35
2. Significant investing and financing activities that do not involve cash receipts and payments:	— —	— —
Conversion of debt into capital	-	-
Convertible bonds due within one year	-	-
3. Net changes in cash and cash equivalents:	— —	— —
Closing balance of cash	16,018,613,631.10	13,567,309,471.62
Less: Opening balance of cash	13,567,309,471.62	12,727,355,238.36
Add: Closing balance of cash equivalents	-	-
Less: Opening balance of cash equivalents	-	-
Net increase in cash and cash equivalents	2,451,304,159.48	839,954,233.26

(2) Cash and cash equivalents

Item	31/12/2023	31/12/2022
I. Cash	16,018,613,631.10	13,567,309,471.62
Including: Cash on hand	974,692.93	726,960.10
Bank deposits available for payment at any time	16,009,954,475.85	13,045,336,190.09
Other monetary funds available for payment at any time	7,684,462.32	521,246,321.43
II. Cash equivalents	-	-
III. Balance of cash and cash equivalents at the end of the year	16,018,613,631.10	13,567,309,471.62

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(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) Net cash receipts from disposal of subsidiaries

	Amount
Cash or cash equivalents received in the current year from disposal of subsidiaries in the current year	1,797,936,550.00
Including: Ningbo Daxie	1,714,909,050.00
Dalian Port Logistics Network Co., Ltd.	63,716,000.00
Yingkou Gangxin Technology Co., Ltd.	19,311,500.00
Less: Cash and cash equivalents held by subsidiaries on the date when control is lost	149,818,458.92
Including: Ningbo Daxie	31,523,516.57
Dalian Port Logistics Network Co., Ltd.	86,068,813.26
Yingkou Gangxin Technology Co., Ltd.	32,226,129.09
Add: Cash or cash equivalents received in the current year from disposal of subsidiaries in prior periods	-
Including: Ningbo Daxie	-
Dalian Port Logistics Network Co., Ltd.	-
Yingkou Gangxin Technology Co., Ltd.	-
Net cash receipts from disposal of subsidiaries	1,648,118,091.08

(4) The Company has no items with restricted use but are still presented as cash and cash equivalents.

(5) Cash and bank balances not classified as cash and cash equivalents

Items	2023	2022	Reason
Restricted guarantees	44,697,370.16	9,297,145.94	Restricted scope of use
Interest receivable from bank deposits	14,497,091.00	16,126,969.60	Not actually received
Funds frozen for litigation	1,826,085.98	-	Not available for withdrawal at any time
Guarantees frozen for ETC	12,000.00	12,000.00	Not available for withdrawal at any time
Interest on time deposit	-	23,183,152.24	Not actually received
Total	61,032,547.14	48,619,267.78	/

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(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 in foreign currency	Exchange rate	Closing balance in RMB
Cash and bank balances			2,988,104,992.31
Including: HKD	19,647,056.77	0.9062	17,804,555.79
USD	317,185,988.33	7.0827	2,246,533,199.54
RMB	408,295,641.99	1.0000	408,295,641.99
EUR	40,140,420.78	7.8592	315,471,594.99
Accounts receivable			173,075,521.17
Including: HKD	512,979.31	0.9062	464,872.11
USD	1,423,085.41	7.0827	10,079,287.03
EUR	20,680,395.21	7.8592	162,531,362.03
Other receivables			799,457,535.30
Including: HKD	524,271,214.69	0.9062	475,105,060.18
USD	1,343,324.84	7.0827	9,514,366.84
EUR	9,691,705.64	7.8592	76,169,052.97
RMB	238,669,055.31	1.0000	238,669,055.31
Long-term receivables			282,209,825.00
Including: EUR	25,995,028.12	7.8592	204,300,125.00
Short-term borrowings			6,885,485,000.00
USD	550,000,000.00	7.0827	3,895,485,000.00
RMB	2,990,000,000.00	1.0000	2,990,000,000.00
Accounts payable			40,104,170.70
Including: HKD	1,173,832.48	0.9062	1,063,750.47
USD	44,617.49	7.0827	316,012.30
EUR	4,927,270.96	7.8592	38,724,407.93
Other payables			668,048,202.56
Including: HKD	32,251,917.27	0.9062	29,227,332.47
USD	39,743,432.26	7.0827	281,490,807.67
EUR	13,924,592.03	7.8592	109,436,153.68
RMB	247,893,908.74	1.0000	247,893,908.74
Non-current liabilities due within one year			175,706,225.87
Including: USD	23,489,155.23	7.0827	166,366,639.76
RMB	9,339,586.11	1.0000	9,339,586.11
Long-term borrowings			4,656,000,000.00
Including: RMB	4,656,000,000.00	1.0000	4,656,000,000.00
Bonds payable			11,287,508,564.15
Including: USD	1,593,673,113.95	7.0827	11,287,508,564.15
Long-term payables			9,391,615.50
Including: HKD	2,366,680.97	0.9062	2,144,733.63
USD	1,023,180.69	7.0827	7,246,881.87

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(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. Revenue	— —
Lease income	288,005,772.42
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	206,915,451.16
2 nd year	144,032,701.64
3 rd year	118,298,471.55
4 th year	83,869,818.08
5 th year	45,923,854.38
Over 5 years	121,551,555.20

Note: The operating leases where the Group acts as the lessor are related to port and terminal facilities, machinery and equipment, vehicles, land and buildings, with lease terms ranging from 1 month to 50 years and option to renew the lease of port and terminal facilities, machinery and equipment, land and buildings. The Group considers that the unguaranteed balance of leased assets does not constitute significant risk of the Group, as the assets are properly used.

(2) Lessee

Item	Amount
Interest expenses on lease liabilities	60,834,329.16
Short-term lease expenses that are accounted for using simplified approach and included in cost of related assets or profit or loss for the period	55,635,496.52
Expenses on leases of low-value assets (exclusive of expenses on short-term leases of low-value assets) that are accounted for using simplified approach and included in cost of related assets or profit or loss for the period	2,564,521.41
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	11,364,199.51
Total cash outflows relating to leases	837,856,182.83
Income (loss) from sale and leaseback transactions	61,743,409.02
Cash inflows from sale and leaseback transactions	328,026,212.50
Cash outflows from sale and leaseback transactions	520,496,584.08
Others	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

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

70. Leases - continued

(2) Lessee - continued

Sale and leaseback transactions and basis for determination:

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

(IX) R&D EXPENDITURE

1. Disclosure by nature of expenses

Item	2023	2022
Employee benefits	166,273,348.83	222,334,684.01
Direct materials and outsourced R&D	78,769,899.84	57,140,031.23
Depreciation and amortisation	11,654,856.90	16,295,546.56
Others	15,963,664.54	23,694,839.98
Total	272,661,770.11	319,465,101.78
Including: R&D expenditure recorded as expenses	223,739,072.07	287,706,178.70
R&D expenditure capitalised	48,922,698.04	31,758,923.08

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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

(IX) R&D EXPENDITURE - continued

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

Item	31/12/2022	Increase	Decrease			31/12/2023
		Internal development expenditure	Recognised as fixed assets	Recognised as intangible assets	Transferred to profit or loss for the period	
Eport	-	30,150,532.71	-	-	-	30,150,532.71
Other R&D projects	17,412,196.16	19,364,847.34	15,065,485.70	279,255.32	592,682.01	20,839,620.47
Total	17,412,196.16	49,515,380.05	15,065,485.70	279,255.32	592,682.01	50,990,153.18

(X) CHANGES IN SCOPE OF CONSOLIDATION

1. Disposal of subsidiaries

Loss of control over subsidiaries

Name of the subsidiary	Point in time of losing control	Disposal consideration at point in time of losing control	Disposal proportion at point in time of losing control (%)	Disposal approach at point in time of losing control	Determination basis for point in time of losing control	Difference between disposal consideration and shares of corresponding net assets of the subsidiary at consolidated level	Proportion of remaining equity at the date of losing control (%)	Amount of other comprehensive income related to equity investments of the original subsidiary transferred to investment gains or losses or retained earnings
Ningbo Daxie	August 2023	1,845,000,000.00	45.00	Transfer of equity	Completion of transaction and transfer of control	205,336,602.02	-	-
Dalian Port Logistics Network Co., Ltd.	November 2023	63,716,000.00	79.03	Transfer of equity	Completion of transaction and transfer of control	19,694,127.20	-	-
Gangxin Technology	November 2023	19,311,500.00	100.00	Transfer of equity	Completion of transaction and transfer of control	-8,080,826.75	-	-

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)**

(XI) EQUITY IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the Group - Major subsidiaries

Name of the subsidiary	Principal place of business	Place of incorporation	Nature of business	Registered capital (RMB'0000, unless otherwise specified)	Shareholding ratio of the Company (%)		Acquisition method
					Direct	Indirect	
Shenzhen Chiwan International Freight Agency Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	550.00	100.00	-	Established through investment
Chiwan Wharf Holdings (Hong Kong) Ltd. (Wharf Holdings Hong Kong)	HK China	HK China	Investment holding	HKD 1,000,000	100.00	-	Established through investment
Dongguan Shenchiwan Port Affairs Co., Ltd.	Dongguan China	Dongguan China	Logistics support services	45,000.00	85.00	-	Established through investment
Dongguan Shenchiwan Wharf Co., Ltd.	Dongguan China	Dongguan China	Logistics support services	40,000.00	100.00	-	Established through investment
Shenzhen Chiwan Harbor Container Co. Ltd.	Shenzhen China	Shenzhen China	Logistics support services	28,820.00	100.00	-	Business combination involving enterprises under common control
Shenzhen Chiwan Port Development Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	10,000.00	100.00	-	Business combination involving enterprises under common control
Chiwan Container Terminal Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	USD 95,300,000	55.00	20.00	Business combination involving enterprises under common control
Shenzhen Chiwan Tugboat Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	2,400.00	100.00	-	Business combination involving enterprises under common control
Chiwan Shipping (Hong Kong) Limited	HK China	HK China	Logistics support services	HKD 800,000	100.00	-	Business combination involving enterprises under common control
CM Port (Note 1)	HK China	HK China	Investment holding	HKD 48,730,938,800	0.38	48.90	Business combination involving enterprises under common control
China Merchants Bonded Logistics Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	70,000.00	40.00	60.00	Business combination involving enterprises under common control
CM International Tech	Shenzhen China	Shenzhen China	IT service	8,784.82	56.26	43.74	Business combination involving enterprises under common control
China Merchants International (China) Investment Co., Ltd.	Shenzhen China	Shenzhen China	Investment holding	USD67,400,000	-	100.00	Business combination involving enterprises under common control
China Merchants International Container Terminal (Qingdao) Co., Ltd.	Qingdao China	Qingdao China	Logistics support services	USD 206,300,000	-	100.00	Business combination involving enterprises under common control
China Merchants Container Services Limited	HK China	HK China	Logistics support services	HKD 500,000	-	100.00	Business combination involving enterprises under common control
China Merchants Port (Shenzhen) Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	55,000.00	-	100.00	Business combination involving enterprises under common control
Shenzhen Haiqin Project Management Co., Ltd.	Shenzhen China	Shenzhen China	Engineering supervision service	1,000.00	-	100.00	Business combination involving enterprises under common control
ATJ	Shenzhen China	Shenzhen China	Preparation for the warehousing project	HKD 100,000,000	-	100.00	Business combination involving enterprises under common control
ASJ	Shenzhen China	Shenzhen China	Preparation for the warehousing project	HKD 100,000,000	-	100.00	Business combination involving enterprises under common control
China Merchants International Terminal (Qingdao) Co., Ltd.	Qingdao China	Qingdao China	Logistics support services	USD 44,000,000	-	90.10	Business combination involving enterprises under common control
CICT	Sri Lanka	Sri Lanka	Logistics support services	USD 150,000,100	-	85.00	Business combination involving enterprises under common control
Magang Godown & Wharf	Shenzhen China	Shenzhen China	Logistics support services	33,500.00	-	100.00	Business combination involving enterprises under common control
Shenzhen Mawan Port Services Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	20,000.00	-	100.00	Business combination involving enterprises under common control
Zhangzhou China Merchants Tugboat Co., Ltd.	Zhangzhou China	Zhangzhou China	Logistics support services	1,500.00	-	100.00	Business combination involving enterprises under common control
Zhangzhou China Merchants Port Co., Ltd.	Zhangzhou China	Zhangzhou China	Logistics support services	116,700.00	-	60.00	Business combination involving enterprises under common control
Zhangzhou Investment Promotion Bureau Xiamenwan Port Affairs Co., Ltd. ("Xiamenwan Port Affairs") (Note 2)	Zhangzhou China	Zhangzhou China	Logistics support services	44,450.00	-	31.00	Business combination involving enterprises under common control
Shekou Container Terminals Ltd.	Shenzhen China	Shenzhen China	Logistics support services	HKD 618,201,200	-	100.00	Business combination involving enterprises under common control
Shenzhen Lianyunjie Container Terminals Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	60,854.90	-	100.00	Business combination involving enterprises under common control
Anxunjie Container Terminals (Shenzhen) Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	127,600.00	-	100.00	Business combination involving enterprises under common control
Anyunjie Port Warehousing Service (Shenzhen) Co., Ltd.	Shenzhen China	Shenzhen China	Preparation for the warehousing project	6,060.00	-	100.00	Business combination involving enterprises under common control

