CHINA MERCHANTS PORT GROUP CO., LTD.

INTERIM REPORT 2026

Date of Disclosure: 29 August 2026

Part I Important Notes, Table of Contents and Definitions

The Board of Directors (or the "Board") as well as the directors and senior management 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 shall be individually as well as jointly and severally liable for any misrepresentations, misleading statements or material omissions therein.

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

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.

Risks exposed to the Company and countermeasures have been explained in Item X 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 is disclosed on the aforesaid media.

The Company is not subject to any industry-specific disclosure requirements.

The Board has approved an interim dividend plan as follows: based on the Company's total share capital at the record date of the dividend payout, a cash dividend of RMB2.00 (tax inclusive) per 10 shares is to be distributed to shareholders, with no bonus issue from either profit or capital reserves.

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

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Documents Available for Reference

1. Financial Statements carrying the signatures and stamps of the Legal Representative, the Chief Financial Officer and the Head of Accounting Department; and

2. Original copies of all documents and announcements disclosed by the Company on the website designated by the CSRC during the Reporting Period.

Definitions

Term	Definition
The "Company", "CMPort" or "we"	China Merchants Port Group Co., Ltd., formerly known as "Shenzhen Chiwan Wharf Holdings Limited"
CMG	China Merchants Group Limited
CMPort Holdings	China Merchants Port Holdings Company Limited (00144.HK)
CSRC	China Securities Regulatory Commission
SZSE	Shenzhen Stock Exchange
TEU	Abbreviation of Twenty-foot Equivalent Unit, an international unit of measurement based on a container measuring 20 feet long, 8 feet wide and 8.5 feet high, also known as the international standard container unit
WTO	World Trade Organization
ESG	Environmental, Social and Governance
COE	Center of Excellence, a lean operation mechanism
CMIT	China Merchants International Technology Company Limited
CTOS	Container Terminal Operation System
CM ePort	CMPort's homegrown unified customer service platform
West Shenzhen Port Zone	Including Mega Shekou Container Terminals Co Ltd; Chiwan Container Terminal Co., Ltd.;Shenzhen Mawan Terminals Co., Ltd.; Shenzhen Mawan Wharf Co., Ltd.;Shenzhen Haixing Harbor Development Company Ltd.;China Merchants Port Services(Shenzhen) Company Limited; Shenzhen Chiwan Harbor Container Co. Ltd., etc.
Shunde New Port	Guangdong Yide Port Limited
Chu Kong River Terminal	Chu Kong River Trade Terminal Co., Limited
Dongguan Machong	Dongguan Chiwan Port Service Co., Ltd.
SIPG	Shanghai International Port (Group) Co., Ltd.
Ningbo Port	Ningbo Zhoushan Port Company Limited
Liaoning Port	Liaoning Port Co., Ltd.
Laizhou Port	Yantai Port Group Laizhou Port Co. LTD
QQCTU	Qingdao Qianwan United Container Terminal Co., Ltd.
QQTU	Qingdao Qianwan United Terminal Co., Ltd.
Qingdao Dongjiakou	Qingdao Port Dongjiakou Ore Terminal Co., Ltd.
Tianjin Port Container Terminal	Tianjin Port Container Terminal Co., Ltd.
Shantou Port	Shantou China Merchants Port Group Co., Ltd.
Zhangzhou Port	Zhangzhou China Merchants Port Co., Ltd.
Xia Men Bay Terminals	Xia Men Bay China Merchants Terminals Co., Ltd.
Zhanjiang Port	Zhanjiang Port (Group) Co., Ltd.
CMCS	China Merchants Container Services Limited
MTL	Modern Terminals Limited

Kao Ming Terminal	Kao Ming Container Terminal Corp.
CICT	Colombo International Container Terminals Limited
HIPG	Hambantota International Port Group (Private) Limited
TCP	TCP Participações S.A.
LCT	Lome Container Terminal S.A.
NPH	PT Nusantara Pelabuhan Handal Tbk
Somaport	Somaport SA
BTOS	Bulk-and-general-cargo Terminal Operating System
TICT	Tin-can Island Container Terminal Ltd
Kumport	Kumport Liman Hizmetleri ve Lojistik Sanayi ve Ticaret Anonim Sirketi
PDSA	Port de Djibouti S.A.
Terminal Link	Terminal Link SAS
Qianhaiwan Real Estate	Shenzhen Merchants Qianhaiwan Real Estate Co., Ltd.
RMB RMB’0,000 RMB’00,000,000	Expressed in the Chinese currency of Renminbi Expressed in tens of thousands of Renminbi Expressed in hundreds of millions of Renminbi (unless otherwise specified)

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

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. (if any)	招商港口		
Company name in English (if any)	China Merchants Port Group Co., Ltd.		
Abbr. (if any)	CMPort		
Legal representative	Xu Song		

II Contact Information

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

III Other Information

1. Contact Information of the Company

Indicate by tick mark whether any change occurred to the registered address, office address and their zip codes, website address, email address and other contact information of the Company in the Reporting Period.

□ Applicable √ Not applicable

No change occurred to the said information in the Reporting Period, which can be found in the 2025 Annual Report.

2. Media for Information Disclosure and Place where this Report is Lodged

Indicate by tick mark whether any change occurred to the information disclosure media and the place for lodging the Company's periodic reports in the Reporting Period.

☐ Applicable √ Not applicable

The website of the stock exchange, media and other websites where the Company's periodic reports are disclosed, as well as the place for lodging such reports did not change in the Reporting Period. The said information can be found in the 2025 Annual Report.

3. Other Relevant Information

Indicate by tick mark whether any change occurred to the other relevant information in the Reporting Period.

☐ Applicable √ Not applicable

IV Key Financial Information

Indicate by tick mark whether there is any retrospective adjustment or restatement to prior-year financial statements.

☐ Yes √ No

	H1 2026	H1 2025	Change
Total operating income (RMB)	8,948,462,047.19	8,468,491,376.08	5.67%
Net profit attributable to shareholders of the Company (RMB)	2,781,107,015.26	2,626,638,199.47	5.88%
Net profit attributable to shareholders of the Company after deducting non-recurring profit or loss (RMB)	2,722,938,614.94	2,518,686,036.20	8.11%
Net cash inflow from operating activities (RMB)	3,348,074,613.14	3,008,693,316.79	11.28%
Basic earnings per share (RMB/share)	1.12	1.05	6.67%
Diluted earnings per share (RMB/share)	1.12	1.05	6.67%
Weighted average return on equity (%)	4.25%	4.19%	Up by 0.06 percentage point

	30 June 2026	31 December 2025	Change (%)
Total assets (RMB)	207,632,748,002.65	205,014,697,494.68	1.28%
Equity attributable to shareholders of the Company (RMB)	65,280,492,556.50	64,365,829,932.20	1.42%

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)	2,482,148,285

Fully diluted earnings per share based on the latest total share capital above:

Diluted earnings per share based on the latest total share capital above (RMB/share)	1.1204

V 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 Overseas Accounting Principle

☐ Applicable √ Not applicable

VI Non-recurring Profit or Loss

Unit: RMB

Item	Amount	Note
Gains or losses on disposal of non-current assets, including those charged off for which provision for impairment of assets has been made	-3,141,493.33	-

Government grants recognized in profit or loss (other than grants which are closely to the Company's normal business, in line with the national regulations, enjoyed under established standards and have a continuous impact on the Company's profit or loss)	26,760,846.24	-
Gains or losses from changes in fair value of financial assets and financial liabilities held by non- financial enterprises, and gains or losses on disposal of financial assets and financial liabilities, other than effective hedging operations relating to the Company's normal business operations	76,205,723.67	-
Income earned from lending funds to non-financial institutions and recognized in profit or loss	50,235,134.46	-
Reversal of provision for accounts receivable that are tested for impairment individually	3,042,887.28	-
Lump- sum costs incurred by the enterprises as a result of the discontinuation of relevant business activities, such as employee severance expenditures	-39,861,941.00	-
Other non-operating income or expenses other than above items	4,544,236.98	-
Less: Income tax effects	24,110,197.41	-
Effects of non-controlling interests (after tax)	35,506,796.57	-
Total	58,168,400.32	-

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

☐ Applicable √ Not applicable

No such cases.

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

☐ Applicable √ Not applicable

During the Reporting Period, the Company did not classify any gain or loss item listed in Interpretative Announcement No. 1 of Companies Issuing Publicly Traded Securities - Non-Recurring Gains and Losses as a recurring gain or loss item.

Part III Management Discussion and Analysis

I Principal Activities of the Company during the Reporting Period

1. Main businesses and business models

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

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

In terms of port logistics, the Company leverages innovative park business models and services to deeply explore the synergistic value between ports and parks. It provides customers with diversified value-added services within key zones such as the Shenzhen Qianhai Comprehensive Bonded Zone, Qingdao Qianwan Comprehensive Bonded Zone, Tianjin Dongjiang Comprehensive Bonded Zone, Djibouti International Free Trade Zone and Hambantota Industrial Park. These services include warehousing leasing, customs clearance, division or merger of cargoes, documentation services, and more. The Company is driving growth in port tugboat service, tallying operations, and engineering supervision and management business. It also focuses on port-related business innovation and supply chain logistics. By integrating port ecosystem service resources and fostering collaboration across the upstream and downstream of the port logistics value chain, the Company prioritizes resource openness and sharing. This integrated approach facilitates smoother trade flows and enhances the efficiency of logistics, information, and capital flows within the port service chain, ultimately helping customers reduce costs and improve efficiency.

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

The main business segments of the Company are as follows:

Business content	
Port investment	The Company puts emphasis on its presence in global major hub locations, gateway ports and regions with huge market potential, rapid economic growth and promising development, in order to capture investment opportunities in ports, logistics and related infrastructure, and further improve the global port network.
Port operation	Containers: The Company provides ship berthing, loading and unloading services to shipping companies, offers container storage service to shipping companies and cargo owners and provides container lifting services to trucking companies. The Company also engages in the businesses of cargo consolidation and deconsolidation in containers, container leasing and container maintenance; Bulk cargoes: The Company is engaged in bulk cargo handling and transportation in port zones, as well as storage services in yards. The major types of cargoes handled include ores, grain forage, oil, coal and more.
Port logistics	The Company provides various services, including warehouse/yard leasing, loading and unloading in warehouses/yards, customs clearance and cargo consolidation and deconsolidation at terminals, intermodal transportation, logistics, transportation and value-added warehousing services for clients (including logistics companies, trading companies, cargo owners and more). Relying on the port-surrounding land resources, the Company conducts the comprehensive development to enhance the land value. The Company enhances the value of commercial properties and provides its customers with quality property leasing and other related services. The Company provides port tugboat service, tallying, engineering supervision and management business.