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(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	-	100.00	Business combination involving enterprises under common control
Yide Port	Foshan China	Foshan China	Logistics support services	21,600.00	51.00	-	Business combination involving enterprises under common control
Mega SCT	BVI	BVI	Investment holding	USD 120.00	-	80.00	Business combination involving enterprises under common control
Oasis King International Limited	BVI	BVI	Investment holding	USD 100.00	-	100.00	Business combination involving enterprises under common control
Lome Container Terminal S.A. (Note 3)	Republic of Togo	Republic of Togo	Logistics support services	XOF 200,000,000	-	100.00	Business combination involving enterprises under common control
Gainpro Resources Limited	BVI	BVI	Investment holding	USD 1.00	-	76.47	Business combination involving enterprises under common control
Hambantota International Port Group (Private) Limited	Sri Lanka	Sri Lanka	Logistics support services	USD 1,145,480,000	-	85.00	Business combination involving enterprises under common control
Shantou port	Shantou China	Shantou China	Logistics support services	12,500.00	-	60.00	Business combination involving enterprises under common control
Shenzhen Jinyu Rongtai Investment Development Co., Ltd.	Shenzhen China	Shenzhen China	Property lease, etc.	80,000.00	-	100.00	Business combination involving enterprises under common control
Shenzhen Merchants Qianhaiwan Real Estate Co., Ltd	Shenzhen China	Shenzhen China	Property lease, etc.	20,000.00	-	100.00	Asset acquisition
Juzhongzhi Investment (Shenzhen) Co., Ltd.	Shenzhen China	Shenzhen China	Investment consulting	4,000.00	-	75.00	Business combination involving enterprises under common control
Shenzhen Lianda Tugboat Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	200.00	-	60.29	Business combination involving enterprises under common control
China Ocean Shipping Tally Zhangzhou Co., Ltd.	Zhangzhou China	Zhangzhou China	Logistics support services	200.00	-	84.00	Business combination involving enterprises under common control
China Merchants Holdings (Djibouti) FZE	Djibouti	Djibouti	Logistics support services	USD 38,140,000	-	100.00	Business combination involving enterprises under common control
Xinda Resources Limited	BVI	BVI	Investment holding	USD 107,620,000	-	77.45	Business combination involving enterprises under common control
Kong Rise Development Limited	HK China	HK China	Investment holding	USD 107,620,000	-	100.00	Business combination involving enterprises under common control
TCP	Brazil	Brazil	Logistics support services	BRL 68,851,600	-	100.00	Business combination not involving enterprises under common control
Direcet Achieve Investments Limited	HK China	HK China	Investment holding	USD 814,781,300	-	100.00	Business combination involving enterprises under common control
Zhoushan RoRo	Zhoushan China	Zhoushan China	Logistics support services	17,307.86	51.00	-	Asset acquisition
Shenzhen Haixing Logistics Development Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	7,066.79	-	100.00	Asset acquisition
Zhanjiang Port	Zhanjiang China	Zhanjiang China	Logistics support services	587,420.91	30.78	27.58	Business combination not involving enterprises under common control
Zhanjiang Port International Container Terminal Co., Ltd.	Zhanjiang China	Zhanjiang China	Logistics support services	60,000.00	-	80.00	Business combination not involving enterprises under common control
Zhanjiang Port Petrochemical Terminal Co., Ltd. (Note 4)	Zhanjiang China	Zhanjiang China	Logistics support services	18,000.00	-	50.00	Business combination not involving enterprises under common control
China Ocean Shipping Tally Co., Ltd., Zhanjiang	Zhanjiang China	Zhanjiang China	Logistics support services	300.00	-	84.00	Business combination not involving enterprises under common control
Zhanjiang Port Donghaidao Bulk Cargo Terminal Co., Ltd.	Zhanjiang China	Zhanjiang China	Logistics support services	5,000.00	-	100.00	Business combination not involving enterprises under common control
Zhanjiang Port Logistics	Zhanjiang China	Zhanjiang China	Logistics support services	10,000.00	-	100.00	Business combination not involving enterprises under common control
Guangdong Zhanjiang Port Longteng Shipping Co., Ltd.	Zhanjiang China	Zhanjiang China	Logistics support services	9,000.00	-	51.00	Business combination not involving enterprises under common control
Shantou Harbor Towage Service Co., Ltd.	Shantou China	Shantou China	Logistics support services	1,000.00	-	100.00	Established through investment
Sanya Merchants Port Development Co., Ltd.	Sanya China	Sanya China	Logistics support services	1,000.00	51.00	-	Established through investment
Malai Warehousing (Shenzhen) Co., Ltd	Shenzhen China	Shenzhen China	Owning China Qianhai property	HKD 1,600,000,000	-	100.00	Business combination involving enterprises under common control
Ports Development (Hong Kong) Limited	Hong Kong China	Hong Kong China	Investment holding	2,768,291.56	100.00	-	Established through investment
Shunkong Port	Foshan China	Foshan China	Property development and management	34,489.79	51.00	-	Asset acquisition
South Asia Trade and Logistics Center Co., Ltd. ("SACL") (Note 5)	Sri Lanka	Sri Lanka	Logistics support services	USD 37,140,000	-	70.00	Established through investment

(XI) EQUITY IN OTHER ENTITIES - continued

1. Interests in subsidiaries - continued

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

Note 1: On 19 June 2018, the Company and China Merchants Group (Hong Kong) Co., Ltd. ("CMHK") entered into an "Agreement of Concerted Action on China Merchants Port Holdings Company Limited". According to the agreement, CMHK unconditionally keeps consistent with the Company when voting for the matters discussed at the general shareholders' meeting of CM Port in respect of its voting power of CM Port as entrusted, and performs the voting as per the Company's opinion. In March 2022, the Company transferred its 43.00% equity contribution in China Merchants Port Holdings Company Limited to the wholly-owned subsidiary Ports Development (Hong Kong) Co., Ltd.

In June and October 2023, CM Port respectively distributed 2022 dividends and 2023 interim dividends to shareholders. The shareholders may select to receive the dividends all in cash or shares, or receive the dividends part in cash and part in new shares. The Company and Ports Development (Hong Kong) Co., Ltd. select to receive all dividends attributable to their shareholdings in CM Port in the form of shares, and CMHK selects to receive the 2022 dividends in cash and the 2023 interim dividends attributable to its shareholding in CM Port in the form of shares. In 2023, Ports Development (Hong Kong) Co., Ltd. acquired 94,702,000 ordinary shares of CM Port from the secondary market. Upon the completion of above distribution and the transaction, the proportion of the ordinary shares of CM Port held by the Group to the total issued ordinary shares of CM Port was changed from 45.69% to 49.28%, while the proportion of the ordinary shares of CM Port held by CMHK to the total issued ordinary shares of CM Port was changed from 22.42% to 21.85%. Therefore, the Company has 71.13% voting power on CM Port in total and is able to exercise control over CM Port.

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

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

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

Note 5: SACL is a limited liability company established by CM Port in Sri Lanka on 21 April 2023.

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(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

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

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(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	31/12/2023						31/12/2022					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
CM Port	15,917,026,132.04	135,313,877,243.36	151,230,903,375.40	18,457,977,486.53	27,802,818,508.45	46,260,795,994.98	12,837,082,258.94	137,558,098,661.09	150,395,180,920.03	18,761,895,893.60	25,152,356,977.50	43,914,252,871.10

Name of the subsidiary	2023				2022			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
CM Port	10,503,277,811.44	6,466,697,575.11	7,608,794,449.88	4,852,710,141.52	10,926,649,847.41	7,771,272,424.87	9,468,881,467.49	5,181,954,271.51

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(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

(1) Description of changes in ownership interests in subsidiaries

During the year, the Group's ownership interests in CM Port is changed from 45.69% to 49.28%. Details are set out in Note (XI) 1 (1).

During the year, the Group's ownership interests in CM International Tech is changed from 56.92% to 100%.

During the year, the Group's ownership interests in Oasis King International Limited is changed from 70.00% to 100%.

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

	CM Port	CM International Tech	Oasis King International Limited	Total
Acquisition cost				
- Cash	880,259,262.73	109,901,500.00	818,659,106.04	1,808,819,868.77
- Fair value of non-cash assets	1,398,559,890.07	-	-	1,398,559,890.07
Total acquisition cost	2,278,819,152.80	109,901,500.00	818,659,106.04	3,207,379,758.84
Less: Share of net assets of subsidiaries calculated based on the proportion of equity acquired	4,547,937,480.41	82,775,475.48	819,100,518.20	5,449,813,474.09
Difference	-2,269,118,327.61	27,126,024.52	-441,412.16	-2,242,433,715.25
Including: Adjustment to capital reserve	2,269,118,327.61	-27,126,024.52	441,412.16	2,242,433,715.25
Adjustment to surplus reserve	-	-	-	-
Adjustment to unappropriated profit	-	-	-	-

3. Interests in joint ventures and associates

(1) Significant joint ventures or associates

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

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

(XI) EQUITY IN OTHER ENTITIES - continued

4. Key financial information of significant associate

	SIPG	
	31/12/2023 / 2023	31/12/2022/ 2022
Current assets	53,049,570,240.87	46,525,054,810.02
Including: Cash and cash equivalents	35,721,676,040.14	26,843,326,028.04
Non-current assets	150,525,944,932.10	135,276,650,788.84
Total assets	203,575,515,172.97	181,801,705,598.86
Current liabilities	22,835,359,505.98	25,863,891,496.14
Non-current liabilities	44,553,743,360.00	34,770,765,671.21
Total liabilities	67,389,102,865.98	60,634,657,167.35
Net assets	136,186,412,306.99	121,167,048,431.51
Minority interests	13,010,972,126.11	8,839,640,972.54
Net assets attributable to owners of the Company	123,175,440,180.88	112,327,407,458.97
Share of net assets calculated based on the proportion of ownership interests	34,550,710,970.74	31,507,837,792.24
Adjustments		
- Goodwill	2,427,508,397.27	2,427,508,397.27
- Others	234,665,770.76	236,552,011.66
Carrying amount of equity investments in associates	37,212,885,138.77	34,171,898,201.17
Fair value of publicly quoted equity investments in associates	32,003,432,940.50	34,877,210,592.30
Operating income	37,551,570,005.56	37,279,806,723.63
Net profit	14,007,787,452.35	17,910,112,648.83
Other comprehensive income	-58,126,233.99	-526,788,637.24
Total comprehensive income	13,949,661,218.36	17,383,324,011.59
Dividends received from associates in the current year	914,383,798.30	1,240,688,187.97

	Ningbo Zhoushan
	31/12/2023
Current assets	19,223,549,000.00
Including: Cash and cash equivalents	9,635,337,000.00
Non-current assets	93,105,852,000.00
Total assets	112,329,401,000.00
Current liabilities	22,201,633,000.00
Non-current liabilities	9,429,720,000.00
Total liabilities	31,631,353,000.00
Net assets	80,698,048,000.00
Minority interests	5,828,457,000.00
Net assets attributable to owners of the Company	74,869,591,000.00
Share of net assets calculated based on the proportion of ownership interests	17,279,901,602.80
Adjustments	
- Goodwill	1,231,115,756.87
- Others	120,136,754.64
Carrying amount of equity investments in associates	18,631,154,114.31
Fair value of publicly quoted equity investments in associates	15,982,528,312.20
Operating income	25,993,200,000.00
Net profit	5,156,174,000.00
Other comprehensive income	76,072,000.00
Total comprehensive income	5,232,246,000.00
Dividends received from associates in the current year	390,875,794.33

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

(XI) EQUITY IN OTHER ENTITIES - continued

4. Key financial information of significant associate - continued

Note: Ningbo Zhoushan has become an important associate this year and only disclosed financial data for this year, Ningbo Zhoushan's financial data are accurate to the nearest RMB 1,000.00.

5. Summarized financial information of insignificant associates and joint ventures

Item	31/12/2023 /2023	31/12/2022 / 2022 (Restated)
Joint ventures:	— —	— —
Total carrying amount of investments	8,957,993,335.22	9,716,793,055.72
Aggregate of following items calculated based on the proportion of ownership interest	— —	— —
- Net profit	396,604,681.06	419,341,721.80
- Other comprehensive income	-879,272,391.47	175,421,702.38
- Total comprehensive income	-482,667,710.41	594,763,424.18
Associates:	— —	— —
Total carrying amount of investments	31,864,085,187.97	48,475,602,662.16
Aggregate of following items calculated based on the proportion of ownership interest	— —	— —
- Net profit	831,571,993.78	2,003,274,864.02
- Other comprehensive income	138,977,006.59	-300,868,120.56
- Total comprehensive income	970,549,000.37	1,702,406,743.46

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 as at the end of current year	2,181,470.00
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2. Liabilities involving government grants

Item	31/12/2022	New government grants	Amount included in non-operating income	Amount included in other income	Other changes	31/12/2023	Related to assets/income
Deferred income	1,031,273,189.74	41,207,834.25	-	47,704,466.26	-	1,024,776,557.73	Related to assets
Total	1,031,273,189.74	41,207,834.25	-	47,704,466.26	-	1,024,776,557.73	— —

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

(XII) GOVERNMENT GRANTS - continued

3. Government grants included in profit or loss

Item	2023	2022
Business development subsidy	113,983,657.91	94,355,004.33
Special fund for operation	18,439,586.22	7,385,898.57
Steady post subsidies	1,682,015.15	5,771,198.38
Others	15,133,244.06	42,331,663.35
Total	149,238,503.34	149,843,764.63

(XIII) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

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

The Group adopts sensitivity analysis technique to analyse how the profit and loss for the period and shareholders' equity would have been affected by reasonably possible changes in the relevant risk variables. As it is unlikely that risk variables will change in an isolated manner, and the interdependence among risk variables will have significant effect on the amount ultimately influenced by the changes in a single risk variable, the following are based on the assumption that the change in each risk variable is on a stand-alone basis.