Smart technology	The Company focuses on the application of a new generation of information technologies, such as big data, IoT and AI. It drives "digital and intelligent transformation" and "greening initiatives", continuing to empower the port's core businesses such as the production, management, services and ecology of the port. Smart technology injects new momentum into the development of the port enterprises.

2. During the Reporting Period, the development trajectory and periodicity of, as well as the position in the industry in which the Company operates

(1) The macro-economic and trade environment

In the first half of 2026, the global economic growth remained stable and stronger than expected, although growth was uneven across regions. Supply shocks triggered by the war in the Middle East and the technology benefits driven by artificial intelligence constituted two opposing forces, exerting an asymmetric dual impact on national economies. Geopolitical shocks were weighing on energy-importing nations and vulnerable economies, while AI-driven demand has boosted economic growth in countries integrated into global technology value chains. Driven by factors including the restructuring of global industrial and supply chains, inflationary pressures and the rise of AI, growth in developed and emerging economies continued to diverge. Among developed economies, growth was uneven. The momentum of the US economic recovery has strengthened significantly, while the momentum of economic growth in Europe has slowed down. According to data from the US Department of Commerce, the US′s GDP growth for the first quarter of 2026 was revised upwards to 2.1% quarter-on-quarter. Data from Eurostat indicated that the EU′s GDP contracted by 0.1% quarter-on-quarter during the same period. Emerging economies demonstrated greater growth resilience, with Southeast Asian markets performing particularly well. In the first quarter of 2026, the GDP of Vietnam, Indonesia and Malaysia grew by 7.8%, 5.6% and 5.4% year-on-year, respectively. With respect to trade, global trade maintained moderate growth, driven by the expansion of trade activities spurred by advancements in AI, structural demand growth resulting from the restructuring of global production and supply chains, and the trade front-loading effect, which has partially offset the disruptions caused by US tariff policies. According to data from WTO, the volume of global merchandise trade rose by 3.2% year-on-year in the first quarter of 2026.

In the first half of 2026, faced with a complex international environment characterized by heightened uncertainty in global trade policies and ongoing geopolitical conflicts, China adhered to the general principle of seeking progress while maintaining stability and effectively implemented proactive and effective macroeconomic policies. The national economy forged ahead against headwinds and operated within a reasonable range. According to data from the National Bureau of Statistics of China, China's GDP grew by 4.7% year-on-year in the first half of 2026, continuing to demonstrate the resilience of its economic development. In terms of trade, China's foreign trade maintained a positive trend, with notable achievements in stabilizing scale and optimizing structure. The export structure continued to improve, with the share of exports of mechanical and electrical products and high-tech products increasing, and a diversified market structure taking further shape. According to data from the General Administration of Customs of China, the total value of import and export goods reached RMB25.47 trillion in the first half of 2026, surpassing the historical level for the corresponding period once again, with a year-on-year increase of 16.9%, firmly maintaining China's position as the world's largest goods trading nation. Of this, the total value of exports was RMB14.73 trillion, up by 13.4% year-on-year; total imports stood at RMB10.74 trillion, up by 22.1% year-on-year, with the growth rate of imports exceeding that of exports by 8.7 percentage points. Total value of import and export volume with "Belt and Road Initiative" partner countries amounted to RMB12.97 trillion, up by 14.8% year-on-year, accounting for 50.9% of total foreign trade.

Looking ahead to the second half of 2026, trade shifts or imbalances may prompt more economies to raise tariffs or impose additional non-tariff restrictions, leading to a renewed escalation of trade tensions, which in turn could weigh on global economic growth. The IMF forecasts global economic growth of 3.0% for 2026. Among which, the developed economies are projected to see slow growth in 2026, falling from 1.9% in 2025 to 1.7% in 2026, with growth in the Eurozone declining from 1.4% in 2025 to 0.9% in 2026. However, US growth is expected to rise from 2.1% in 2025 to 2.3% in 2026. The economic growth of emerging markets and developing economies is projected to be 3.8% in 2026, down by 0.7 percentage points year-on-year, of which the growth of emerging market and developing economies in Asia is expected to be 5.0%, down by 0.6 percentage points year-on-year. Global trade growth is set to slow, affected by persistent geopolitical uncertainty, inflationary pressures and rising trade costs. The IMF forecasts that global trade volume (goods and services) will grow by 3.5% in 2026, a decrease of 1.5 percentage points year-on-year.

In the second half of 2026, the effects of China's macroeconomic policies are expected to continue to unfold and take effect. China will introduce more proactive and targeted measures in response to evolving circumstances. New growth drivers are expected to make an increasing contribution to economic growth while maintaining strong momentum, and the economic structure is expected to continue to be optimized. However, it should also be noted that there are numerous external sources of instability and uncertainty, the contradiction between strong domestic supply and weak demand remains prominent, and the foundation for economic recovery still needs to be consolidated. Going forward, macroeconomic policies will adhere to the principle of seeking progress while maintaining stability and improving quality and efficiency. Efforts will be intensified to strengthen counter-cyclical and cross-cyclical adjustments, while continuing to expand domestic demand and optimize supply, with a focus on stabilizing employment, enterprises, markets and expectations.

(2) Analysis of development trajectory of port and shipping industry

In the first half of 2026, the global container shipping market was affected by multiple factors, including geopolitical conflicts, trade policies and structural changes in supply and demand, resulting in international freight rates following a volatile upward trend. On the supply side, according to the maritime consultancy Alphaliner, the global operational container vessel capacity in aggregate reached approximately 34.32 million TEUs as at the end of June 2026. During the first half of the year, the global container fleet saw a capacity increase of around 2.0% due to new vessel deliveries, with the annual growth rate in container vessel capacity projected to be approximately 4.2%. On the demand side, according to forecasts by the maritime consultancy Clarksons, the global container shipping volume in 2026 is expected to grow by approximately 2.4% year-on-year. While capacity growth continued to outpace demand growth, effective capacity tightened temporarily in the first half of the year due to the need to reroute vessels around the Red Sea and the Middle East, leading to a fluctuating upward trend in freight rates on ocean-going routes. In the second half of the year, freight rates are likely to face downward pressure as demand momentum weakens following the dissipation of the trade front-loading effect, coupled with supply-side pressures arising from new vessel deliveries. However, geopolitical uncertainties will continue to provide underlying support for freight rates. Furthermore, to meet customers' increasingly diverse service requirements, leading liner companies are actively adjusting their business strategies. They are focusing on building end-to-end logistics capabilities covering the entire supply chain, accelerating the deep integration of digital and intelligent technologies with shipping operations, and speeding up the deployment of new-energy vessels and the decarbonization of their fleets, thereby comprehensively enhancing the quality of shipping services.

Container throughput at major global hub ports showed positive growth, with emerging markets such as Southeast Asia and Latin America recording an outstanding performance. However, the Middle East container market has seen a significant decline in volumes due to the impact of geopolitical conflicts. According to forecasts by the maritime consultancy Drewry, the ports in Asia handled a throughput of 280 million TEUs in the first half of 2026, representing an increase of 5.0% year-on-year. Among which, the ports in Southeast Asia handled a throughput of 75.80 million TEUs, representing an increase of 7.2% year-on-year. The ports in the Middle East handled a throughput of 14.88 million TEUs, representing a decrease of 34.9% year-on-year. The ports in Europe and North America handled a throughput of 78.73 million TEUs and 39.86 million TEUs respectively, representing increases of 4.5% and 1.7%. The ports in Africa and Latin America handled a throughput of 22.97 million TEUs and 33.62 million TEUs respectively, representing increases of 0.5% and 7.7%. Thanks to the steady growth of China’s foreign trade scale, the container throughput growth rate of the ports in China maintained at a relatively high level. According to data published by the Ministry of Transport of China, the accumulated container throughput handled by ports in Chinese Mainland achieved 182.92 million TEUs in the first half of 2026, representing an increase of 5.9% year-on-year. Of which, the accumulated container throughput handled by coastal ports achieved 161.05 million TEUs, representing an increase of 5.9% year-on-year.

(3) The Company’s industry position

The Company ranks among the global leading public port operators and is committed to developing as a world-class comprehensive port service provider. In terms of scale, the Company has established a relatively complete port network at major hub locations along coastal China, with its presence in 51 ports in 26 countries and regions including Asia, Africa, Europe, Oceania, South and North America. According to the statistics of the shipping consulting agency Drewry, in 2025, the Company′s equity throughput of containers reached 66.00 million TEUs, ranking among the top global port operators. In terms of quality, the major terminals controlled by the Company have occupied various market and regional leading positions. The Company continued to promote ESG development, and strived to create an ESG port benchmark in the industry. In addition, leveraging the strong foundation in port technology and based on the TOS system self-developed by CMPort, the Company has developed the world's first full-scenario, full-time, all-condition 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 35 terminals in the Greater Bay Area 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 Analysis of Core Competitiveness

1. Strong shareholder background and resource integration capability

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

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

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

2. Professional and efficient global port investment capability

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

As an important platform for domestic and overseas port investment and operation under China Merchants Group, China Merchants Port has accumulated more than 30 years of experience in port investment and operations, of which over 15 years of experience is in overseas investment and operations. The Company has established a scientific and professional investment management system and built a specialized global investment research team with extensive experience in policy research, industry analysis, risk control, capital raising and post-investment management. The Company continuously conducts in-depth research on the development trends of global industrial and supply chains, focusing resources on its global footprint. By closely aligning with major national strategic opportunities and dynamic overseas investment prospects, the Company makes well-planned investments in strategically significant hub ports and gateway ports around the world.

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

3. Increasingly sophisticated integrated port management capability

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

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

4. Continuously optimized value chain integrated service capability

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

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

5. Independent innovation capability in smart port development

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

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

6. Continuous improvement in ESG sustainability

The Company continues to focus on the vision of becoming a world-leading green and smart comprehensive port service provider, implements the ESG concept and enhances its sustainable development capabilities.

The Company set up a comprehensive and well-established ESG management system by incorporating the ESG concept into operational management. This aims to make more tangible achievements in various material issues such as “Environmental, Social and Governance”, making ESG practices a new engine of the Company’s growth and facilitating the sustainability of the Company. In respect of governance, board building, systems refinement and risk control are integrated into the Company’s ESG governance framework, which mainly strengthens overseas compliance risk management and embeds ESG risks into its comprehensive risk management system. In respect of the environment, the Company continuously optimizes its energy structure, accelerates the electrification of equipment, promotes the application of low-carbon technologies and strengthens port-shipping synergistic carbon reduction. Meanwhile, it deepens full-process environmental management, emphasizing waste reduction at the source and resource recycling, while safeguarding local natural ecosystems and advancing biodiversity conservation. Regarding social responsibility, internally, the Company prioritizes employee development and is committed to fostering a diverse, equitable, inclusive and safe work environment. Externally, it actively promotes the integrated development of its terminals with surrounding communities, driving local employment, environmental protection, support for vulnerable groups, children's education and cultural harmony to achieve win-win cooperation.

III Analysis of Principal Businesses

1. Review of port business

(1) Overall overview of port business

During the first half of 2026, the container business of the Company showed growth momentum, and its bulk cargo business maintained a stable foundation. The Company′s ports handled a total container throughput of 106.78 million TEUs, representing a year-on-year increase of 5.5%; bulk cargo volume reached 622.03 million tonnes, representing a year-on-year decrease of 1.5%. For the container business, ports in Mainland China handled 84.69 million TEUs, representing a year-on-year increase of 6.9%. Ports in Hong Kong and Taiwan recorded a combined throughput of 2.40 million TEUs, representing a year-on-year decrease of 14.7%. Overseas ports handled 19.69 million TEUs, representing a year-on-year increase of 2.5%. For the bulk cargo business, ports in Mainland China handled 616.34 million tonnes, representing a year-on-year decrease of 1.6%, while overseas ports handled 5.70 million tonnes, representing a year-on-year increase of 18.6%.

Table 3-1 Company Throughput and Changes in the First Half of 2026

Item	In the first half of 2026	In the first half of 2025	Change
Container throughput (0,000 TEUs)	10,677.5	10,120.7	5.5%
of which: Chinese Mainland	8,468.6	7,918.9	6.9%
Hong Kong and Taiwan	239.7	280.9	-14.7%
Overseas	1,969.2	1,920.9	2.5%
Bulk cargo throughput (0,000 tonnes)	62,203.3	63,124.2	-1.5%
of which: Chinese Mainland	61,633.8	62,644.0	-1.6%
Overseas	569.5	480.2	18.6%

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

(2) Regional operating performance of port business

Table 3-2 Company Container Throughput and Changes in the First Half of 2026 (0,000 TEUs)

Region and Port Company			In the first half of 2026	In the first half of 2025	Change
Pearl River Delta	Controlled	West Shenzhen Port Zone	874.0	839.0	4.2%
		Shunde New Port	20.1	18.6	8.1%
	Associate	CKRTT	37.5	39.1	-4.1%
Yangtze River Delta	Associate	SIPG	2,873.7	2,701.3	6.4%
	Associate	Ningbo Port	2,769.1	2,545.0	8.8%
Bohai Rim	Associate	Liaoning Port	576.2	547.5	5.2%
		QQCTU	690.2	635.1	8.7%
		Tianjin Port Container Terminal	460.4	430.5	6.9%
Southeast Region of Chinese Mainland	Controlled	Shantou Port	82.0	84.5	-3.0%
		Zhangzhou Port	23.7	20.7	14.5%
Southwest Region of Chinese Mainland	Controlled	Zhanjiang Port	61.7	57.6	7.1%
Hong Kong and Taiwan	Controlled / Associate	CMCS/MTL	186.1	209.5	-11.2%
	Associate	KMCT	53.6	71.4	-24.9%
Overseas	Controlled	CICT	164.3	167.7	-2.0%
		HIPG	32.5	18.0	80.6%
		NPH	38.5	38.7	-0.5%
		LCT	83.5	95.7	-12.7%
		TCP	83.5	80.3	4.0%
	Associate	Kumport	83.1	72.5	14.6%
		PDSA	60.6	57.3	5.8%
		TICT	17.4	17.2	1.2%
		Terminal Link	1,405.8	1,373.5	2.4%
Total			10,677.5	10,120.7	5.5%

Table 3-3 Company Bulk Cargo Throughput and Changes in the First Half of 2026 (0,000 tonnes)

Region and Port Company			In the first half of 2026	In the first half of 2025	Change
Pearl River Delta	Controlled	West Shenzhen Port Zone	712.4	749.9	-5.0%
		Dongguan Mayong	867.8	867.9	0.0%
		Shunde New Port	302.1	247.3	22.2%
	Associate	CKRTT	175.3	217.5	-19.4%
Yangtze River Delta	Associate	SIPG	3,913.7	3,957.0	-1.1%
	Associate	Ningbo Port	33,038.7	34,574.0	-4.4%
Bohai Rim	Associate	Liaoning Port	12,121.3	11,661.3	3.9%
		Laizhou Port	837.7	797.8	5.0%
		QQTU	625.0	640.5	-2.4%
		Qingdao Dongjiakou	4,392.3	4,138.7	6.1%
Southeast Region of Chinese Mainland	Controlled	Shantou Port	253.9	207.5	22.4%
		Zhangzhou Port	501.8	561.3	-10.6%
		Xia Men Bay Terminals	196.4	265.1	-25.9%
Southwest Region of Chinese Mainland	Controlled	Zhanjiang Port	3,695.4	3,758.2	-1.7%
Overseas	Controlled	HIPG	177.9	121.6	46.3%
	Associate	Kumport	0	14.8	-100.0%
		PDSA	313.4	244.9	28.0%
		Terminal Link	78.2	98.9	-20.9%
Total			62,203.3	63,124.2	-1.5%

<u>Pearl River Delta region</u>

The West Shenzhen Port Zone handled a container throughput of 8.74 million TEUs, up by 4.2% year-on-year, which was mainly benefitted from the growth of foreign trade; and handled a bulk cargo volume of 7.12 million tonnes, down by 5.0% year-on-year, mainly due to adjustments in business structure. Shunde New Port handled a container throughput of 0.20 million TEUs, up by 8.1% year-on-year; and handled a bulk cargo volume of 3.02 million tonnes, up by 22.2%

year-on-year, which was mainly benefitted from the business expansion in the hinterland. Dongguan Mayong handled a bulk cargo volume of 8.68 million tonnes, remaining year-on-year stable. CKRTT handled a total container throughput of 0.38 million TEUs, down by 4.1% year-on-year; and handled a bulk cargo volume of 1.75 million tonnes, down by 19.4% year-on-year, mainly due to a decline in demand for construction materials.

Yangtze River Delta region

SIPG handled a container throughput of 28.74 million TEUs, up by 6.4% year-on-year; and handled a bulk cargo volume of 39.14 million tonnes, down by 1.1% year-on-year. Ningbo Port handled a container throughput of 27.69 million TEUs, up by 8.8% year-on-year; and handled a bulk cargo volume of 330.39 million tonnes, down by 4.4% year-on-year.

Bohai Rim region

Liaoning Port handled a container throughput of 5.76 million TEUs, up by 5.2% year-on-year; and handled a bulk cargo volume of 121.21 million tonnes, up by 3.9% year-on-year. Laizhou Port handled a bulk cargo volume of 8.38 million tonnes, up by 5.0% year-on-year. QQCTU handled a container throughput of 6.90 million TEUs, up by 8.7% year-on-year, which was mainly due to the optimization of shipping routes adjustment. QQTU handled a bulk cargo volume of 6.25 million tonnes, down by 2.4% year-on-year. Qingdao Dongjiakou handled a bulk cargo volume of 43.92 million tonnes, up by 6.1% year-on-year, which was mainly benefitted from the increase in the cargo volume of ore. Tianjin Port Container Terminal handled a container throughput of 4.60 million TEUs, up by 6.9% year-on-year, which was mainly attributable to the shipping routes optimization.

South-East region

Shantou Port handled a container throughput of 0.82 million TEUs, down by 3.0% year-on-year; and handled a bulk cargo volume of 2.54 million tonnes, up by 22.4% year-on-year, which was mainly benefitted from growing demand for cement in the hinterland. Zhangzhou Port handled a container throughput of 0.24 million TEUs, up by 14.5% year-on-year, which was mainly benefitted from the development of new shipping routes; and handled a bulk cargo volume of 5.02 million tonnes, down by 10.6% year-on-year, mainly due to the decline in demand for coal and iron ore. Xia Men Bay Terminals handled a bulk cargo volume of 1.96 million tonnes, down by 25.9% year-on-year, mainly due to the decline in demand for sandstone.

South-West region

Zhanjiang Port handled a container throughput of 0.62 million TEUs, up by 7.1% year-on-year, which was mainly benefitted from the business expansion in the hinterland and the optimization of the route network; and handled a bulk cargo volume of 36.95 million tonnes, down by 1.7% year-on-year.

Hong Kong and Taiwan

CMCS and MTL in Hong Kong handled a total container throughput of 1.86 million TEUs, down by 11.2% year-on-year, mainly due to market factors. KMCT in Taiwan handled a total container throughput of 0.54 million TEUs, down by 24.9% year-on-year, mainly due to route adjustments of shipping alliances.

Overseas region

CICT in Sri Lanka handled a container throughput of 1.64 million TEUs, down by 2.0% year-on-year. HIPG in Sri Lanka handled a container throughput of 0.33 million TEUs, up by 80.6% year-on-year, which was mainly benefitted from the capacity enhancement and market expansion; and handled a bulk cargo volume of 1.78 million tonnes, up by 46.3% year-on-year, which was mainly benefitted from the rising demand in the local building materials market and the growth of RoRo business volume. NPH in Indonesia handled a container throughput of 0.39 million TEUs, down by 0.5% year-on-year. LCT in Togo handled a container throughput of 0.84 million TEUs, down by 12.7% year-on-year, mainly due to the congestion in neighboring ports. TCP in Brazil handled a container throughput of 0.84 million TEUs, up by 4.0% year-on-year, which was mainly benefitted from the volume growth of reefer containers. Kumport in Turkey handled a container throughput of 0.83 million TEUs, up by 14.6% year-on-year, which was mainly benefitted from shipping routes optimization. PDSA in Djibouti handled a container throughput of 0.61 million TEUs, up by 5.8% year-on-year; and handled a bulk cargo volume of 3.13 million tonnes, up by 28.0% year-on-year, which was mainly benefitted from economic growth in the hinterland. TICT in Nigeria handled a container throughput of 0.17 million TEUs, up by 1.2% year-on-year. Terminal Link handled a container throughput of 14.06 million TEUs, up by 2.4% year-on-year; and handled a bulk cargo volume of 0.78 million tonnes, down by 20.9% year-on-year.