1. Risk management objectives, policies and procedures, and changes for the period

The Group's risk management objectives are to achieve a proper balance between risks and yield, minimise the adverse impacts of risks on the Group's operation performance, and maximise the benefits of the shareholders and other stakeholders. Based on these risk management objectives, the Group's basic risk management strategy is to identify and analyse the Group's exposure to various risks, establish an appropriate maximum tolerance to risk, implement risk management, and monitors regularly and effectively these exposures to ensure the risks are monitored at a certain level.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

(XIII) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued

1. Risk management objectives, policies and procedures, and changes for the period
- continued

1.1 Market risk

1.1.1 Currency risk

Currency risk is the risk that losses will occur because of changes in foreign exchange rates. The Group's exposure to the currency risk is primarily associated with HKD, USD and EUR. Except for part of the purchases and sales, the Group's other principal activities are denominated and settled in RMB. As at 31 December 2023, the balances of the Group's assets and liabilities are both denominated in functional currency, except that the assets and liabilities set out below are recorded using foreign currencies. Currency risk arising from the foreign currency balance of assets and liabilities may have impact on the Group's performance.

Item	31/12/2023	31/12/2022
Cash and bank balances	487,182,682.32	799,833,569.05
Accounts receivable	10,544,159.14	29,766,083.42
Other receivables	339,131,902.71	360,531,571.16
Long-term receivables	204,300,125.00	-
Short-term borrowings	2,990,000,000.00	4,090,000,000.00
Accounts payable	1,379,762.77	2,372,883.60
Other payables	300,187,007.82	246,131,122.92
Non-current liabilities due within one year	9,339,586.11	670,000,000.00
Long-term borrowings	4,656,000,000.00	3,669,000,000.00
Long-term payables	9,391,615.50	-

The Group closely monitors the effects of changes in the foreign exchange rates on the Group's currency risk exposures. According to the current risk exposure and judgment on the exchange rate movements, the management considers it is unlikely that the exchange rate changes in the next year will result in significant loss to the Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

(XIII) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued

1. Risk management objectives, policies and procedures, and changes for the period
- continued

1.1 Market risk - continued

1.1.1 Currency risk - continued

Sensitivity analysis on currency risk

The assumption for the sensitivity analysis on currency risk is that all the cash flow hedges and hedges of a net investment in a foreign operation are highly effective. On the basis of the above assumption, where all other variables are held constant, the reasonably possible changes in the foreign exchange rate may have the following pre-tax effect on the profit or loss for the period and shareholders' equity:

Item	Changes in exchange rate	2023		2022	
		Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
All foreign currencies	5% increase against RMB	-362,713,439.88	-362,713,439.88	-383,846,068.61	-383,846,068.61
All foreign currencies	5% decrease against RMB	362,713,439.88	362,713,439.88	383,846,068.61	383,846,068.61
All foreign currencies	5% increase against USD	-18,083,083.38	-18,083,083.38	5,221,127.37	5,221,127.37
All foreign currencies	5% decrease against USD	18,083,083.38	18,083,083.38	-5,221,127.37	-5,221,127.37
All foreign currencies	5% increase against HKD	23,046,933.58	23,046,933.58	3,837,255.04	3,837,255.04
All foreign currencies	5% decrease against HKD	-23,046,933.58	-23,046,933.58	-3,837,255.04	-3,837,255.04
All foreign currencies	5% increase against EUR (including FCFA)	11,592,634.53	11,592,634.53	419,047.06	419,047.06
All foreign currencies	5% decrease against EUR (including FCFA)	-11,592,634.53	-11,592,634.53	-419,047.06	-419,047.06

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 2023
(Unless otherwise specified, the monetary unit shall be RMB)

(XIII) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued

1. Risk management objectives, policies and procedures, and changes for the period
- continued

1.1 Market risk - continued

1.1.2 Interest rate risk - changes in cash flows - continued

Sensitivity analysis on interest rate risk

Sensitivity analysis on interest rate risk is based on the following assumptions:

- Fluctuations of market interest rate can affect the interest income or expense of a financial instrument with floating interest rate;
- For a financial instrument at fair value with fixed interest rate, the fluctuations of market interest rate can only affect its interest income or expense;
- For a derivative financial instrument designated as hedging instrument, the fluctuations of market interest rate affect its fair value, and all interest rate hedges are expected to be highly effective;
- The changes in fair value of derivative financial instruments and other financial assets and liabilities are calculated using cash flow discounting method by applying the market interest rate at balance sheet date.

On the basis of above assumptions, where the other variables held constant, the pre-tax effect of possible and reasonable changes in interest rate on the profit or loss for the period and shareholders' equity are as follows:

Item	Changes in interest rate	2023		2022	
		Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
Short-term borrowings and long-term borrowings	1% increase	-342,406,182.88	-342,406,182.88	-207,621,560.74	-207,621,560.74
Short-term borrowings and long-term borrowings	1% decrease	342,406,182.88	342,406,182.88	207,621,560.74	207,621,560.74

1.2 Credit risk

As at 31 December 2023, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees issued by the Group (without considering the available collateral or other credit enhancements) is arising from cash and bank balances (Note (VIII), 1), notes receivable (Note (VIII), 3), accounts receivable (Note (VIII), 4), other receivables (Note (VIII), 7), long-term receivables (Note (VIII), 11), etc. At the balance sheet date, the carrying amounts of the Group's financial assets represent its maximum exposure to credit risk. In addition, the Group's maximum credit risk exposure to credit losses includes the amount of financial guarantee contract as disclosed in Note (XVII), 2 "Contingencies".

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

(XIII) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued

1. Risk management objectives, policies and procedures, and changes for the period
- continued

1.2 Credit risk - continued

In order to minimise the credit risk, the Group has delegated a department responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of financial assets at each balance sheet date to ensure that adequate provision for credit loss is made for relevant financial assets. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

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

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

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

1.3 Liquidity risk

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

As at 31 December 2023, the Group had total current liabilities in excess of total current assets of RMB 5,612,418,164.44. As at 31 December 2023, the Group had available and unused line of credit and bonds amounting to RMB 69,439,268,355.68, which is greater than the balance of the net current liabilities. The Group can obtain financial support from the available line of credit and bonds when needed. Therefore, the Group's management believes that the Group has no significant liquidity risk.

The following is the maturity analysis for financial assets and financial liabilities held by the Group which is based on undiscounted remaining contractual obligations:

Item	Carrying amount	Gross amount	Within 1 year	1 to 5 years	Over 5 years
Short-term borrowings	15,714,045,288.97	16,173,813,350.97	16,173,813,350.97	-	-
Notes payable	73,461,165.82	73,461,165.82	73,461,165.82	-	-
Accounts payable	691,765,137.25	691,765,137.25	691,765,137.25	-	-
Other payables	1,654,622,170.02	1,654,622,170.02	1,654,622,170.02	-	-
Non-current liabilities due within one year	6,745,613,464.04	7,946,167,971.57	7,946,167,971.57	-	-
Other current liabilities	2,143,842,534.53	2,153,429,383.85	2,153,429,383.85	-	-
Long-term borrowings	18,227,543,954.71	19,240,642,199.11	-	17,013,554,984.11	2,227,087,215.00
Bonds payable	14,287,508,564.15	15,590,487,807.53	-	15,590,487,807.53	-
Lease liabilities	1,001,172,206.92	2,484,068,796.64	-	282,009,548.65	2,202,059,247.99
Long-term payables	3,817,255,549.15	6,096,325,412.76	-	826,260,924.50	5,270,064,488.26
Related-party guarantees	347,437,758.18	347,437,758.18	114,527,259.00	156,254,811.86	76,655,687.32

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

(XIV) DISCLOSURE OF FAIR VALUE**1. Closing balance of assets and liabilities measured at fair value**

Item	Fair value at 31/12/2023			Total
	Level 1	Level 2	Level 3	
	Fair value measurement	Fair value measurement	Fair value measurement	
Continuously measured at fair value				
Held-for-trading financial assets	-	4,568,806,108.84	-	4,568,806,108.84
Receivables financing	-	-	2,001,669.46	2,001,669.46
Investments in other equity instruments	-	-	157,461,648.16	157,461,648.16
Other non-current financial assets	850,222,729.23	-	27,353,713.60	877,576,442.83
Total assets continuously measured at fair value	850,222,729.23	4,568,806,108.84	186,817,031.22	5,605,845,869.29

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

The market prices of held-for-trading financial assets and other non-current financial assets are determined based on the closing price of the equity instruments at Stock Exchange at 31 December 2023.

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

Item	Fair value at 31/12/2023	Valuation techniques	Inputs
Held-for-trading financial assets	4,568,806,108.84	Cash flow discounting	Expected rate of return

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

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

Item	Fair value at 31/12/2023	Valuation techniques	Inputs
Receivables financing	2,001,669.46	Cash flow discounting	Discount rate
Investments in other equity instruments	157,461,648.16	Net worth method	Carrying amount
Other non-current financial assets	737,436.89	Net worth method	Carrying amount
Other non-current financial assets	26,616,276.71	Listed company comparison approach	Share price

The fair value of non-listed equity instruments included in equity instruments at fair value through profit or loss or other comprehensive income is determined using the valuation techniques such as net worth method, listed company comparison approach etc.

(XIV) DISCLOSURE OF FAIR VALUE - continued

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

The financial assets and liabilities not measured at fair value mainly include notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, bonds payable, lease liabilities and long-term payables etc.

The Group's management believes that the carrying amounts of financial assets and financial liabilities at amortized cost in the financial statements approximate their fair values.

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(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 Global Limited	Parent	Private limited company (share limited)	Hong Kong	Investment holding	HKD 21,120,986,262	2.21	63.01 (Note)

Note: Broadford Global Limited directly holds 2.21% equity of the Company, and indirectly holds 14.84% and 45.96% equity of the Company through the subsidiaries China Merchants Gangtong Development (Shenzhen) Co., Ltd. and China Merchants Port Investment Development Company Limited respectively. The ultimate controlling shareholder of the Company is China Merchants Group.

2. Subsidiaries of the Company

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

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(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
Zhoushan Blue Ocean Investment Co., Ltd.	Minority shareholder of subsidiary
Sri Lanka Ports Authority	Minority shareholder of subsidiary
Guangdong Shunkong City Investment Real Estate Co. Ltd.	Minority shareholder of subsidiary
Zhanjiang Infrastructure Construction Investment Group Co., Ltd.	Minority shareholder of subsidiary
Dalian Port Logistics Technology Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dalian Port Communications Engineering Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Marine Shipping Agency Guangdong Co., Ltd.	Controlled by the same ultimate controlling shareholder
Hoi Tung (Shanghai) Company Limited	Controlled by the same ultimate controlling shareholder
South China Sinotrans Supply Chain Management Co., Ltd.	Controlled by the same ultimate controlling shareholder
EuroAsia Dockyard Enterprise and Development Limited	Controlled by the same ultimate controlling shareholder
Qingdao Bonded Logistics Park Sinotrans Warehousing Logistics Co., Ltd.	Controlled by the same ultimate controlling shareholder
Qingdao Sinotrans Supply Chain Management Co., Ltd.	Controlled by the same ultimate controlling shareholder
Penavico Shenzhen Warehousing Co., Ltd.	Controlled by the same ultimate controlling shareholder
Shenzhen Nanyou (Holdings) Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans Shenzhen Qianhai Supply Chain Management Ltd.	Controlled by the same ultimate controlling shareholder
Shenzhen Qianhai Shekou Free Trade Investment Development Co. Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants International Shipping Agency (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Real Estate (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Real Estate Co., Ltd.	Controlled by the same ultimate controlling shareholder
Shenzhen Merchants to Home Technology Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Shenzhen Ro-Ro Shipping Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Property Management (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Marine Shipping Agency Shenzhen Co., Ltd.	Controlled by the same ultimate controlling shareholder
Yiu Lian Dockyards (Shekou) Limited	Controlled by the same ultimate controlling shareholder
Yiu Lian Dockyards Limited	Controlled by the same ultimate controlling shareholder
China Merchants International Cold Chain (Shenzhen) Company Limited	Controlled by the same ultimate controlling shareholder
China Merchants Group Finance Company Limited	Controlled by the same ultimate controlling shareholder
China Merchants Port Investment Development Company Limited	Controlled by the same ultimate controlling shareholder
China Merchants Finance Lease (Shanghai) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Finance Lease (Tianjin) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchant Food (China) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Tongshang Finance Lease Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Zhangzhou Development Zone Power Supply Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Securities Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Traffic Import and Export Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans Changhang Group Limited	Controlled by the same ultimate controlling shareholder
Shenzhen Dehan Investment Development Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Marine Shipping Agency Guangdong Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Healthcare (Qichun) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Ocean Shipping Tally Shenzhen Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans Central China Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans (HK) Shipping Limited	Controlled by the same ultimate controlling shareholder
Sinoway Shipping Ltd.	Controlled by the same ultimate controlling shareholder