2. Implementation of operating plan during the Reporting Period

During the Reporting Period, the Company committed to its strategic goal of becoming a “world-leading comprehensive port service provider”, upholding the three-driver model of “Global Presence”, “Lean Management” and “Innovative Transformation”. It achieved results in areas such as homebase port development, overseas expansion, operational management, technological innovation, and ESG initiatives, with key operational performance indicators securing sound growth.

(1) As for homebase port construction, the Company consolidated its regional foundations and enhanced competitive advantages. The West Shenzhen Port Zone maintained an upward trend in its container business. Efforts to integrate container business resources and optimize the deployment in the West Shenzhen Port Zone were undertaken in an orderly manner, and steady progress was made on the construction of the Dachan Bay Phase II project. In overseas homebase ports, CICT in Sri Lanka maintained its leading market share in container throughput within the port area and continued to strengthen cooperation with key customers. HIPG in Sri Lanka leveraged its regional strength to continuously enhance capacity and streamline its business structure. With coordinated growth across the container and RoRo business segments, the Company's operations showed positive momentum.

(2) Regarding overseas expansion, the Company focused on key regions and intensified its strategic deployment. Focusing on structural investment opportunities in growth markets such as Southeast Asia, Latin America and Africa, the Company steadily and methodically expanded its portfolio of overseas controlled terminals. Concurrently, the Company continued to promote integrated synergy between CICT and HIPG in Sri Lanka, strengthening port capacity and achieving efficient resource sharing and complementary advantages. TCP in Brazil has accelerated projects such as yard expansion, berth refurbishment and gantry crane upgrades. Meanwhile, NPH in Indonesia has proceeded with management integration to maintain smooth business operations.

(3) In respect of operations management, the Company deepened its lean management and strengthened top-down empowerment. The Company has laid a solid foundation for value creation through lean management and empowered high-quality development through top-down control and management. On the one hand, the Company continued to deepen the philosophy of lean management, optimize the end-to-end operational system, establish commercial control mechanisms, promote meticulous management and coordinated business expansion, achieve cost control and operation efficiency enhancement, and improve the financing structure to enhance asset operational efficiency. On the other hand, the Company has strengthened governance across its global operations by establishing localized decision-making rules, clarifying governance responsibilities, and improving overseas risk identification and process control systems. By leveraging digital systems to advance the integration of financial management both domestically and overseas, the Company supported its long-term, steady development through high-standard global resource allocation and enhanced governance efficiency.

(4) As regards technological innovation, the Company advanced digital and intelligent empowerment to build green ports. The Company remained committed to technology-driven development, actively exploring applications of cutting-edge technologies such as artificial intelligence, and focusing on leveraging technology to empower industrial upgrading. Firstly, the Company sustained its efforts to strengthen system research and development. A new foundational version of the CTOS system has been released, which features capabilities to support the operations of small, medium and micro-scale container terminals. Regarding the BTOS product for bulk and general cargo, a contract has been signed for the Somaport terminal in Morocco. Secondly, the Company spared no effort to promote smart applications. Shekou Container Terminal has rolled out a smart yard plan, effectively reducing the rate of container overturns, while Mawan Smart Port has continuously optimized port operations, with the operation efficiency of autonomous vehicles improving steadily. Thirdly, green transformation was actively pursued with Mawan Smart Port having completed the first ship-to-ship LNG bunkering operation.

(5) In terms of ESG construction, the Company explored cutting-edge issues and achieved excellent results in rating improvements. The Company continuously reinforced the integration of ESG into its operations and promoted the routine management of ESG issues. On the environmental front, the Company published its first Nature-related Financial Impact Report in April 2026, systematically assessing the impact on nature across its value chain and formulating corresponding biodiversity conservation strategies. On the social front, the Company was recognized as an outstanding model of volunteer service in Guangdong Province for 2025. In terms of governance, the Company has advanced the development of the boards of directors for the Company and its subsidiaries, continuously enhancing governance standards. During the period, the Company maintained its Wind ESG rating at AAA, ranking first in the transportation infrastructure industry and being selected for Fortune China's ESG Impact List. The MSCI ESG rating of its subsidiary China Merchants Port was upgraded from BBB to A in March.

3. Year-on-year Changes in Key Financial Data

Unit: RMB

	H1 2026	H1 2025	Change	Main reason for change
Operating income	8,948,462,047.19	8,468,491,376.08	5.67%	-
Operating costs	4,752,291,707.16	4,596,264,092.50	3.39%	-
General and administrative expenses	763,945,984.07	759,073,109.44	0.64%	-

Financial expenses	702,394,205.91	836,571,986.58	-16.04%	-
Income tax expenses	876,426,240.35	728,408,809.32	20.32%	-
Research and development investments	96,878,463.20	119,104,880.47	-18.66%	-
Net cash inflow from operating activities	3,348,074,613.14	3,008,693,316.79	11.28%	-
Net cash inflow from investing activities	178,571,194.42	1,270,833,149.04	-85.95%	Effects of changes in structured deposits
Net cash outflow from financing activities	-2,774,521,341.00	-5,941,464,208.42	53.30%	Combined effects of reduced debt repayments and interest payments, together with dividend distributions and other factors
Net increase in cash and cash equivalents	604,639,259.75	-1,610,511,448.16	137.54%	Combined effects of cash flows from operating, investing and financing activities

Significant changes to the profit structure or sources of the Company in the Reporting Period:

☐ Applicable √ Not applicable

No such changes in the Reporting Period.

Breakdown of operating income:

Unit: RMB

	H1 2026		H1 2025		Change
	Operating income	As % of total operating income	Operating income	As % of total operating income	
Total	8,948,462,047.19	100%	8,468,491,376.08	100%	5.67%
By operating division					
Ports operation	8,541,138,249.78	95.45%	8,077,516,582.75	95.38%	5.74%
Bonded logistics operation	323,836,096.08	3.62%	305,195,700.04	3.61%	6.11%
Property development and investment	83,487,701.33	0.93%	85,779,093.29	1.01%	-2.67%
By operating segment					
Mainland China, Hong Kong and Taiwan	5,445,729,773.81	60.86%	5,393,865,378.88	63.69%	0.96%
Other countries and regions	3,502,732,273.38	39.14%	3,074,625,997.20	36.31%	13.92%

Operating division, product category or operating segment contributing 10% or more of operating income or operating profit:

Unit: RMB

	Operating income	Operating costs	Gross profit margin	YoY change in operating income	YoY change in operating costs	YoY change in gross profit margin(percentage point)
By operating division						
Ports operation	8,541,138,249.78	4,463,425,346.70	47.74%	5.74%	3.51%	1.13
By operating segment						
Mainland China, Hong Kong and Taiwan	5,445,729,773.81	3,355,656,975.22	38.38%	0.96%	0.89%	0.04
Other countries and regions	3,502,732,273.38	1,396,634,731.94	60.13%	13.92%	9.95%	1.44

Core business data restated according to the changed methods of measurement that occurred in the Reporting Period:

☐ Applicable √ Not applicable

IV Analysis of Non-Core Businesses

Unit: RMB

	Amount	As % of profit before income tax	Source/Reason	Recurrent or not
Investment income	3,750,165,351.14	60.01%	Share of the profit of joint ventures and associates, mainly from SIPG and Ningbo Port	Yes
Gains or losses from changes in fair value	24,450,827.42	0.39%	-	No
Non-operating income	11,160,829.16	0.18%	-	No
Non-operating expenses	10,392,892.40	0.17%	-	No
Other income	52,290,043.56	0.84%	Mainly due to government grants obtained	No

V Analysis of Assets and Liabilities

1. Significant Changes in Asset Composition

Unit: RMB

	30 June 2026		31 December 2025		Change in proportion	Reason for any significant change
	Amount	As % of total assets	Amount	As % of total assets		
Cash and bank balances	15,931,449,539.20	7.67%	15,374,846,360.79	7.50%	0.17%	Mainly due to changes in expenditures on

						operating, investing and financing activities
Accounts receivable	2,211,972,986.10	1.07%	1,297,166,857.70	0.63%	0.44%	Mainly due to the effects of increased income and cyclical variations in collection patterns
Inventories	298,274,145.09	0.14%	307,216,425.15	0.15%	-0.01%	Mainly due to increased consumption of spare parts by overseas subsidiaries
Investment properties	3,094,241,385.73	1.49%	3,157,951,323.78	1.54%	-0.05%	-
Long-term equity investments	104,461,636,494.18	50.31%	103,073,100,064.87	50.28%	0.03%	-
Fixed assets	29,503,749,018.28	14.21%	30,442,884,297.82	14.85%	-0.64%	-
Construction in progress	3,914,637,944.57	1.89%	3,403,583,431.48	1.66%	0.23%	Mainly due to the effects of increased construction investments
Right-of-use assets	8,581,524,684.60	4.13%	8,965,304,928.17	4.37%	-0.24%	-
Short-term borrowings	17,833,999,783.41	8.59%	19,775,820,831.32	9.65%	-1.06%	Mainly due to the effects of borrowing repayments
Contract liabilities	467,332,338.33	0.23%	446,822,948.79	0.22%	0.01%	-
Long-term borrowings	5,334,589,680.46	2.57%	7,439,956,123.50	3.63%	-1.06%	Mainly due to the effects of borrowing repayments and reclassification of long-term borrowings due within one year into non-current liabilities due within one year
Lease liabilities	1,620,470,269.87	0.78%	1,690,860,832.08	0.82%	-0.04%	Mainly due to the effects of leases
Other payables	5,141,501,344.76	2.48%	2,034,923,078.95	0.99%	1.49%	Mainly due to the increase in dividends payable

Non-current liabilities due within one year	10,511,185,806.73	5.06%	6,042,522,685.33	2.95%	2.11%	Mainly due to the increase in bonds payable due within one year and long-term borrowings
Other current liabilities	3,165,837,420.28	1.52%	2,199,301,417.02	1.07%	0.45%	Mainly due to the increase in short-term bonds payable

2. Major Assets Overseas

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 equity	Material impairment risk (yes/no)
Equity assets	Acquired by issuing shares as consideration	15,598,933.76	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.	449,458.61	83.30%	No
Other information	N/A							

3. Assets and Liabilities at Fair Value

Unit: RMB

Item	Beginning amount	Gains or losses from changes in fair value in the Reporting Period	Cumulative fair-value changes through equity	Impairment allowance made in the Reporting Period	Purchased in the Reporting Period	Sold in the Reporting Period	Other changes	Ending amount
Financial assets								
Financial Assets held for trading (exclusive of derivative financial assets)	7,578,824,365.75	24,450,827.42	-	-	30,910,000,000.00	30,712,037,365.76	-	7,801,237,827.41
Investments in other equity instruments	141,766,365.15	-	-	-	-	-	-	141,766,365.15

Other non-current financial assets	28,768,810.95	-	-	-	-	-	-	28,768,810.95
Subtotal of financial assets	7,749,359,541.85	24,450,827.42	-	-	30,910,000,000.00	30,712,037,365.76	-	7,971,773,003.51
Receivables under financing	114,680,738.25	-	-	-	-	-	-47,117,413.05	67,563,325.20
Total of the above	7,864,040,280.10	24,450,827.42	-	-	30,910,000,000.00	30,712,037,365.76	-47,117,413.05	8,039,336,328.71
Financial liabilities	-	-	-	-	-	-	-	-

Other changes:
None.

Significant changes to the measurement attributes of the major assets in the Reporting Period:
☐ Yes √ No

4. Restricted Asset Rights as at the Period-End

The restricted cash and bank balances were RMB82,452,617.41 in total, including accrued interest, performance bond, frozen funds, etc.
The carrying value of fixed assets as collateral for bank loans was RMB1,096,793,866.99.
The carrying value of intangible assets as collateral for bank loans was RMB591,085,146.25.

VI Investments Made

1. Total Investment Amount

Total investment amount in the Reporting Period (RMB)	Total investment amount in the same period of last year (RMB)	Change
737,575,344.32	1,070,228,744.32	-31.08%

2. Major Equity Investments Made in the Reporting Period

☐ Applicable √ Not applicable

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

☐ Applicable √ Not applicable

4. Financial Investments

(1) Securities Investments

Unit: RMB

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

(2) Investments in Derivative Financial Instruments

☐ Applicable √ Not applicable

No such cases in the Reporting Period.

5. Use of Funds Raised

☐ Applicable √ Not applicable

No such cases in the Reporting Period.

VII Sale of Major Assets and Equity Investments

1. Sale of Major Assets

☐ Applicable √ Not applicable

No such cases in the Reporting Period.

2. Sale of Major Equity Investments

☐ Applicable √ Not applicable

VIII Principal Subsidiaries and Associates

Principal subsidiaries and associates with a 10% or more effect on the Company's net profit:

Unit: RMB

Name	Relationship with the Company	Principal activity	Registered capital	Total assets	Equity	Operating income	Operating profit	Net profit
Shanghai International Port (Group) Co., Ltd.	Associate	Port and container terminal operations	23,279,960,504.00	238,734,638,100.97	163,450,825,165.38	21,428,784,311.86	11,154,110,265.41	9,439,013,192.47
China Merchants Port Holdings Company Limited	Subsidiary	Port business, bonded logistics and property investment	48,730,938,830.02 (HKD)	155,989,337,642.26	110,942,130,880.14	6,564,651,544.80	5,239,847,881.77	4,494,586,093.94
Ningbo Zhoushan Port Company Limited	Associate	Business related to port, integrated logistics, and trade sales	19,454,388,399.00	124,347,802,000.00	91,045,048,000.00	16,873,123,000.00	3,595,765,000.00	2,818,976,000.00

Note: Ningbo Zhoushan Port financial data accurate to RMB'000.

Subsidiaries obtained or disposed of in the Reporting Period:

☐ Applicable √ Not applicable

Other information on principal subsidiaries and associates:

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

IX Structured Entities Controlled by the Company

☐ Applicable √ Not applicable

X Risks Exposed to the Company and Countermeasures

1. Market uncertainty risks

Affected by macroeconomic and environmental factors such as global economic trends, geopolitical dynamics and trade protectionist policies, market conditions may shift, demand may soften and industry competition could intensify, potentially leading to the loss of existing business, unsuccessful expansion into new market segments, and adverse impacts on investment and operational performance. International geopolitical instability, for example, the conflict involving the US, Israel and Iran poses a risk of closing the Strait of Hormuz, exerts severe pressure on the global supply chain and the container shipping industry.

To mitigate these market risks, the Company upholds its three-driver model of “Global Presence”, “Lean Management” and “Innovative Transformation”, striving for substantive breakthroughs and high-quality development. Driven by global presence: the Company aims to elevate its global resource allocation capabilities by enhancing supply chain resilience and building a diversified international shipping network. Driven by lean management: the Company establishes a full-lifecycle management system and a risk early-warning system amid slowed industry growth and frequent risk-event impacts. The systems are used to strengthen agile responses to emergencies, deepen cost reduction and efficiency enhancement, and bolster resilience against cyclical fluctuations and sudden risks. Driven by innovative transformation: the Company actively responds to international green and low-carbon regulations while accelerating the digital, intelligent and green transformation of ports. By advancing clean energy applications and deepening the scenario-based integration of emerging technologies, such as big data and AI, across port operations and logistics supply chains, the Company effectively transforms “Smart + Green” capabilities into the core competitiveness and driving force for upgrading its primary port business.

2. Policy risk

Internationally, global political and economic volatility, rising protectionism, ongoing geopolitical conflicts, and regulatory adjustments across nations pose challenges, including shifting investment environments, foreign exchange controls and operational cost fluctuations, all of which may affect the execution pace of the Company’s overseas projects, investment return stability and supply chain continuity. Domestically, ongoing economic structural realignments, policy mandates for cost reduction and efficiency enhancement in the logistics industry and trade policy shifts may influence port operational costs, business models and investment planning.

To mitigate these policy risks, the Company builds a comprehensive macroeconomic policy analysis mechanism, leverages digital tools to improve early-warning accuracy, and dynamically adjusts its strategic planning accordingly; hedges against the impacts of unilateralism and policy-related risks through regional synergy and diversified asset allocation, thereby mitigating single-market exposure risks; strengthens ESG governance and refines penetrative compliance risk identification capabilities across all business segments and throughout the industry chain, ensuring regulatory compliance and sustainable development amid changing global policy environments; and systematically deploys tools including commercial political risk insurance and multilateral investment guarantee mechanisms to cover key risk exposures associated with its overseas assets.

3. Operational and management risks

The Company takes the initiative to explore port investment opportunities globally, expanding its network footprint across multiple regions and countries through M&A and investments to provide comprehensive services to global clients. As globalization deepens alongside adverse macroeconomic shifts, ports in certain regions face challenges such as rising local compliance costs, lower-than-expected investment returns and underperforming operational efficiency.

To address operational and management risks, in the first, the Company deepens full-chain business synergies to solidify the market foundation. Through focusing on the three key elements of ″Market, Resources and Services″, it enhances its market competitiveness by advancing initiatives such as joint marketing for key accounts within the system, business model innovation and service upgrades on the ePort3.0 platform, thereby boosting retention of existing clients and achieving breakthroughs in incremental business. In addition, the Company fortifies risk control and compliance defences while empowering foreign-related rule of law. It refines risk monitoring metrics, improves early-warning and handling procedures for major risks, and digitally enhances risk management capabilities to eliminate hidden risks through penetrative tracking. Furthermore, the Company enforces full-lifecycle control to drive post-investment value creation. It explores a closed-loop ″Invest – Build – Manage – Exit″ process control model to ensure internal control requirements fully cover all operating projects. By routinely conducting audits and post-investment evaluations, establishing asset classification revitalization and dynamic optimization mechanisms, the Company promotes quality and efficiency for underperforming assets while continuously improving operational management.

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

Indicate whether the Company has a market value management system.

√ Yes □ No

Indicate whether the Company has disclosed a valuation enhancement plan.

√ Yes □ No

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

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

On 1 April 2026, the Company held the Sixth Meeting of the 11th Board of Directors, and passed the proposal on the Assessment Report on the Implementation of the 2025 Valuation Enhancement Plan. For specific details, please refer to the Assessment Report on the Implementation of the 2025 Valuation Enhancement Plan disclosed on www.cninfo.com.cn on 3 April 2026 (Announcement No.: 2026-017).

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

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

√ Yes □ No

In order to implement the requirements of the State Council's Opinions on Strengthening Supervision and Preventing Risks and Promoting High-Quality Development of the Capital Market and Opinions on Further Improving the Quality of Listed Companies, the Company has formulated the Action Plan for "Dual Enhancement of Development Quality and Investor Returns", with a view to continuously improving the quality of the Company, enhancing the returns to investors, enabling relevant stakeholders to share the fruits of the Company's development, and achieving sustainable development. For details, please refer to the Announcement on the Action Plan for "Dual Enhancement of Development Quality and Investor Returns" (Announcement No.: 2024-068), disclosed by the Company on www.cninfo.com.cn on 31 August 2024.

The Company convened the Second Meeting of the 12th Board of Directors on 27 August 2026, and reviewed and approved the Proposal on the Progress Report of the Action Plan for "Dual Enhancement of Development Quality and Investor Returns". For details, please refer to the Announcement on the Progress of the Action Plan for "Dual Enhancement of Development Quality and Investor Returns" (Announcement No. 2026-045), disclosed by the Company on www.cninfo.com.cn on 29 August 2026.

Part IV Governance, Environmental and Social Information

I Changes of Directors and Senior Management

Name	Office title	Type of change	Date of change	Reason for change
Wu Changpan	Director	Departure upon expiration of term	21 May 2026	Board rotation
Gao Ping	Independent Director	Departure upon expiration of term	21 May 2026	Board rotation
Li Qi	Independent Director	Departure upon expiration of term	21 May 2026	Board rotation
Mao Dongbo	Director	Elected	21 May 2026	Board rotation
Liu Hanbo	Independent Director	Elected	21 May 2026	Board rotation
Zheng Qi	Independent Director	Elected	21 May 2026	Board rotation

II Interim Dividend Plan

Bonus shares/10shares (share)	0
Cash dividend/10 shares (RMB) (tax inclusive)	2.00
Bonus issue from capital reserves (share/10 shares)	0
Share base (share)	2,482,148,285
Total cash dividends (RMB) (tax inclusive)	496,429,657.00
Cash dividends in other forms (such as share repurchase) (RMB)	0
Total cash dividends (including other forms) (RMB)	496,429,657.00
Distributable profits (RMB)	1,411,502,981.28
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 dividend plan for the Reporting Period	

Pursuant to the Company's unaudited 2026 Interim Financial Statements, for the six months ended 30 June 2026, the consolidated net profit attributable to the Company stood at RMB2,781,107,015.26 and the net profit of the Company at RMB887,224,735.10. (1) According to the Company Law and the Articles of Association of the Company, when distributing the current year's after-tax profits, the Company shall draw 10% of the profits for the Company's statutory reserve. The Company's statutory surplus reserve has cumulatively reached 50% of its registered capital and is no longer accrued. The accumulative retained earnings of the Company at the end of June 2026 were RMB1,411,502,981.28. (2) Based on the total 2,482,148,285 shares, a cash dividend of RMB2.00 (tax included) is to be distributed for every 10 shares, totalling RMB496,429,657.00, with no bonus issue from either profit or capital reserves. After the above-mentioned distribution, the retained earnings of the Company will be RMB915,073,324.28. The above profit distribution plan still needs to be submitted to the First Extraordinary Meeting of Shareholders in 2026 for approval.