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(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
China Merchants Heavy Industry (Jiangsu) Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans Shantou Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants-Logistics Shenzhen Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Zhangzhou Development Zone Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Ocean Shipping Agency Shenzhen Co. Ltd.	Controlled by the same ultimate controlling shareholder
China Marine Shipping Agency Ningbo Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans Container Lines (Hong Kong) Company Limited	Controlled by the same ultimate controlling shareholder
Sinotrans Container Lines Co., Ltd.	Controlled by the same ultimate controlling shareholder
Yingkou Port Group Co., Ltd. and its subsidiaries ("Yingkou Port Group")	Controlled by the same ultimate controlling shareholder
Liaoning Port Group Co., Ltd.	Controlled by the same ultimate controlling shareholder
Liaoning Electronic Port Co., Ltd	Controlled by the same ultimate controlling shareholder
China Yangtze River Shipping Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Gangrong Big Data Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dalian Port Construction Supervision Consulting Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dalian Port Group Corporation Limited	Controlled by the same ultimate controlling shareholder
Dalian Container Terminal Co., Ltd.	Controlled by the same ultimate controlling shareholder
Shenzhen West Port Security Service Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dalian Port Container	Controlled by the same ultimate controlling shareholder
China Merchants Apartment Development (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dalian Bonded Zone Yongdixin Real Estate Development & Construction Co., Ltd.	Controlled by the same ultimate controlling shareholder
Jifa Logistics	Controlled by the same ultimate controlling shareholder
Dalian Jifa South Coast International Logistics Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dalian Jifa Port Logistics Co., Ltd.	Controlled by the same ultimate controlling shareholder
CHINA MERCHANTS SHIPPING AND ENTERPRISES COMPANY LIMITED	Controlled by the same ultimate controlling shareholder
Ningbo Transocean International Forwarding Agency Co., Ltd.	Controlled by the same ultimate controlling shareholder
Qingdao Sinotrans Mining Technology Co., Ltd.	Controlled by the same ultimate controlling shareholder
Yingkou Xingang Kuangshi Terminals Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dandong Port Group Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Port and Shipping Digital Technology (Liaoning) Co., Ltd.	Controlled by the same ultimate controlling shareholder
Ocean Driller III Limited	Controlled by the same ultimate controlling shareholder
Dalian Ganglong Technology Co., Ltd.	Controlled by the same ultimate controlling shareholder
Qingdao Sinotrans Logistics Co., Ltd.	Controlled by the same ultimate controlling shareholder
Shenzhen Wanhai Building Management Co., Ltd.	Significantly influenced by the ultimate controlling shareholder
China Merchants Union (BVI) limited	Significantly influenced by the ultimate controlling shareholder
Datong Securities Co., Ltd	Significantly influenced by the ultimate controlling shareholder
Dalian Automobile Terminal Co., Ltd	Significantly influenced by the ultimate controlling shareholder
Dalian Port Design Research Institute Co., Ltd.	Significantly influenced by the ultimate controlling shareholder
Khor Ambado FZCo	Significantly influenced by the ultimate controlling shareholder
China Merchants Bank Co., Ltd.	Significantly influenced by the ultimate controlling shareholder
China Merchants (Shenzhen) Power Supply Co., Ltd.	Significantly influenced by the ultimate controlling shareholder

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

(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	2023	2022
Receipt of services:				
Shenzhen Bay Electricity Industry Co., Ltd.	Service expense	Negotiation	56,553,895.23	55,476,519.62
Shenzhen Nanyou (Holdings) Ltd.	Service expense	Negotiation	37,373,052.06	5,764,441.32
China Merchants (Shenzhen) Power Supply Co., Ltd.	Service expense	Negotiation	19,085,551.42	17,893,208.32
Qingdao Qianwan West Port United Wharf Co., Ltd.	Service expense	Negotiation	18,954,315.25	18,229,532.95
China Merchants Property Management (Shenzhen) Co., Ltd.	Service expense	Negotiation	15,013,993.93	7,959,601.92
Nanshan Group and its subsidiaries	Service expense	Negotiation	12,922,553.88	20,553,330.63
Ocean Driller III Limited	Service expense	Negotiation	12,444,743.72	-
Shenzhen West Port Security Service Co., Ltd.	Service expense	Negotiation	11,300,450.18	11,952,754.94
Yiu Lian Dockyards Limited	Service expense	Negotiation	8,104,140.51	8,489,653.19
Ningbo Zhoushan and its subsidiaries	Service expense	Negotiation	7,569,178.76	14,417,120.66
China Merchants Zhangzhou Development Zone Power Supply Co., Ltd.	Service expense	Negotiation	6,449,368.77	5,562,706.02
International Djibouti Industrial Parks Operation FZCo	Service expense	Negotiation	6,264,666.66	2,344,919.84
Hoi Tung (Shanghai) Company Limited	Service expense	Negotiation	5,014,184.85	19,923,373.82
China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	Service expense	Negotiation	5,000,000.00	3,896,620.63
Other related parties	Service expense	Negotiation	37,272,690.46	60,512,567.41
China Merchants Bank Co., Ltd.	Purchase of structured deposits	Negotiation	3,180,000,000.00	900,061,111.11
China Merchants Group Finance Company Limited	Interest expense	Negotiation	26,303,900.66	74,066,413.54
China Merchants Bank Co., Ltd.	Interest expense	Negotiation	17,596,634.76	8,970,399.98
China Merchants Finance Lease (Tianjin) Co., Ltd.	Interest expense	Negotiation	2,117,332.10	724,437.17
Total			3,485,340,653.20	1,236,798,713.07
Rendering of service:				
COSCO Logistics (Zhanjiang) Co., Ltd.	Service income	Negotiation	243,101,038.82	203,783,472.45
Antong Holdings and its subordinate companies	Service income	Negotiation	108,978,140.94	124,308,389.86
Liaoning Port and its subsidiaries	Service income	Negotiation	80,155,659.35	165,608,963.82
China Ocean Shipping Agency (Zhanjiang) Co., Ltd.	Service income	Negotiation	75,114,485.59	59,100,409.00
Qingdao Qianwan United Container Terminal Co., Ltd.	Service income	Negotiation	69,319,211.87	61,896,678.04
China Marine Shipping Agency Guangdong Co., Ltd.	Service income	Negotiation	36,263,254.23	57,816,828.74
China Merchants International Shipping Agency (Shenzhen) Co., Ltd.	Service income	Negotiation	26,223,978.84	29,854,035.10
Yingkou Port Group Co., Ltd. and its subsidiaries ("Yingkou Port Group")	Service income	Negotiation	25,600,739.56	41,932,643.50
Yiu Lian Dockyards (Shekou) Limited	Service income	Negotiation	12,403,540.05	15,088,720.57
Sinotrans Container Lines Co., Ltd.	Service income	Negotiation	11,703,055.83	7,891,652.35
Sinotrans Shenzhen Qianhai Supply Chain Management Ltd.	Service income	Negotiation	10,684,159.25	5,354,930.31
New Land-Sea Corridor Operation (Zhanjiang) Co., Ltd.	Service income	Negotiation	9,724,814.72	-
CM Port Chuangrong (Shenzhen) Technology Co., Ltd.	Service income	Negotiation	8,632,714.51	8,665,860.83
Shenzhen Baohong Technology Co., Ltd.	Service income	Negotiation	8,201,361.90	5,562,857.25
China Merchants International Cold Chain (Shenzhen) Company Limited	Service income	Negotiation	7,196,978.46	4,050,145.80
China Merchants Port Investment Development Company Limited	Service income	Negotiation	6,905,698.13	1,907,632.07
China Ocean Shipping Agency Shenzhen Co. Ltd.	Service income	Negotiation	6,779,104.47	4,966,841.25
Other related parties	Service income	Negotiation	81,221,890.50	141,359,228.82
Terminal Link SAS	Service income	Negotiation	138,262,807.50	169,844,015.81
Port of Newcastle and its subsidiaries	Service income	Negotiation	55,424,394.92	17,721,583.77
China Merchants Bank Co., Ltd.	Service income	Negotiation	51,248,973.95	105,426,962.23
China Merchants Group Finance Company Limited	Service income	Negotiation	33,052,458.75	25,519,980.42
Tianjin Haitian Bonded Logistics Co., Ltd.	Service income	Negotiation	1,210,342.38	1,558,375.91
China Merchants Union (BVI) limited	Default income	Negotiation	34,137,339.48	-
Total			1,141,546,144.00	1,259,220,207.90

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(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 recognized in the current year	Lease income recognized in the prior year
Qingdao Qianwan West Port United Wharf Co., Ltd.	Buildings and structures	Negotiation	14,311,677.72	10,222,395.86
Qingdao Bonded Logistics Park Sinotrans Warehousing Logistics Co., Ltd.	Port and terminal facilities	Negotiation	6,680,118.90	6,876,165.97
China Merchant Food (China) Co., Ltd.	Buildings and structures	Negotiation	5,964,675.96	5,683,461.66
China Traffic Import and Export Co., Ltd.	Buildings and structures	Negotiation	5,473,072.56	5,473,072.56
Qingdao Sinotrans Mining Technology Co., Ltd.	Buildings and structures	Negotiation	4,750,557.12	4,750,557.12
Qingdao Sinotrans Supply Chain Management Co., Ltd.	Buildings and structures	Negotiation	3,438,231.48	3,558,552.62
Qingdao Qianwan United Container Terminal Co., Ltd.	Buildings and structures	Negotiation	3,323,938.08	3,037,651.81
CM Port Chuangrong (Shenzhen) Technology Co., Ltd.	Equipment and storage yards	Negotiation	2,719,625.46	1,819,957.10
Qingdao Wutong Century Supply Chain Co., Ltd.	Buildings and structures	Negotiation	2,705,626.50	2,119,296.03
China Merchants Securities Co., Ltd.	Buildings and structures	Negotiation	2,697,967.83	2,567,514.78
Nanshan Group and its subsidiaries	Buildings and structures	Negotiation	2,283,922.57	5,065,342.55
Yiu Lian Dockyards (Shekou) Limited	Buildings and structures	Negotiation	2,268,270.47	2,195,466.64
Qingdao Sinotrans Logistics Co., Ltd.	Buildings and structures	Negotiation	2,064,723.80	-
China Merchants Real Estate (Shenzhen) Co., Ltd.	Buildings and structures	Negotiation	-	7,152,157.00
Other related parties	Buildings and structures, land use rights	Negotiation	5,928,324.10	5,600,826.68
Total			64,610,732.55	66,122,418.38

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(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	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
China Merchants Finance Lease (Shanghai) Co., Ltd.	Port and terminal facilities, Machinery and equipment	-	-	-	-	110,343,653.60	116,152,138.56	7,734,573.29	13,517,478.02	-	-
Nanshan Group	Buildings and structures, Port and terminal facilities, Land use right, Others	34,242.32	28,161.16	-	-	69,881,796.93	72,311,711.35	4,454,094.13	7,595,712.33	-	9,903,480.08
China Merchants Tongshang Finance Lease Co., Ltd.	Machinery and equipment	-	-	-	-	46,381,918.54	64,099,065.58	1,266,294.12	3,844,907.71	-	-
China Merchants Finance Lease (Tianjin) Co., Ltd.	Port and terminal facilities	-	-	-	-	41,997,224.42	38,839,274.64	4,035,780.92	4,986,303.85	-	-
China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Port and terminal facilities, Land use right	-	-	-	-	36,699,122.62	36,699,122.62	1,209,619.98	3,046,636.47	91,911,426.83	78,187,153.30
EuroAsia Dockyard Enterprise and Development Limited	Port and terminal facilities	-	-	-	-	14,908,924.82	14,696,367.93	446,855.68	440,484.85	14,462,069.14	14,255,883.08
Shenzhen Qianhai Shekou Free Trade Investment Development Co. Ltd.	Port and terminal facilities, Land use right	7,937,320.80	7,892,513.32	-	-	8,175,440.38	8,175,440.38	-	-	-	-
China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	Buildings and structures	-	-	-	-	6,488,599.40	6,473,427.40	471,603.69	181,534.99	10,920,656.12	-
Shenzhen Nanyou (Holdings) Ltd.	Land use right	1,655,096.34	1,995,553.15	-	-	1,995,553.20	1,995,553.15	-	-	-	-
China Merchants International Cold Chain (Shenzhen) Company Limited	Port and terminal facilities	148,500.00	859,290.00	-	-	1,893,762.89	2,782,367.73	32,922.55	83,666.10	-	-
Shenzhen Wanhai Building Management Co., Ltd.	Buildings and structures	-	-	-	-	1,881,947.00	1,202,209.02	70,805.86	106,595.46	1,708,272.10	-

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(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: - continued

Name of the lessor	Type of leased assets	Short-term lease expenses or expenses on leases of low-value assets that are accounted for using simplified approach		Variable lease payments that are not included in the measurement of lease liabilities		Rental paid		Interest expenses on lease liabilities		Addition to right-of-use assets	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Dalian Bonded Zone Yongdixin Real Estate Development & Construction Co., Ltd.	Buildings and structures	-	-	-	-	413,854.72	408,741.23	-	-	-	393,967.46
China Merchants Apartment Development (Shenzhen) Co., Ltd.	Buildings and structures	144,662.87	142,674.30	-	-	142,674.30	142,674.30	-	-	-	-
Dalian Port Group Corporation Limited	Buildings and structures	-	-	-	-	80,000.00	80,000.00	5,613.75	9,766.56	-	-
Dalian Port Communications Engineering Co., Ltd.	Buildings and structures	-	-	-	-	50,000.00	50,000.00	8,196.73	11,498.73	-	-
Shenzhen Chiwan Haike Industrial Operation Co., Ltd.	Buildings and structures	-	1,101,345.84	-	-	-	1,200,466.97	-	-	-	-
Qingdao Qianwan United Container Terminal Co., Ltd.	Port and terminal facilities	-	-	-	-	-	662,285.71	-	18,421.02	-	1,079,443.53
Total		9,919,822.33	12,019,537.77	-	-	341,334,472.82	365,970,846.57	19,736,360.70	33,843,006.09	119,002,424.19	103,819,927.45

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

(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	The guarantee has been completed or not
2023					
Terminal Link SAS (Note 1)	76,655,687.32	76,655,687.32	11 June 2013	2033	No
Khor Ambado FZCo (Note 2)	203,981,760.00	156,254,811.86	24 May 2019	2032	No
Terminal Link SAS (Note 1)	114,527,259.00	114,527,259.00	25 Jan 2023	2030	No
Total	395,164,706.32	347,437,758.18	— —	— —	— —
2022					
Terminal Link SAS (Note 1)	66,490,102.62	66,490,102.62	11 June 2013	2033	No
Khor Ambado FZCo (Note 2)	200,580,480.00	120,182,425.59	24 May 2019	2032	No
Total	267,070,582.62	186,672,528.21	— —	— —	— —

Note 1: CMA CGM S.A. is another shareholder of Terminal Link SAS, an associate of the Group. The Group has made a commitment to CMA CGM S.A. that the Group will provide guarantee for its bank loans and other liabilities to Terminal Link SAS to the extent of the Group's 49% ownership interest in the company. The actual guaranteed amount is RMB 191,182,946.32 as at 31 December 2023. If any guarantee liability occurs, the Group will compensate CMA CGM S.A.

Note 2: Khor Ambado FZCo is a related party of the Group's ultimate controlling shareholder. The Group provides guarantee for its bank loans and other liabilities, the actual amount of which as at 31 December 2023 is RMB 156,254,811.86.

(4) Borrowings and loans with related parties

Related party	Amount	Commencement date	Maturity date	Description
2023				
Borrowings				
China Merchants Bank Co., Ltd.	1,150,941,725.01	Actual borrowing date	Agreed repayment date	Short-term borrowings
China Merchants Group Finance Company Limited	576,421,628.29	Actual borrowing date	Agreed repayment date	Long-term borrowings
Ocean Driller III Limited	332,846,013.33	Actual borrowing date	Agreed repayment date	Other current liabilities
China Merchants Group Finance Company Limited	207,179,377.43	Actual borrowing date	Agreed repayment date	Short-term borrowings
China Merchants Bank Co., Ltd.	68,062,333.33	Actual borrowing date	Agreed repayment date	Long-term borrowings
Total	2,335,451,077.39	— —	— —	— —
2022				
Borrowings				
China Merchants Group Finance Company Limited	604,990,472.82	Actual borrowing date	Agreed repayment date	Short-term borrowings
China Merchants Bank Co., Ltd.	140,139,852.77	Actual borrowing date	Agreed repayment date	Long-term borrowings
China Merchants Group Finance Company Limited	31,618,224.87	Actual borrowing date	Agreed repayment date	Long-term borrowings
China Merchants Bank Co., Ltd.	15,015,583.33	Actual borrowing date	Agreed repayment date	Short-term borrowings
Total	791,764,133.79	— —	— —	— —

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(5) Asset transfer from related parties

Related party	Content of transaction	Pricing method and decision procedures of related transactions	2023	2022
Ningbo Zhoushan	Equity investment	Valuation	1,845,000,000.00	-
Liaoning Port	Equity investment	Valuation	83,027,500.00	-
Dalian Port Container	Equity investment	Valuation	57,083,400.00	-
Jifa Logistics	Equity investment	Valuation	33,815,300.00	-
Yingkou Port Group	Equity investment	Valuation	19,002,800.00	-
Hoi Tung (Shanghai) Company Limited	Fixed assets	Negotiation	-	8,831,858.42
Hoi Tung (Shanghai) Company Limited	Construction in progress	Negotiation	-	4,853,097.34
Total	— —	— —	2,037,929,000.00	13,684,955.76

(6) Compensation for key management personnel

Item	2023	2022
Compensation for key management personnel	18,932,731.03	20,313,774.52

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

(1) Amounts due from related parties

Item	Related party	31/12/2023	31/12/2022
Cash and bank balances	China Merchants Bank Co., Ltd.	3,778,553,414.06	3,387,973,124.59
	China Merchants Group Finance Company Limited	2,090,078,155.93	1,841,698,554.32
	Total	5,868,631,569.99	5,229,671,678.91
Held-for-trading financial assets	China Merchants Bank Co., Ltd.	-	900,061,111.11
Accounts receivable	Antong Holdings and its subordinate companies	8,919,131.23	8,395,245.04
	China Marine Shipping Agency Guangdong Co., Ltd.	2,765,338.38	17,505,768.03
	Sinotrans Container Lines Co., Ltd.	2,763,240.00	1,287,851.75
	Great Horn Development Company FZCo	2,162,941.76	2,157,859.50
	China Ocean Shipping Agency Shenzhen Co. Ltd.	2,035,495.50	758,113.05
	China Merchants International Shipping Agency (Shenzhen) Co., Ltd.	1,750,277.36	1,530,505.68
	Dalian Container Terminal Co., Ltd.	1,725,150.00	1,957,840.00
	COSCO Logistics (Zhanjiang) Co., Ltd.	1,505,114.97	4,045,734.88
	Nanshan Group and its subsidiaries	1,214,194.85	1,404,627.23
	Qingdao Qianwan West Port United Wharf Co., Ltd.	1,207,750.72	3,749,064.99
	Qingdao Qianwan United Container Terminal Co., Ltd.	1,188,600.01	1,729,380.01
	Yiu Lian Dockyards (Shekou) Limited	1,077,910.40	3,554,521.60
	Sinoway Shipping Ltd.	755,606.02	4,564,389.71
	Sinotrans (HK) Shipping Limited	682,942.44	375,748.78
	Liaoning Port	-	3,680,900.00
	Khor Ambado FZCo	-	3,108,610.49
	Dalian Jifa Port Logistics Co., Ltd.	-	2,220,941.63
	Dalian Jifa South Coast International Logistics Co., Ltd.	-	1,839,478.79
	Liaoning Port Group Co., Ltd.	-	1,821,581.00
	Port de Djibouti S.A.	-	1,770,749.55
	South China Sinotrans Supply Chain Management Co., Ltd.	-	659,854.40
	China Marine Shipping Agency Ningbo Co., Ltd.	-	164,981.21
	Yingkou Port Group Co., Ltd. and its subsidiaries ("Yingkou Port Group")	-	160,491.00
	Other related parties	5,733,746.69	13,549,055.64
	Total	35,487,440.33	102,283,282.02

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

(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	31/12/2023	31/12/2022
Dividends receivable	Nanshan Group	203,577,000.00	240,591,000.00
	Merchants Port City	38,809,044.77	41,847,044.77
	Dalian Port Logistics Network Co., Ltd.	30,605,256.76	-
	Yingkou Gangxin Technology Co., Ltd.	23,881,213.75	-
	Tin-Can Island Container Terminal Ltd	21,960,680.22	65,121,449.40
	COSCO Logistics (Zhanjiang) Co., Ltd.	13,449,001.16	18,449,001.16
	China Ocean Shipping Agency Shenzhen Co. Ltd.	11,232,000.00	-
	Qingdao Qianwan United Container Terminal Co., Ltd.	-	50,000,000.00
	Other related parties	-	232,047.23
Total	343,514,196.66	416,240,542.56	
Other receivables	Chu Kong River Trade Terminal Co., Ltd.	36,575,039.20	36,053,588.00
	Shenzhen Nanyou (Holdings) Ltd.	30,639,652.92	6,725,260.86
	Port de Djibouti S.A.	24,966,517.50	24,808,664.70
	Shenzhen Qianhai Shekou Free Trade Investment Development Co. Ltd.	6,310,000.00	6,310,000.00
	China Merchants Port Investment Development Company Limited	2,830,188.69	-
	EuroAsia Dockyard Enterprise and Development Limited	1,531,896.04	1,510,055.76
	Tin-Can Island Container Terminal Ltd	1,320,562.03	-
	Nanshan Group and its subsidiaries	1,189,566.10	1,009,839.70
	China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	1,166,408.40	1,132,846.40
	Zhoushan Blue Ocean Investment Co., Ltd.	-	4,996,989.39
	China Merchants Shenzhen Ro-Ro Shipping Co., Ltd.	-	2,899,163.95
	Other related parties	2,142,975.51	3,550,453.73
	Total	108,672,806.39	88,996,862.49
Prepayments	Nanshan Group and its subsidiaries	-	9,000.00
	Other related parties	250,084.22	6,351.75
	Total	250,084.22	15,351.75
Non-current assets due within one year	Terminal Link SAS	7,468,849.83	46,409,214.10
	China Merchants Finance Lease (Shanghai) Co., Ltd.	6,200,000.00	-
	China Merchants Finance Lease (Tianjin) Co., Ltd.	3,800,000.00	3,800,000.00
	Port of Newcastle and its subsidiaries	-	852,919,208.25
	Total	17,468,849.83	903,128,422.35
Long-term receivables	Port of Newcastle and its subsidiaries	921,402,438.00	-
	Terminal Link SAS	204,299,511.52	2,931,108,250.96
	Tianjin Haitian Bonded Logistics Co., Ltd.	34,300,000.00	34,300,000.00
	Zhoushan Blue Ocean Investment Co., Ltd.	4,996,989.39	-
	China Merchants Finance Lease (Tianjin) Co., Ltd.	695,876.01	659,515.88
	China Merchants Finance Lease (Shanghai) Co., Ltd.	-	6,200,000.00
Total	1,165,694,814.92	2,972,267,766.84	