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

1. Equity incentive

The Stock Option Incentive Plan (Phase I):

On 6 February 2024, the Company disclosed the Reminder Announcement on the Adoption of Independent Exercise Mode for the Third Exercise Period of the Stock Options (Initial Grant) under the Stock Option Incentive Plan (Phase I) of the Company (Announcement No. 2024-013) and the Reminder Announcement on the Adoption of an Independent Exercise Mode for the Second Exercise Period of the Stock Options (Reserved Grant) under the Stock Option Incentive Plan (Phase I) of the Company (Announcement No. 2024-014). Upon the review and confirmation of Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the exercise conditions were met for the third exercise period of the stock options (initial grant) and the second exercise period of the stock options (reserved grant) under the Stock Option Incentive Plan (Phase I).

As of the end of the Reporting Period, the cumulative number of stock options exercised under the Company's Stock Option Incentive Plan (Phase I) was 2,891,320 shares; and during the Reporting Period, the number of stock options exercised under the Company's Stock Option Incentive Plan (Phase I) was 306,100 shares.

2. Employee Stock Ownership Plans

☐ Applicable √ Not applicable

3. Other Incentive Measures for Employees

☐ Applicable √ Not applicable

IV Environmental Information Disclosure

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

√ Yes ☐ No

Number of companies included in the list of companies that are required by law to disclose environmental information		3
No.	Company	Index to the report on required environmental information
1	Bulk Cargo Branch of Zhanjiang Port (Group) Co., Ltd. (Operation Area 1)	Please refer to the relevant environmental information of Bulk Cargo Branch of Zhanjiang Port (Group) Co., Ltd. (Operation Area 1), as disclosed on the Enterprise Statutory Environmental Information Disclosure System of the Department of Ecology and Environment of Guangdong Province.
2	Zhanjiang Port Petrochemical Terminal Co., Ltd.	Please refer to the relevant environmental information of Zhanjiang Port Petrochemical Terminal Co., Ltd., as disclosed on the Enterprise Statutory Environmental Information Disclosure System of the Department of Ecology and Environment of Guangdong Province.
3	Bulk Cargo Branch of Zhanjiang Port (Group) Co., Ltd. (Operation Area 3)	Please refer to the relevant environmental information of Bulk Cargo Branch of Zhanjiang Port (Group) Co., Ltd. (Operation Area 3), as disclosed on the Enterprise Statutory Environmental Information Disclosure System of the Department of Ecology and Environment of Guangdong Province.

V Corporate Social Responsibility (CSR)

In the first half of 2026, the Company coordinated its domestic and overseas public welfare initiatives across such areas as ecological protection, educational support, and community development. These social responsibility efforts delivered tangible and wide-ranging results.

i. Ecological Environmental Protection

The Company remained firmly committed to green development and integrated ecological protection, biodiversity management, and green community development into its port operations and local development.

Ecological conservation was further advanced in Sri Lanka. HIPG in Sri Lanka implemented multiple ecological initiatives, completed habitat surveys for sea turtles, wild elephants, and coastal birds, and advanced the greening development of the port area. CICT continued to implement coastal ecological conservation initiatives, deeply participated in industry exchanges for World Oceans Day, and strengthened nearshore environmental improvement and biodiversity restoration.

Outstanding achievements were achieved in wildlife protection. HIPG continued the "Save Elephant Calves" public welfare project, collaborating with local environmental protection organizations to introduce specialized milk powder for baby elephants, ensuring the year-round dietary supply for 25 baby elephants at a local elephant transit home.

Domestic green volunteer activities were carried out in an orderly manner. Zhanjiang Port proactively supported the development of green and beautiful villages by planting 100 tall coconut trees along the Hongkanjiao shoreline, improving the rural landscape. Xia Men Bay Terminals organized environmental improvement volunteer activities, including litter removal, to improve the local living environment.

ii. Educational Support and Youth Development

Leveraging its strengths in the port and shipping industry, public welfare platforms, and employee volunteer teams, the Company provided educational support at different levels and continued to improve its innovative and sustainable operating framework for public welfare programs. The CMPort Volunteer Service Team was named a 2025 Guangdong Outstanding Volunteer Service Model (Volunteer Service Organization Category).

Science and technology innovation education in rural areas was further improved. The Company continued to explore new approaches to science and technology innovation education through the "C ME FLY: Harbor for Future" public welfare program to support rural education. It established a science and technology innovation space for young people and organized innovation camps, career awareness activities, and student exchanges between Shenzhen and Shunde. It also held growth camps in Wuhua and Zhanjiang and continued to improve its “Summer camp - Growth camp - Support camp “ three-in-one care system. The program reached 3,716 students at 6 schools in Shenzhen, Zhanjiang, Wuhua County in Meizhou, and Shunde District in Foshan, providing hands-on science and technology training, developmental mentoring, and overall competency development services. Leveraging port technologies, the program extended access to high-quality science and technology innovation education resources to communities surrounding the ports.

The C Blue Training Program was further deepened. The 17th session of the study and training program was conducted in Beijing and Shenzhen in March, with seven participants from Benin, Brazil, Italy, and Togo taking part in seminars and field visits to smart terminals. The 18th session was held in June, bringing together 36 participants from 18 countries for visits to the four port cities of Nanjing, Hangzhou, Quanzhou, and Shenzhen and providing a platform for industry and cultural exchanges.

Support for local schools overseas continued on a regular basis. NPH in Indonesia continued to operate several community reading centers. In the first half of the year, it invested IDR16.89 million in a range of activities to improve literacy and overall competencies among children in surrounding communities. In cooperation with a local university, NPH also implemented the “Knowledge Sharing on Campus” program, providing hands-on professional training to 43 students. HIPG steadily advanced its industry-academia cooperation under the “China Merchants Scholarship” program by providing nutritional assistance, donating supplies, and establishing libraries and language learning centers, thereby improving educational conditions in nearby villages. Preparations proceeded for the implementation of a youth vocational skills training program in Paranaguá, with a view to developing it into a model overseas public welfare brand for youth development.

iii. Community Development and Livelihood Support

Guided by its philosophy of mutual growth with local communities worldwide, the Company implemented a wide range of community welfare and livelihood support initiatives tailored to local development needs.

Progress was made in disability sports in Sri Lanka. The Company continued to support the development of wheelchair tennis in Sri Lanka, helping the Sri Lankan wheelchair tennis team finish as runner-up in the Asian qualifier for the World Cup and secure a place in the 2026 Wheelchair Tennis World Team Cup in Paris. It also assisted in hosting three international tournaments, promoting the social inclusion of people with disabilities and enhancing the influence of local sports.

Phase III of the "Love Villages" project in Sri Lanka progressed steadily. Focusing on villagers' difficulties in accessing water, the project completed a small-scale farmland irrigation system to increase agricultural productivity. It also completed and commissioned the installation of household water supply pipelines for 60 farming households in need and procured water purification equipment for two public areas to ensure access to safe drinking water.

Post-disaster emergency assistance was provided overseas through multiple channels. In response to flooding in Indonesia, NPH promptly activated its emergency response mechanism and distributed emergency supplies to 10 affected employee households to meet their basic living needs. TCP in Brazil launched a post-disaster restoration project for a local historic school, contributing to the preservation of cultural heritage and the sustainable development of the community.

Community outreach activities were conducted on a regular basis. NPH in Indonesia invested IDR72.70 million in festival outreach activities across 5 communities surrounding the Port of Tanjung Priok, helping maintain good relations between the port and neighboring communities. HIPG continued to sponsor folk cultural activities in surrounding communities, assisted in organizing a coastal culture and tourism carnival, and completed the installation of streetlights around the port area. These initiatives supported community harmony and tourism development while improving the safety of villagers traveling at night.

Targeted public welfare donations were made in China. Shantou Port donated a total of RMB250,000 in the first half of the year to support outreach to people in need, rural civility initiatives, and other programs. It also partnered with Guang'ao School to organize a series of public welfare activities on campus, extending care and support. Qianhaiwan Real Estate partnered with Tencent Charity to conduct the "Books Build Dreams" book donation campaign, further enhancing the influence of its public welfare reading brand.

Part V Significant Events

I 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 Overdue at the Period-End

☐ Applicable √ Not applicable
No such cases in the Reporting Period.

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

☐ Applicable √ Not applicable
No such cases in the Reporting Period.

III Irregularities in the Provision of Guarantees

☐ Applicable √ Not applicable
No such cases in the Reporting Period.

IV Engagement and Disengagement of Independent Auditor

Are the interim financial statements audited?
☐ Yes √ No
The interim financial statements are unaudited.

V Explanations Given by the Board of Directors Regarding the Independent Auditor's "Non-standard Opinion" on the Financial Statements of the Reporting Period

☐ Applicable √ Not applicable

VI Explanations Given by the Board of Directors Regarding the Independent Auditor's "Non-standard Opinion" on the Financial Statements of Last Year

☐ Applicable √ Not applicable

VII Bankruptcy Reorganization

☐ Applicable √ Not applicable
No such cases in the Reporting Period.

VIII Litigation and Arbitration Matters

Major lawsuits and arbitrations:

☐ Applicable √ Not applicable

No such cases in the Reporting Period.

Other legal matters:

Basic information	Amount involved (RMB'0,000)	Provision incurred or not	Progress	The results and influence of lawsuits (arbitrations)	Execution of judgment	Disclosure date	Index to disclosed information
The summary of Brazil TCP cases	101,578.72	Partly yes	Unsettled	No significant influence	-	-	-
The summary of other matters not met disclosure standards of major lawsuits (arbitrations)	38,534.23	Not	Unsettled	No significant influence	-	-	-

IX Punishments and Rectifications

☐ Applicable √ Not applicable

No such cases in the Reporting Period.