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(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	31/12/2023	31/12/2022	
Short-term borrowings	China Merchants Bank Co., Ltd.	1,150,880,891.67	15,015,583.33	
	China Merchants Group Finance Company Limited	200,176,534.70	413,453,629.50	
	Total	1,351,057,426.37	428,469,212.83	
Other current liabilities	China Merchants Group Finance Company Limited	-	10,056,575.34	
Accounts payable	Khor Ambado FZCo	22,639,585.37	-	
	Antong Holdings and its subordinate companies	20,360,897.30	16,948,161.45	
	Dalian Port Logistics Technology Co., Ltd.	17,607,121.00	-	
	Ningbo Zhoushan and its subsidiaries	14,691,952.29	16,725,206.29	
	Dalian Port Logistics Network Co., Ltd.	8,355,644.80	-	
	Nanshan Group and its subsidiaries	5,968,662.37	4,259,215.79	
	Shenzhen Bay Electricity Industry Co., Ltd.	5,394,353.74	4,920,501.06	
	Qingdao Qianwan West Port United Wharf Co., Ltd.	4,066,438.84	8,007,474.16	
	China Merchants Port and Shipping Digital Technology (Liaoning) Co., Ltd.	2,905,000.00	-	
	Dalian Ganglong Technology Co., Ltd.	2,739,450.00	-	
	EuroAsia Dockyard Enterprise and Development Limited	2,413,589.56	2,363,408.70	
	Shenzhen Merchants to Home Technology Co., Ltd.	1,781,775.33	-	
	China Merchants Port Investment Development Company Limited	1,649,069.28	1,203,536.99	
	Yiu Lian Dockyards Limited	1,135,115.31	792,077.94	
	Sinoway Shipping Ltd.	-	4,886,700.00	
	China Marine Shipping Agency Shenzhen Co., Ltd.	259,966.50	248,149.17	
	Other related parties	2,761,309.78	4,212,603.81	
	Total	100,037,979.18	64,567,035.36	
	Receipts in advance	China Merchants Port Investment Development Company Limited	5,358,074.44	-
		Qingdao Wutong Century Supply Chain Co., Ltd.	196,301.30	196,301.30
Other related parties		-	160,600.00	
Total		5,554,375.74	356,901.30	
Contract liabilities	COSCO Logistics (Zhanjiang) Co., Ltd.	4,552,313.24	1,275,397.28	
	Qingdao Sinotrans Supply Chain Management Co., Ltd.	1,464,429.12	368,484.60	
	China Merchants Port Investment Development Company Limited	660,943.40	-	
	China Ocean Shipping Agency Shenzhen Co. Ltd.	633,024.00	-	
	Shenzhen Baohong Technology Co., Ltd.	459,049.11	-	
	Qingdao Sinotrans Logistics Co., Ltd.	440,727.56	-	
	Dalian Container Terminal Co., Ltd.	-	9,679,785.44	
	Dandong Port Group Co., Ltd.	-	3,842,709.07	
	Qingdao Qianwan United Container Terminal Co., Ltd.	-	1,556,753.55	
	Yingkou Xingang Kuangshi Terminals Co., Ltd.	-	1,514,844.30	
	Antong Holdings and its subordinate companies	-	1,468,616.91	
	Other related parties	1,021,090.85	2,508,480.44	
Total	9,231,577.28	22,215,071.59		
Dividends payable	China Merchants Zhangzhou Development Zone Co., Ltd.	77,734,806.46	20,000,000.00	
	Dalian Port Container	16,160,696.61	14,000,000.00	
	Jifa Logistics	9,575,104.42	3,000,000.00	
	Yingkou Port Group	5,372,456.78	-	
	Yiu Lian Dockyards Limited	2,334,150.00	-	
	Zhanjiang Infrastructure Construction Investment Group Co., Ltd.	-	41,400,234.06	
	Sri Lanka Ports Authority	-	10,446,900.00	
Total	111,177,214.27	88,847,134.06		
Other payables	Lac Assal Investment Holding Company Limited	64,310,900.95	47,359,371.46	
	Terminal Link SAS	10,423,425.44	-	
	China Merchants Real Estate (Shenzhen) Co., Ltd.	10,079,369.00	10,079,369.00	
	China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	5,000,000.03	3,750,000.03	
	Antong Holdings and its subordinate companies	4,743,266.37	12,730,734.37	
	Sinotrans Shenzhen Qianhai Supply Chain Management Ltd.	1,690,130.78	1,628,515.12	

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

(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	31/12/2023	31/12/2022
Other payables	China Merchant Food (China) Co., Ltd.	1,069,017.00	1,069,017.00
	China Traffic Import and Export Co., Ltd.	1,055,975.76	-
	Hoi Tung (Shanghai) Company Limited	966,785.34	-
	China Merchants International Cold Chain (Shenzhen) Company Limited	757,976.00	-
	Shenzhen Baohong Technology Co., Ltd.	749,269.39	749,269.39
	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	-	6,420,820.68
	China Merchants Port Investment Development Company Limited	-	4,130,081.82
	China Merchants Real Estate Co., Ltd.	-	3,263,853.86
	Zhanjiang Xiagang United Development Co., Ltd.	-	1,439,753.57
	Other related parties	6,946,931.01	6,732,058.14
	Total	107,793,047.07	99,352,844.44
Non-current liabilities due within one year	China Merchants Group Finance Company Limited	288,071,994.22	110,838,087.45
	China Merchants Bank Co., Ltd.	199,326,195.84	11,362,639.43
	China Merchants Finance Lease (Shanghai) Co., Ltd.	76,461,173.65	103,236,707.51
	Nanshan Group and its subsidiaries	63,331,699.85	65,165,836.97
	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	35,719,107.95	37,012,422.69
	China Merchants Finance Lease (Tianjin) Co., Ltd.	7,548,329.72	32,339,542.44
	China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	6,396,788.04	-
	China Merchants International Cold Chain (Shenzhen) Company Limited	375,528.56	1,050,270.17
	China Merchants Tongshang Finance Lease Co., Ltd.	-	45,115,824.42
	EuroAsia Dockyard Enterprise and Development Limited	-	14,255,883.08
	Guangdong Shunkong City Investment Real Estate Co. Ltd.	-	3,162,000.00
Other related parties	-	1,962,815.09	
Total	677,230,817.83	425,502,029.25	
Long-term borrowings	China Merchants Group Finance Company Limited	721,624,592.13	445,490,692.58
	China Merchants Bank Co., Ltd.	158,000,000.00	325,000,000.00
	Total	879,624,592.13	770,490,692.58
Lease liabilities	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	62,185,360.58	5,993,041.70
	China Merchants Finance Lease (Shanghai) Co., Ltd.	-	75,833,546.45
	Nanshan Group and its subsidiaries	-	65,431,073.09
	China Merchants Finance Lease (Tianjin) Co., Ltd.	-	15,833,403.29
	China Merchants International Cold Chain (Shenzhen) Company Limited	-	253,362.41
	Other related parties	1,070,904.61	803,148.25
Total	63,256,265.19	164,147,575.19	
Long-term payables	China Merchants Finance Lease (Tianjin) Co., Ltd.	33,905,690.32	41,052,268.30

(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	-	-	-	-	-	-	354,720	1,129,997.09

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

(XVI) SHARE-BASED PAYMENTS - continued

1. Equity instruments - continued

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

Type of targets granted	Outstanding stock option at the end of current year	
	Range of exercise prices	Remaining term of contract
Management	RMB 14.28 to RMB 16.53	37 months

2. Equity-settled share-based payments

The method used to determine the fair value of equity instruments at the grant date	The cost of granted stock options was estimated using the Black Scholes Model.
The basis for determining the number of exercisable equity instruments	At each balance sheet date in the vesting period, the best estimate was made and the estimated number of exercisable equity instruments was modified according to the latest changes in the number of employees who can exercise the rights and other subsequent information.
Reasons for the significant difference between the estimates of the current year and the estimates of prior year	Criteria of exercising in vesting period of batch 1 and batch 2 are not satisfied
The aggregate amount of equity-settled share-based payments that is included in capital reserve	6,644,590.36

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.

As at the date on which the financial statements are issued, as 12 of the incentive targets for the first batch of stock option granted under the stock option incentive plan (phase I) have retired or no longer serve the Company, the board of directors of the Company decided to cancel in total of 339,600 shares of stock option granted but not yet exercised by such persons; as 5 of the incentive targets for the third vesting period of the stock option (1st batch) under the stock option incentive plan (phase I) of the Company have not satisfied the criteria of exercise in their performance assessment, the Company has cancelled the 20% of the stock option (totalling 15,120 shares) for the third vesting period of the stock option (1st batch) under the stock option incentive plan (phase I) held by the 5 incentive targets.

As at the date on which the financial statements are issued, 195 incentive targets who can exercise the rights for the third vesting period of the stock option (1st batch) under the stock option incentive plan (phase I) included: (1) 190 incentive targets who met the designated grades in the performance assessment, holding 100% of the stock option (totalling 3,471,600 shares) for the third vesting period of the stock option (1st batch) under the stock option incentive plan (phase I) of the Company and satisfying the criteria of exercise; and (2) 5 incentive targets who met the 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).

3. Share-based payment expenses in the current year

Type of targets granted	Equity-settled share-based payment expenses
Management	4,016,693.76

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

(XVII) COMMITMENTS AND CONTINGENCIES

1. Significant commitments

Item	31/12/2023	31/12/2022
Commitments that have been entered into but have not been recognized in the financial statements		
- Commitment to make contributions to the investees	467,604,906.76	38,956,185.01
- Commitment to acquire and construct long-term assets	2,407,538,867.35	1,802,316,899.52
- Commitment to invest port construction	-	5,571,690.76
- Others	-	383,560.31
Total	2,875,143,774.11	1,847,228,335.60

2. Contingencies

Item	31/12/2023	31/12/2022
Contingent liabilities brought by external litigations (Note 1)	946,218,359.48	279,438,527.06
Guarantee for borrowings of related parties (Note 2)	347,437,758.18	186,672,528.21
Total	1,293,656,117.66	466,111,055.27

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. According to the latest estimates of the Group's management, the possible compensation is RMB 946,218,359.48 but it is not likely to cause outflow of economic benefits from the Group. Therefore, the contingent liabilities arising from the above pending litigations are not recognized as provisions. The counter-bonification where the Group as the beneficiary will be executed by the former TCP shareholder that disposed the shares. According to the counter-bonification agreement, the former TCP shareholder needs to make counter-bonification to the Group in respect of the above contingent liabilities, with the compensation amount not exceeding pre-determined amount and specified period.

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

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

(XVII) COMMITMENTS AND CONTINGENCIES - continued

2. Contingencies - continued

Note 2: As at 31 December 2023, the guarantees provided by the Group for related parties are detailed in Note XV 5(3).

As at 31 December 2023, the directors of the Company evaluated the default risks of related companies on the above-mentioned loan financing and other liabilities, and believed that the risks were not significant and the possibility of guaranteed payments was very small.

Except for the above-mentioned contingencies, as at 31 December 2023, 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 2023 and as approved by the 7th meeting of the 10th board of directors on 29 March 2024, the Company, based on the total shares of 2,499,074,661 as at 31 December 2023, distributes cash dividends at RMB 5.80(inclusive of tax) for every 10 shares, totalling RMB 1,449,463,303.38. The above profit distribution plan has not yet been approved by shareholders' meeting.

(XIX) OTHER SIGNIFICANT EVENTS

1. Segment reporting

(1) Basis for determining reporting segments and accounting policies

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

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

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

Ports operation

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

(XIX) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

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

Ports operation - continued

The Group's ports operation is presented as follows:

(a) Mainland China, Hong Kong and Taiwan

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

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

Bonded logistics operation

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

Other operations

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

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

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

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

The revenue from a major customer of ports operation amounts to RMB 2,007,111,746.88, representing 12.74% (2022: 10.30%) of the Group's operating income for 2023.

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(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 2023 is as follows:

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

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(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 2023 is as follows: - continued

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

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(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 2022 is as follows:

Item	Ports operation						Bonded logistics operation	Others	Unappropriated amount (Restated)	Total (Restated)
	Mainland China, Hong Kong and Taiwan				Other locations	Sub-total				
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Others						
Operating income	6,774,045,422.66	1,139,944,516.62	74,222,857.10	3,552,074,625.60	4,086,514,642.86	15,626,802,064.84	445,592,537.09	158,094,525.62	-	16,230,489,127.55
Operating cost	3,849,914,782.32	696,788,162.45	62,264,300.65	2,691,172,225.32	1,853,376,921.16	9,153,516,391.90	280,270,213.56	216,675,107.48	-	9,650,461,712.94
Segment operating profit (Losses are marked with "-")	2,924,130,640.34	443,156,354.17	11,958,556.45	860,902,400.28	2,233,137,721.70	6,473,285,672.94	165,322,323.53	-58,580,581.86	-	6,580,027,414.61
Taxes and surcharges	32,239,840.06	5,674,557.52	1,102,665.95	49,561,307.23	152,923,436.63	241,501,807.39	22,188,514.91	18,305,796.73	253,354.43	282,249,473.46
Administrative expense	435,544,849.33	37,586,936.77	9,903,393.91	536,045,336.65	266,594,657.88	1,285,675,174.54	46,846,479.95	1,356,901.51	431,216,180.51	1,765,094,736.51
R&D expenses	227,962,954.81	40,790,798.38	-	18,952,425.51	-	287,706,178.70	-	-	-	287,706,178.70
Financial expenses	43,042,474.05	12,623,313.35	16,617,530.89	105,755,359.90	202,779,070.53	380,817,748.72	11,831,333.17	42,509,881.22	1,823,554,709.31	2,258,713,672.42
Other income	128,422,018.54	6,905,602.77	99,278.36	73,123,957.51	-	208,550,857.18	20,996,809.22	2,259,661.58	9,840,742.44	241,648,070.42
Investment income	222,543,823.37	5,152,876,665.17	334,188,303.02	53,824,558.05	1,070,198,985.49	6,833,632,335.10	94,330,245.64	425,089,497.20	24,603,428.39	7,377,655,506.33
Gains from changes in fair value (Losses are marked with "-")	34,481,879.58	-	-28,084,576.60	1,009,908.14	-	7,407,211.12	-136,440,861.23	-	-	-129,033,650.11
Gains from impairment of credit (Losses are marked with "-")	-5,932,959.08	-	269,053.38	19,276,798.42	-221,119,087.29	-207,506,194.57	-15,967,381.98	-	-	-223,473,576.55
Gains from impairment of assets (Losses are marked with "-")	-573,122.05	-	-	-21,585,898.15	-	-22,159,020.20	-	-	-	-22,159,020.20
Gains from disposal of assets (Losses are marked with "-")	-186,834.36	-	-	-2,189,571.61	61,495.66	-2,314,910.31	104,763.84	57,352,755.05	-12,513.06	55,130,095.52
Operating profit (Losses are marked with "-")	2,564,095,328.09	5,506,263,016.09	290,807,023.86	274,047,723.35	2,459,981,950.52	11,095,195,041.91	47,479,570.99	363,948,752.51	-2,220,592,586.48	9,286,030,778.93

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(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 2022 is as follows: - continued