X Integrity and Credibility of the Company as well as Its Controlling Shareholder and Actual Controller

☐ Applicable √ Not applicable

XI Major Related-Party Transactions

1. Continuing Related-Party Transactions

Related party	Relationship with the Company	Type of transaction	Specific transaction	Pricing principle	Transaction price (RMB'0,000)	Total value (RMB'0,000)	As % of the total value of all the same-type transactions	Approved transaction line (RMB'0,000)	Over the approved line or not	Way of settlement	Obtainable market price for same-type transactions (RMB'0,000)	Disclosure date	Index to disclosed information
Sinotrans Limited and its subsidiaries	Under the control of the same ultimate controlling shareholder	Render service and lease to related party, receive service and lease from related party	Service fees, storage fees, leasing, etc.	Market price	8,138.63	8,138.63	35.16%	16,077.72	No	Settled monthly	8,138.63	3 April 2026	www.cninfo.com.cn (Announcement No. 2026-010)

China Merchants Shekou Industrial Zone Holdings Co., Ltd. and its subsidiaries	Under the control of the same ultimate controlling shareholder	Render service and lease to related party, receive service and lease from related party	Service fees, lease expense of land and buildings	Market price	6,786.06	6,786.06	29.32%	11,728.71	No	Settled monthly	6,786.06		
Other related parties	Note	Render service and lease to related party, receive service and lease	Service fees, leasing, etc.	Market price	8,222.29	8,222.29	35.52%	21,485.74	No	Settled monthly	8,222.29		
Total				--	--	23,146.98	--	49,292.17	--	--	--	--	--
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 2025 Continuing Related-party Transactions and the Forecast of 2026 Continuing Related-party Transactions was reviewed and approved on the 2025 Annual General Meeting on 21 May 2026. The continuing business transactions of the Company are mainly providing or receiving leasing, providing and receiving labor services. The amount of continuing related-party transactions in 2026 is estimated to be RMB493 million. During the Reporting Period, there was no significant difference between the actual amount and the estimated amount.									
Reason for any significant difference between the transaction price and the market reference price (if applicable)				N/A									

Note: The small aggregate amount of other related parties mentioned above mainly covers the labor and leasing services, etc., provided by China Merchants Hoi Tung Trading Company Limited, China Merchants Energy Shipping Co., Ltd., China Merchants Industry Holdings Company Limited, etc., to the Company, or received by the said companies from the Company. The above single related parties do not have transaction amounts exceeding 0.5% of the Company's audited equity for the most recent period and are presented on an aggregated basis given their individual immaterial amounts and large number of counterparties.

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

☐ Applicable √ Not applicable

No such cases in the Reporting Period.

3. Related Transactions Regarding Joint Investments in Third Parties

☐ Applicable √ Not applicable

No such cases in the Reporting Period.

4. Credits and Liabilities with Related Parties

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	185,950.43	2,074,563.21	2,111,309.10	0.10%-1.60%	1,198.45	149,204.54
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)	Amount Repaid 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	231,408.44	42,368.27	119,618.72	1.85%-3.17%	2,902.35	154,157.99
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	800,000.00	0.30%-1.55%	473,318.85	1,902,166.60	2,064,852.85	310,632.60

Loan business

Related party	Related relationship	Loan limit (RMB'0,000)	Interest rate range	Beginning balance (RMB'0,000)	Actual amount		Ending balance (RMB'0,000)
					Total loan amount (RMB'0,000)	Total repaid amount (RMB'0,000)	

China Merchants Group Finance Co., Ltd.	Other company under the same control of controlling shareholder	1,000,000.00	2.11%-2.85%	122,410.05	30,830.80	38,335.83	114,905.02

Credit facilities or other financial services

Related party	Related relationship	Type	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 facilities	1,000,000.00	114,905.02

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

☐ Applicable √ Not applicable
No such cases in the Reporting Period.

7. Other Major Related-Party Transactions

(1) The Company held the 6th Meeting of the 11th Board of Directors on 1 April 2026, and reviewed and approved the Proposal on the 2026 Annual Donation Budget or Possible Related-Party Transaction Constituted Thereby. For details, please refer to the Announcement on the 2026 Annual Donation Budget or Possible Related-Party Transaction Constituted Thereby (Announcement No. 2026-012), disclosed by the Company on 3 April 2026.

(2) The Company held the 6th Meeting of the 11th Board of Directors on 1 April 2026, and reviewed and approved the Proposal on the Related-Party Transactions Regarding Making Deposits in and Obtaining Loans from China Merchants Bank in 2026, which was submitted to the 2025 Annual General Meeting of the Company for deliberation. The Company held the 2025 Annual General Meeting on 21 May 2026, and deliberated and approved the Proposal on the Related-Party Transactions Regarding Making Deposits in and Obtaining Loans from China Merchants Bank in 2026, agreeing the Company and its subsidiaries in the scope of consolidated financial statements to open bank accounts with China Merchants Bank. In 2026, the maximum deposit balance of the Company and its subsidiaries in the scope of consolidated financial statements with China Merchants Bank shall not exceed RMB10 billion, and the maximum credit balance shall not exceed

RMB15 billion. For details, please refer to the Announcement on the Related-Party Transactions Regarding Making Deposits in and Obtaining Loans from China Merchants Bank in 2026 (Announcement No. 2026-013) disclosed by the Company on 3 April 2026, the Announcement on the Resolutions of the 2025 Annual General Meeting (Announcement No. 2026-026) disclosed by the Company on 22 May 2026 and other relevant announcements.

(3) The Company held the 6th Meeting of the 11th Board of Directors on 1 April 2026, and reviewed and approved the Proposal on Conducting Financial Leasing Business and Related-Party Transactions with Related Parties in 2026, which was submitted to the 2025 Annual General Meeting of the Company for deliberation. The Company held its 2025 Annual General Meeting on 21 May 2026, and reviewed and approved the Proposal on Conducting Financial Leasing Business and Related-Party Transactions with Related Parties in 2026. For details, please refer to the Announcement on Conducting Financial Leasing Business and Related-Party Transactions with Related Parties in 2026 (Announcement No. 2026-014) disclosed by the Company on 3 April 2026, the Announcement on the Resolutions of the 2025 Annual General Meeting (Announcement No. 2026-026) disclosed by the Company on 22 May 2026, and other relevant announcements.

(4) The Company held the 2nd Extraordinary Meeting of the 11th Board of Directors in 2026 on 28 April 2026, and reviewed and approved the Proposal on Entering into the Financial Services Agreement and Related-Party Transaction with China Merchants International Finance Company Limited, which was submitted to the 2025 Annual General Meeting of the Company for deliberation. The Company held its 2025 Annual General Meeting on 21 May 2026, and reviewed and approved the Proposal on Entering into the Financial Services Agreement and Related-Party Transaction with China Merchants International Finance Company Limited. For details, please refer to the Announcement on Entering into the Financial Services Agreement and Related-Party Transaction with China Merchants International Finance Company Limited (Announcement No. 2026-021) disclosed by the Company on 30 April 2026, the Announcement on the Resolutions of the 2025 Annual General Meeting (Announcement No. 2026-026) disclosed by the Company on 22 May

2026, and other relevant announcements.

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

Name of provisional reports	Disclosure date	Website
Announcement on the 2026 Annual Donation Budget or Possible Related-Party Transaction Constituted Thereby	3 April 2026	www.cninfo.com.cn (Announcement No. 2026-012)
Announcement on the Related-Party Transactions Regarding Making Deposits in and Obtaining Loans from China Merchants Bank in 2026	3 April 2026	www.cninfo.com.cn (Announcement No. 2026-013)
Announcement on Conducting Financial Leasing Business and Related-Party Transactions with Related Parties in 2026	3 April 2026	www.cninfo.com.cn (Announcement No. 2026-014)
Announcement on Entering into the Financial Services Agreement and Related-Party Transaction with China Merchants International Finance Company Limited	30 April 2026	www.cninfo.com.cn (Announcement No. 2026-021)

XII 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

Unit: RMB’0,000

Guarantees provided by the Company and its subsidiaries for external parties (exclusive of those for subsidiaries)										
Guarantee-receiving entity	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
Terminal Link SAS	N/A	5,039.59	11 June 2013	5,039.59	General guarantee	No	No	About 20 years	No	Yes
Terminal Link SAS	31 March 2022	11,013.23	25 January 2023	11,013.23	Joint and several guarantee	No	No	About 7 years	No	Yes
Terminal Link SAS (note 1)	3 April 2025	13,621.80	-		-	-	-	-	-	-
Terminal Link SAS (note 2)	3 April 2026	40,865.40	-		-	-	-	-	-	-
KHOR AMBADO FZCO	30 March 2019	19,615.39	24 May 2019	15,319.47	Joint and several guarantee	No	No	About 13 years	No	Yes
Total approved line for such guarantees in the Reporting Period (A1)		40,865.40		Total actual amount of such guarantees incurred in the Reporting Period (A2)		0.00				
Total approved line for such guarantees at the end of the Reporting Period (A3)		76,533.61		Total actual balance of such guarantees at the end of the Reporting Period (A4)		31,372.29				
Guarantee between the Company to its subsidiaries										
Guarantee-receiving entity	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not
-	-	-	-	-	-	-	-	-	-	-
Total approved line for such guarantees in the Reporting Period (B1)		0.00		Total actual amount of such guarantees incurred in the Reporting Period (B2)		0.00				
Total approved line for such guarantees at the end of the Reporting Period (B3)		0.00		Total actual balance of such guarantees at the end of the Reporting Period (B4)		0.00				
Guarantees provided between subsidiaries										
Guarantee-receiving entity	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term of guarantee	Having expired or not	Guarantee for a related party or not