Item	Ports operation						Bonded logistics operation	Others	Unappropriated amount (Restated)	Total (Restated)
	Mainland China, Hong Kong and Taiwan				Other locations	Sub-total				
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Others						
Non-operating income	18,342,596.09	2,900,356.17	22,378,312.31	10,237,915.83	221,044,827.94	274,904,008.34	50,933.02	992,336.45	3,327,174.96	279,274,452.77
Non-operating expenses	23,387,870.39	1,035,713.16	-	148,923,783.29	29,888,387.79	203,235,754.63	10,000.00	-	17,196,500.05	220,442,254.68
Total profit (Losses are marked with "-")	2,559,050,053.79	5,508,127,659.10	313,185,336.17	135,361,855.89	2,651,138,390.67	11,166,863,295.62	47,520,504.01	364,941,088.96	-2,234,461,911.57	9,344,862,977.02
Income tax expenses	517,928,967.15	218,235,972.45	19,104,784.49	39,483,784.58	224,820,817.17	1,019,574,325.84	17,884,281.49	73,694,575.33	1,806,494.09	1,112,959,676.75
Net profit (Losses are marked with "-")	2,041,121,086.64	5,289,891,686.65	294,080,551.68	95,878,071.31	2,426,317,573.50	10,147,288,969.78	29,636,222.52	291,246,513.63	-2,236,268,405.66	8,231,903,300.27
Segment assets	24,260,000,005.96	58,080,072,708.01	9,491,073,768.13	27,095,782,491.19	44,382,357,967.93	163,309,286,941.22	4,719,222,985.06	19,523,260,761.95	10,035,331,759.08	197,587,102,447.31
Total assets in the financial statements										197,587,102,447.31
Segment liabilities	10,545,067,732.35	1,993,414,192.41	142,428,100.05	7,095,951,456.64	7,184,350,827.79	26,961,212,309.24	472,931,692.54	849,543,150.07	40,981,807,066.15	69,265,494,218.00
Total liabilities in the financial statements										69,265,494,218.00
Supplementary information:										
Depreciation and amortization	1,119,781,238.27	214,719,968.82	882,688.51	851,694,182.33	801,221,249.28	2,988,299,327.21	98,440,779.50	184,744,488.91	26,022,221.27	3,297,506,816.89
Interest income	49,428,469.37	2,890,732.29	543,508.80	27,921,113.89	255,001,470.66	335,785,295.01	1,231,657.13	1,329,524.29	131,487,621.62	469,834,098.05
Interest expense	86,468,640.13	10,921,214.61	-	128,204,357.08	415,728,796.45	641,323,008.27	13,108,859.14	26,701,866.03	1,544,029,072.35	2,225,162,805.79
Investment income from long-term equity investments under equity method	134,882,198.77	5,114,173,074.83	293,371,940.22	53,436,206.60	1,070,198,985.49	6,666,062,405.91	94,330,245.64	424,789,497.20	-	7,185,182,148.75
Long-term equity investments under equity method	1,741,189,123.54	52,146,528,746.22	8,605,621,312.90	1,094,348,450.19	13,193,855,158.62	76,781,542,791.47	1,496,017,782.58	14,086,733,345.00	-	92,364,293,919.05
Non-current assets other than long-term equity investments	18,338,841,436.04	4,203,682,076.56	15,863,803.61	21,159,269,860.52	25,053,023,827.83	68,770,681,004.56	2,058,218,100.73	5,083,564,521.74	880,089,692.55	76,792,553,319.58

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

(XIX) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Financial information of reporting segments - continued

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

Revenue from external transactions	2023	2022
Mainland China, Hong Kong and Taiwan	10,958,608,605.93	12,105,380,701.20
Pearl River Delta	6,600,817,552.32	7,195,529,214.88
Yangtze River Delta	557,788,311.93	1,139,944,516.62
Bohai Rim	225,600,088.48	217,832,344.10
Others	3,574,402,653.20	3,552,074,625.60
Other locations	4,791,867,174.29	4,125,108,426.35
Total	15,750,475,780.22	16,230,489,127.55

Total non-current assets	31/12/2023	31/12/2022
Mainland China, Hong Kong and Taiwan	128,859,143,257.19	130,723,044,577.52
Pearl River Delta	40,390,524,565.51	42,150,053,552.57
Yangtze River Delta	56,242,527,381.24	56,350,210,822.78
Bohai Rim	9,297,697,381.31	9,147,542,234.74
Others	22,928,393,929.13	23,075,237,967.43
Other locations	40,908,377,486.15	38,433,802,661.11
Total	169,767,520,743.34	169,156,847,238.63

(3) Degree of reliance on major customers

The total operating income derived from the top five customers of the Group is RMB 4,146,867,314.45, accounting for 26.33% of the Group's operating income.

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

1. Other receivables

1.1 Summary of other receivables

Item	31/12/2023	31/12/2022
Dividends receivable	167,092,526.14	147,896,763.88
Other receivables	1,575,369,144.18	2,601,740,991.35
Total	1,742,461,670.32	2,749,637,755.23

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

(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) Presentation of dividends receivable

Investee	31/12/2023	31/12/2022
Wharf Holdings Hong Kong	147,680,363.88	147,680,363.88
CM International Tech	4,758,668.03	-
Chiwan Shipping (Hong Kong) Limited	3,205,094.23	-
Shenzhen Petrochemical Industry (Group) Co., Ltd.	216,400.00	216,400.00
China Ocean Shipping Agency (Shenzhen) Co., Ltd.	11,232,000.00	-
Total	167,092,526.14	147,896,763.88
Less: Provision for credit loss	-	-
Carrying amount	167,092,526.14	147,896,763.88

(2) Significant dividends receivable aged more than 1 year

Item	31/12/2023	31/12/2022	Reason for outstanding	Impaired or not and the determination basis
Wharf Holdings Hong Kong	147,680,363.88	147,680,363.88	In processing and expected to be recovered in 2024	No
Total	147,680,363.88	147,680,363.88		

1.3 Other receivables

(1) Aging analysis of other receivables

Aging	31/12/2023		
	Other receivables	Provision for credit loss	Proportion of provision (%)
Within 1 year	910,122,251.73	-	-
1 to 2 years	662,450,976.98	-	-
2 to 3 years	2,467,600.00	-	-
More than 3 years	711,772.07	383,456.60	53.87
Total	1,575,752,600.78	383,456.60	— —

(2) Disclosure of other receivables by nature

Item	31/12/2023	31/12/2022
Amounts due from related parties	1,553,447,353.90	2,596,356,894.67
Advances	4,965,337.56	2,467,600.00
Others	17,339,909.32	3,299,953.28
Total	1,575,752,600.78	2,602,124,447.95
Less: Provision for credit loss	383,456.60	383,456.60
Carrying amount	1,575,369,144.18	2,601,740,991.35

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

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

- continued

1. Other receivables - continued

1.3 Other receivables - continued

(3) Provision for credit loss of other receivables

Credit rating	Expected credit loss rate (%)	31/12/2023				31/12/2022			
		12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
A	0.00-0.10	1,575,369,144.18	-	-	1,575,369,144.18	2,601,740,991.35	-	-	2,601,740,991.35
B	0.10-0.30	-	-	-	-	-	-	-	-
C	0.30-50.00	-	-	-	-	-	-	-	-
D	50.00-100.00	-	-	383,456.60	383,456.60	-	-	383,456.60	383,456.60
Gross carrying amount		1,575,369,144.18	-	383,456.60	1,575,752,600.78	2,601,740,991.35	-	383,456.60	2,602,124,447.95
Provision for credit loss		-	-	383,456.60	383,456.60	-	-	383,456.60	383,456.60
Carrying amount		1,575,369,144.18	-	-	1,575,369,144.18	2,601,740,991.35	-	-	2,601,740,991.35

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

Item	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	
At 1 January 2023	-	-	383,456.60	383,456.60
Balance of other receivables at 1 January 2023				
- 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	-	-	-	-
At 31 December 2023	-	-	383,456.60	383,456.60

(5) Details of bad debt provision

Category	31/12/2022	Changes for the year					31/12/2023
		Provision	Recovery or reversal	Effect of changes in the scope of consolidation	Charge-off or write-off	Other changes	
Bad debt provision assessed on an individual basis	383,456.60	-	-	-	-	-	383,456.60
Bad debt provision assessed on a portfolio basis	-	-	-	-	-	-	-
Total	383,456.60	-	-	-	-	-	383,456.60

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

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(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

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

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

Name of entity	Relationship with the Company	Nature	Closing balance	Aging	Proportion to total other receivables (%)	Closing balance of provision for credit loss
Shenzhen Haixing	Subsidiary	Loan to related parties	1,541,029,169.74	Within 1 year, 1-2 years	97.80	-
Wharf Holdings Hong Kong	Subsidiary	Lease payment	15,189,918.60	Within 1 year	0.96	-
Shunkong Port	Subsidiary	Loan to related parties	12,418,184.16	Within 1 year, 1-2 years	0.79	-
CM International Tech	Subsidiary	Advances	2,467,600.00	2-3 years	0.16	-
Shenzhen Shekou Local Taxation Bureau	Third party	Others	711,772.07	More than 3 years	0.05	-
Total			1,571,816,644.57		99.76	-

CHINA MERCHANTS PORT GROUP CO., LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

2. Long-term equity investments

(1) Breakdown of long-term equity investments

Investee	31/12/2022	Changes for the year								31/12/2023	Closing balance of provision for impairment
		Increase	Decrease	Investment income under equity method	Reconciliation of other comprehensive income	Other equity movements	Cash dividends or profit declared	Provision for impairment	Others		
I. Subsidiaries											
Shenzhen Chiwan International Freight Agency Co., Ltd.	5,500,000.00	-	-	-	-	-	-	-	-	5,500,000.00	-
Shenzhen Chiwan Harbor Container Co. Ltd.	250,920,000.00	-	-	-	-	-	-	-	-	250,920,000.00	-
Shenzhen Chiwan Port Development Co., Ltd.	206,283,811.09	-	-	-	-	-	-	-	-	206,283,811.09	-
Wharf Holdings Hong Kong	1,070,000.00	-	-	-	-	-	-	-	-	1,070,000.00	-
Shenzhen Chiwan Tugboat Co., Ltd.	24,000,000.00	-	-	-	-	-	-	-	-	24,000,000.00	-
Chiwan Container Terminal Co., Ltd.	421,023,199.85	-	-	-	-	-	-	-	-	421,023,199.85	-
Shenchiwan Port Affairs	186,525,000.00	-	-	-	-	-	-	-	-	186,525,000.00	-
Dongguan Shenchiwan Wharf Co., Ltd.	175,000,000.00	-	-	-	-	-	-	-	-	175,000,000.00	-
Chiwan Shipping (Hong Kong) Limited	1,051,789.43	-	-	-	-	-	-	-	-	1,051,789.43	-
CM Port (Note 1)	168,841,768.35	12,474,393.06	-	-	-	-	-	-	-	181,316,161.41	-
Zhoushan RoRo	149,709,800.00	-	-	-	-	-	-	43,605,014.00	-	106,104,786.00	43,605,014.00
Zhanjiang Port	3,381,825,528.52	-	-	-	-	-	-	-	-	3,381,825,528.52	-
CM International Tech (Note 2)	20,561,075.02	109,901,500.00	-	-	-	-	-	-	-	130,462,575.02	-
Sanya Merchants Port Development Co., Ltd.	2,040,000.00	-	-	-	-	-	-	-	-	2,040,000.00	-
Ports Development (Hong Kong) Limited	29,203,045,326.23	-	-	-	-	-	-	-	-	29,203,045,326.23	-
Shunkong Port (Note 3)	50,000,000.00	144,673,400.00	-	-	-	-	-	-	-	194,673,400.00	-
Guangdong Yide Port Co., Ltd.	131,866,700.00	-	-	-	-	-	-	-	-	131,866,700.00	-
Sub-total	34,379,263,998.49	267,049,293.06	-	-	-	-	-	43,605,014.00	-	34,602,708,277.55	43,605,014.00
II. Associates											
Ningbo Zhoushan	16,228,879,526.87	-	-	966,972,107.64	18,734,157.32	-45,798,686.57	-355,122,265.53	-	-	16,813,664,839.73	-
China Merchants Northeast Asia Development & Investment Co., Ltd.	1,017,010,205.71	-	-	1,668,941.79	-	-144,795.94	-	-	-	1,018,534,351.56	-
China Merchants Bonded Logistics Co., Ltd.	412,362,918.79	-	-	54,128,341.59	-	-	-84,285,525.91	-	-	382,205,734.47	-
Antong Holdings (Note 4)	-	892,445,435.37	-	29,869,705.60	-	17,223.61	-	-	-	922,332,364.58	-
Sub-total	17,658,252,651.37	892,445,435.37	-	1,052,639,096.62	18,734,157.32	-45,926,258.90	-439,407,791.44	-	-	19,136,737,290.34	-
III. Joint ventures											
Yantai Port Group Laizhou Port Co., Ltd.	794,153,389.74	-	-	38,645,587.47	-280,000.00	-1,858,614.11	-28,133,178.67	-	-	802,527,184.43	-
Fujian Zhaohang Logistics Management Partnership (Limited Partnership)	592,134,266.75	-	-	21,878,659.99	-	714,032.74	-	-	-	614,726,959.48	-
Shenzhen Gangteng Internet Technology Co., Ltd. (Note 5)	9,809,165.14	3,750,000.00	-	-1,640,538.15	-	-	-	-	-	11,918,626.99	-
Sub-total	1,396,096,821.63	3,750,000.00	-	58,883,709.31	-280,000.00	-1,144,581.37	-28,133,178.67	-	-	1,429,172,770.90	-
Total	53,433,613,471.49	1,163,244,728.43	-	1,111,522,805.93	18,454,157.32	-47,070,840.27	-467,540,970.11	43,605,014.00	-	55,168,618,338.79	43,605,014.00

CHINA MERCHANTS PORT GROUP CO., LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Unless otherwise specified, the monetary unit shall be RMB)

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

- continued

2. Long-term equity investments - continued

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

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

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

Note 3: In July and December 2023, the Company and Guangdong Shunkong City Investment Real Estate Co. Ltd. entered into a capital increase agreement for Shunkong Port in two parts, whereby the two parties agreed to increase the capital by RMB 218,751,400.00 and RMB 153,823,600.00 together in accordance with their respective shareholding ratios of 51% and 49%, of which the Company contributed RMB 111,563,200.00 and RMB 78,450,000.00. According to the capital increase agreement, the Company paid a total of RMB 144,673,400.00 for the capital increase at the end of the year. The shareholding ratio of the two investors remained unchanged after the capital increase.

Note 4: Details are set out in Note (VIII) 14.

Note 5: The Company fulfilled the investment agreement in the current year and paid the second contribution amounting to RMB 3,750,000.00.

(2) Details of impairment testing of long-term equity investments

The Company recognized a provision for impairment of long-term equity investments amounting to RMB 43,605,014.00 based on the share of Zhoushan RoRo's recoverable amount, refer to Note (VIII), 16.2 (7) for details.

3. Operating income and operating costs

Item	2023		2022	
	Income	Cost	Income	Cost
Principal operation	-	-	-	-
Other operations	17,326,885.29	3,686,411.84	3,669,891.36	2,276,202.60
Total	17,326,885.29	3,686,411.84	3,669,891.36	2,276,202.60

CHINA MERCHANTS PORT GROUP CO., LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

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

- continued

4. Investment income

(1) Details of investment income

Item	2023	2022
Income from long-term equity investments under cost method	416,405,658.26	549,150,517.02
Income from long-term equity investments under equity method	1,111,522,805.93	384,257,363.02
Income from held-for-trading financial assets	49,614,971.08	120,227,079.12
Income from investments in other equity instruments	20,056,500.00	-
Income from disposal of long-term equity investments	-	-20,508.07
Total	1,597,599,935.27	1,053,614,451.09

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

Investee	2023	2022	Reason for changes
Chiwan Container Terminal Co., Ltd.	149,527,479.94	166,925,696.05	Changes in profit distribution of investee
Shenzhen Chiwan Harbor Container Co. Ltd.	111,712,423.41	173,751,858.77	Changes in profit distribution of investee
Zhanjiang Port	36,552,790.18	91,862,080.91	Changes in profit distribution of investee
Dongguan Shenchiwan Wharf Co., Ltd.	33,386,741.74	37,543,998.58	Changes in profit distribution of investee
Dongguan Shenchiwan Port Affairs Co., Ltd.	26,519,896.50	18,111,237.23	Changes in profit distribution of investee
Shenzhen Chiwan Tugboat Co., Ltd.	20,137,075.44	29,238,925.84	Changes in profit distribution of investee
CM Port	11,184,689.72	11,069,965.98	Changes in profit distribution of investee
Shenzhen Chiwan Port Development Co., Ltd.	9,751,697.73	20,415,654.72	Changes in profit distribution of investee
CM International Tech	9,517,336.07	-	Changes in profit distribution of investee
Chiwan Shipping (Hong Kong) Limited	7,902,673.23	-	Changes in profit distribution of investee
Shenzhen Chiwan International Freight Agency Co., Ltd.	212,854.30	231,098.94	Changes in profit distribution of investee
Total	416,405,658.26	549,150,517.02	--

CHINA MERCHANTS PORT GROUP CO., LTD.

SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2023

1. BREAKDOWN OF NON-RECURRING PROFIT OR LOSS

Item	Amount	Remark
Gains or losses on disposal of non-current assets, including those charged off for which provision for impairment of assets has been made	231,205,985.85	
Government grants recognized in profit or loss (other than grants which are closely related to the Company's business, in line with the national regulations, enjoyed under established standards and have a continuous impact on the Company's profit or loss)	149,238,503.34	
Income earned from lending funds to non-financial institutions and recognized in profit or loss	194,897,544.80	
The excess of attributable fair value of identifiable net assets over the consideration paid for subsidiaries, associates and joint ventures	-	
Gains or losses on exchange of non-monetary assets	-	
Gains or losses on entrusted investments or asset management	-	
Losses on assets due to force majeure, e.g., natural disasters	-	
Gains or losses on debt restructuring	-	
Lump-sum costs incurred by the enterprises as a result of the discontinuation of relevant business activities, e.g., expenditure for layoff of employees, etc.	-	
Gains from transactions with unfair transaction price	-	
Net profit or loss of subsidiaries recognized as a result of business combination of enterprises under common control from the beginning of the period up to the business combination date	-	
Gains or losses arising from contingencies other than those related to normal operating business	-	
Gains or losses from changes in fair value of financial assets and financial liabilities held by non-financial enterprises other than effective hedging operation relating to the Company's normal operations, and gains or losses from disposal of financial assets and financial liabilities	73,352,800.52	
Reversal of provision for accounts receivable that are tested for impairment individually	52,962,785.14	
Gains or losses on entrusted loans	-	
Gains or losses from changes in fair value of investment properties that are subsequently measured using the fair value model	-	
One-time effect of adjustments in tax laws and accounting laws and regulations on profit or loss for the period	-	
Custodian fees earned from entrusted operation	-	
Share-based payment expenses recognized once due to the cancellation or modification of equity incentive plans	-	
For cash-settled share-based payments, gains or losses arising from changes in fair value of employee benefits payable after the vesting date	-	
Other non-operating income or expenses other than above	12,810,280.19	
Other profit or loss that meets the definition of non-recurring profit or loss	-	
Tax effects	-145,340,260.29	
Effects of minority interests (after tax)	-336,553,661.12	
Total	232,573,978.43	

The revised *Explanatory Announcement No. 1 on Information Disclosure for Companies Making Public Offering - Non-recurring Profit or Loss (Revised in 2023)* was issued by the China Securities Regulatory Commission on 22 December 2023, and the effect of the revision on non-recurring profit or loss for the comparable accounting periods is reflected as a decrease of non-recurring profit or loss by RMB 18,600,132.64.

CHINA MERCHANTS PORT GROUP CO., LTD.

SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

Item	Weighted average return on net assets (%)	EPS	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders	6.3455	1.4292	1.4292
Net profit attributable to ordinary shareholders after deducting non-recurring profit or loss	5.9324	1.3362	1.3362

CHINA MERCHANTS PORT GROUP CO., LTD.

SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2023

3. SUPPLEMENTARY INFORMATION RELATING TO ITEMS IN THE FINANCIAL STATEMENTS DUE TO RETROSPECTIVE APPLICATION OF ACCOUNTING POLICIES

Item	31/12/2023	31/12/2022	1/1/2022	Item	31/12/2023	31/12/2022	1/1/2022
Current Assets:				Current liabilities:			
Cash and bank balances	16,079,646,178.24	13,615,928,739.40	12,772,349,406.77	Short-term borrowings	15,714,045,288.97	7,164,338,366.18	13,651,452,805.36
Held-for-trading financial assets	4,568,806,108.84	2,998,781,599.63	6,921,831,502.55	Notes payable	73,461,165.82	-	1,895,987.17
Notes receivable	325,150,195.09	36,395,000.00	6,081,611.95	Accounts payable	691,765,137.25	811,149,397.66	843,820,438.51
Accounts receivable	1,103,901,466.25	1,276,149,689.44	1,320,577,577.81	Receipts in advance	17,387,537.36	9,886,531.59	9,313,166.01
Receivables financing	2,001,669.46	163,766,913.10	238,429,402.71	Contract liabilities	142,080,101.00	141,899,551.03	196,784,525.26
Prepayments	37,664,552.30	63,627,425.42	51,606,794.20	Employee benefits payable	917,964,606.65	936,834,718.13	820,416,415.47
Other receivables	940,014,994.01	948,842,094.30	696,276,595.87	Taxes payable	923,053,572.50	917,933,169.09	2,162,719,251.68
Inventories	218,898,192.87	225,122,821.48	194,920,136.12	Other payables	1,654,622,170.02	1,755,885,258.26	2,140,108,341.08
Assets held-for-sale	-	-	337,442,757.28	Non-current liabilities due within one year	6,817,404,289.25	11,641,223,688.95	8,268,209,284.17
Non-current assets due within one year	17,451,380.98	902,225,293.93	102,356,461.97	Other current liabilities	2,143,842,534.53	3,161,147,525.96	2,158,497,775.85
Other current assets	189,673,500.87	185,903,140.53	339,684,297.41	Total current liabilities	29,095,626,403.35	26,540,298,206.85	30,253,217,990.56
Total current assets	23,483,208,238.91	20,416,742,717.23	22,981,556,544.64	Non-current Liabilities:			
Non-current Assets:				Long-term borrowings	18,227,543,954.71	12,390,099,177.85	7,144,839,870.89
Long-term receivables	3,856,466,116.99	5,661,327,499.07	6,162,713,861.02	Bonds payable	14,287,508,564.15	19,088,293,099.02	16,670,872,414.14
Long-term equity investments	96,666,117,776.27	92,364,293,919.05	70,353,451,824.52	Including: Preferred shares	-	-	-
Other non-current financial assets	877,576,442.83	1,745,740,896.41	809,515,244.87	Perpetual bonds	-	-	-
Investments in other equity instruments	157,461,648.16	171,945,275.02	180,251,798.43	Provisions	1,001,172,206.92	948,350,914.04	1,055,194,906.09
Investment properties	4,958,374,968.79	5,123,690,119.56	5,298,238,414.88	Lease liabilities	3,822,862,202.17	3,551,315,590.31	3,422,179,366.40
Fixed assets	28,986,538,326.35	32,033,326,083.50	31,710,513,230.29	Long-term payables	603,009,921.91	639,095,931.43	588,681,492.63
Construction in progress	2,909,817,281.46	2,413,844,407.64	2,557,584,953.92	Long-term employee benefits payable	85,590,059.41	35,365,156.43	24,247,302.42
Right-of-use assets	9,441,668,311.22	9,342,642,222.33	8,743,077,542.19	Deferred income	1,024,776,557.73	1,031,273,189.74	1,075,957,884.91
Intangible assets	18,073,062,184.72	19,277,065,115.61	18,475,412,380.93	Deferred tax liabilities	4,659,638,104.37	4,855,019,835.33	4,552,418,519.70
Development expenditure	50,990,153.18	17,412,196.16	82,391,225.85	Other non-current liabilities	179,634,263.73	186,383,117.00	163,065,578.53
Goodwill	6,493,002,246.44	6,411,426,891.09	6,024,160,942.07	Total non-current liabilities	43,891,735,835.10	42,725,196,011.15	34,697,457,335.71
Long-term prepaid expenses	993,793,505.29	986,356,904.90	975,994,541.52	TOTAL LIABILITIES	72,987,362,238.45	69,265,494,218.00	64,950,675,326.27
Deferred tax assets	415,063,477.03	434,498,820.95	454,644,724.39	Owners' equity:			
Other non-current assets	1,194,155,989.62	1,186,789,378.79	1,231,092,952.69	Share capital	2,499,074,661.00	2,499,074,661.00	1,922,365,124.00
Total non-current assets	175,074,088,428.35	177,170,359,730.08	153,059,043,637.57	Including: Preferred shares	-	-	-
				Perpetual bonds	-	-	-
				Capital reserve	37,076,846,803.06	34,751,640,835.25	23,592,702,758.70
				Less: Treasury shares	-	-	-
				Other comprehensive income	-903,626,594.35	-689,553,619.86	-890,125,318.18
				Special reserve	34,003,994.41	26,358,259.97	9,184,429.12
				Surplus reserve	1,095,980,563.68	1,001,917,449.15	961,182,562.00
				Unappropriated profit	19,045,313,519.75	16,701,988,301.14	14,226,931,466.66
				Total equity attributable to equity holders of the Company	58,847,592,947.55	54,291,425,886.65	39,822,241,022.30
				Minority interests	66,722,341,481.26	74,030,182,342.66	71,267,683,833.64
				TOTAL OWNERS' EQUITY	125,569,934,428.81	128,321,608,229.31	111,089,924,855.94
TOTAL ASSETS	198,557,296,667.26	197,587,102,447.31	176,040,600,182.21	TOTAL LIABILITIES AND OWNERS' EQUITY	198,557,296,667.26	197,587,102,447.31	176,040,600,182.21