China Merchants International Terminal (Qingdao) Co., LTD	4 April 2023	50,000.00	8 January 2 024	4,004.42	Joint and several guarantee	No	Yes	About 4 years	No	No
CMHI Finance (BVI) Co., Ltd	6 August 2018	408,654.00	6 August 2018	408,654.00	General guarantee	No	No	About 10 years	No	No
CMHI Finance (BVI) Co., Ltd	31 March 2022	340,545.00	1 June 2022	340,545.00	General guarantee	No	Yes	About 5 years	No	No
COLOMBO INTERNATI ONAL CONTAINER TERMINALS LIMITED	N/A	4,767.63	-	-	-	-	-	-	-	-
COLOMBO INTERNATI ONAL CONTAINER TERMINALS LIMITED	N/A	17,027.25	16 Septemb er 2012	17,027.25	General guarantee	No	No	Infinite	No	No
Shenzhen Haixing Harbor Development Company Ltd.	30 March 2019	219,090.00	26 June 201 9	80,278.42	Joint and several guarantee	No	No	About 18 years	No	No
CMHI Finance (BVI) Co., Ltd (note 1)	3 April 2025	340,545.00	-	-	-	-	-	-	-	-
Shenzhen Haixing Harbor Development Company Ltd. (note 1)	3 April 2025	132,000.00	-	-	-	-	-	-	-	-
Ansujie Terminal Storage Service (Shenzhen) Co., Ltd. (note 1)	3 April 2025	465,000.00	-	-	-	-	-	-	-	-
HAMBANTO TA INTERNATI ONAL PORT GROUP (PRIVATE) LIMITED/HI PG Container Joint Venture	3 April 2026	144,000.00	-	-	-	-	-	-	-	-

Company (note 2)										
Shenzhen Haixing Harbor Development Company Ltd. (note 2)	3 April 2026	183,000.00	-	-	-	-	-	-	-	-
China Merchants Port Services (Shenzhen) Company Limited (note 2)	3 April 2026	36,000.00	-	-	-	-	-	-	-	-
Ansujie Terminal Storage Service (Shenzhen) Co., Ltd. (note 2)	3 April 2026	465,000.00	-	-	-	-	-	-	-	-
Guangdong Shunkong Lingang Development and Construction Co., Ltd./ Guangdong Yide Port Limited (note 2)	3 April 2026	42,000.00	-	-	-	-	-	-	-	-
PT PIP (note 2)	3 April 2026	360.00	-	-	-	-	-	-	-	-
Zhanjiang Port Petrochemical Terminal Co., Ltd. (note 2)	3 April 2026	60,000.00	-	-	-	-	-	-	-	-
Total approved line for such guarantees in the Reporting Period (C1)		930,360.00		Total actual amount of such guarantees incurred in the Reporting Period (C2)		0.00				
Total approved line for such guarantees at the end of the Reporting Period (C3)		1,970,443.88		Total actual balance of such guarantees at the end of the Reporting Period (C4)		850,509.09				
Total guarantee amount (total of the three kinds of guarantees above)										
Total guarantee line approved in the Reporting Period (A1+B1+C1)		971,225.40		Total actual guarantee amount incurred in the Reporting Period (A2+B2+C2)		-				
Total approved guarantee line at the end of the Reporting Period (A3+B3+C3)		2,046,977.49		Total guarantee balance at the end of the Reporting Period (A4+B4+C4)		881,881.38				

Total guarantee balance (A4+B4+C4) as % of the Company's equity	13.51%
Of which:	
Balance of guarantees provided for shareholders, actual controller and their related parties (D)	31,372.29
Balance of debt guarantees provided directly or indirectly for obligors with an over 70% debt/asset ratio (E)	764,518.47
Amount by which the total guarantee amount exceeds 50% of the Company's equity (F)	0
Total of the three amounts above (D+E+F)	795,890.76
Explanation of any guarantee liability incurred during the Reporting Period under unexpired guarantee contracts, or evidence indicating possible joint and several repayment liability (if any)	None
Provision of external guarantees in breach of the prescribed procedures (if any)	None

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

Note 2: The Company convened a Board meeting on 1 April 2026, and approved the Proposal on the External Guarantee Progress of the Company in 2025 and the Expected New External Guarantee Line in the Next 12 Months. For details, please refer to the Announcement on the External Guarantee Progress of the Company in 2025 and the Expected New External Guarantee Line in the Next 12 Months (Announcement No. 2026-011), disclosed on http://www.cninfo.com.cn dated 3 April 2026. This proposal was approved at the Company's 2025 Annual General Meeting. As of the date of this Report, no such guarantee has actually been incurred.

3. Cash Entrusted for Wealth Management

☐ Applicable √ Not applicable

No such cases in the Reporting Period.

4. Other Major Contracts

☐ Applicable √ Not applicable

No such cases in the Reporting Period.

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

Date	Place	Way of communication	Type of communication party	Object of communication	Main topics of discussion and materials provided	Index to basic information of researches

8 April 2026	China Merchants Port Building	Conference call	Institution	Shenwan Hongyuan Securities, China Reform Securities, Yingda Securities, Huayuan Securities, China Dragon Securities, Changjiang Securities, Industrial Securities, Everbright Securities, Guosheng Securities, CITIC Securities, Northeast Securities, China Merchants Securities, Tianfeng Securities, Sealand Securities, Hua Chuang Securities, Pacific Securities, Guolian Minsheng Securities, UBS SDIC Fund Management, Broad Fund, First Seafront Fund, TruValue Asset Management, Dongxing Asset Management, Harfor Funds, Tongtai AMC, Zheshang Fund, Rui Insurance, Dacheng Fund, Jyah Asset Management, Western Leadbank FMC, Shanghai Tourmaline Asset Management, KS Fund, Shanghai Junde'an Private Equity Fund, Shanghai Chongyang Investment, Beijing Win Integrity Investment, HC Capital, Giant Redwood (Shanghai) Asset Management, Jingan Investment, CCB Life Asset Management, Sun Life Everbright Asset Management, Principal Global Investors (Hong Kong), Hwabao Trust	Main discussions: the basic condition of operations, investments made and the financial condition of the Company; Materials provided: None	Investor Relations Activity Log Sheet (No.: 2026-01)
9 April 2026	China Merchants Port Building	Online communication on network platform	Institution+ Individual	All investors		Investor Relations Activity Log Sheet (No.: 2026-02)
1 January 2026 to 30 June 2026	China Merchants Port Building	By phone, or written inquiry (https://irm.cninfo.	Individual	Individual investors		/

		com.cn/ir cs/index or email)				

XIV Other Significant Events

1. Index to Disclosed Information

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

Announcement No.	Date of the announcement	Title of the announcement
2026-001	15 January 2026	Announcement on the Voluntary Information Disclosure of Business Volume Data of December 2025
2026-002	7 February 2026	Announcement on the Resolutions of the 1st Extraordinary Meeting of the 11th Board of Directors in 2026
2026-003	14 February 2026	Announcement on the Voluntary Information Disclosure of Business Volume Data of January 2026
2026-004	14 March 2026	Announcement on the Voluntary Information Disclosure of Business Volume Data of February 2026
2026-005	1 April 2026	Announcement on the Online Investor Meeting on the 2025 Annual Results
2026-006	1 April 2026	Announcement on the Voluntary Information Disclosure of the 2025 Annual Results by a Controlled Subsidiary
2026-007	3 April 2026	Announcement on the Resolutions of the 6th Meeting of the 11th Board of Directors
2026-008	3 April 2026	Annual Report 2025 (Summary) (Chinese and English Versions)
2026-009	3 April 2026	Announcement on Plan of Profit Distribution for 2025
2026-010	3 April 2026	Announcement on the Recognition of 2025 Continuing Related-party Transactions and the Forecast of 2026 Continuing Related-party Transactions
2026-011	3 April 2026	Announcement on the External Guarantee Progress of the Company in 2025 and the Expected New External Guarantee Line in the Next 12 Months
2026-012	3 April 2026	Announcement on the 2026 Annual Donation Budget or Possible Related-Party Transaction Constituted Thereby
2026-013	3 April 2026	Announcement on the Related-Party Transactions Regarding Making Deposits in and Obtaining Loans from China Merchants Bank in 2026
2026-014	3 April 2026	Announcement on Conducting Financial Leasing Business and Related-Party Transactions with Related Parties in 2026
2026-015	3 April 2026	Announcement on Re-appointment of Accounting Firm for 2026
2026-016	3 April 2026	Announcement on the Change of the Company’s Registered Capital and Amendments to the Articles of Association
2026-017	3 April 2026	Assessment Report on the Implementation of the 2025 Valuation Enhancement

		Plan
2026-018	15 April 2026	Announcement on the Voluntary Information Disclosure of Business Volume Data of March 2026
2026-019	30 April 2026	Announcement on the Resolutions of the 2nd Extraordinary Meeting of the 11th Board of Directors in 2026
2026-020	30 April 2026	The Report for the First Quarter of 2026 (Chinese and English Versions)
2026-021	30 April 2026	Announcement on Entering into the Financial Services Agreement and Related-Party Transaction with China Merchants International Finance Company Limited
2026-022	30 April 2026	Announcement on the 2026 Remuneration Plan for Directors and Senior Management
2026-023	30 April 2026	Notice on Convening 2025 Annual General Meeting
2026-024	30 April 2026	Announcement on Accounting Policy Changes
2026-025	15 May 2026	Announcement on the Voluntary Information Disclosure of Business Volume Data of April 2026
2026-026	22 May 2026	Announcement on the Resolutions of the 2025 Annual General Meeting
2026-027	22 May 2026	Announcement on the Resolutions of the 1st Meeting of the 12th Board of Directors
2026-028	22 May 2026	Announcement on Completion of the Board of Directors' Re-election and Appointment of Senior Management and Securities Representative
2026-029	13 June 2026	Announcement on the Voluntary Information Disclosure of Business Volume Data of May 2026

2. Progress of the Internal Control Work

In accordance with the Enterprise Internal Control Standards and the accompanying guidelines, the internal control work carried out by the Company during the Reporting Period is as follows:

(1) The development of the internal control system. The Company completed the full coverage of the development of the internal control system by standards of control entity and legal entity, and carried out internal control system evaluation and internal control authority list review as planned. The Company's headquarters and subordinate units improved their own business procedures in a timely manner, and a quarterly notification mechanism was established to promote the improvement in the internal control system. The Company carried out a second round of internal control supervision and inspection featuring "full coverage in two years". The on-site supervision and inspection of internal control has been completed for Zhangzhou Port and NPH in Indonesia, and the lists of issues and the preparation of reports are currently underway.

(2) Comprehensive risk management. The Company adhered to the integrated and coordinated "six-in-one" risk control system, continuously developing risk control systems and management process standards, optimizing risk management and work appraisal plans, and regularly implementing closed-loop risk management throughout the entire process. Through the annual major risk assessment, monitoring and early warning of key risk indicators, and tracking and managing operational risk events, including follow-up on special risk work related to government cooperation, the Company strictly managed all risk exposures through "eliminating existing risks and controlling incremental risks".

XV Significant Events of Subsidiaries

☐ Applicable √ Not applicable

Part VI Share Changes and Shareholder Information

I Share Changes

1. Share Changes

Unit: share

	Before		Increase/decrease in the Reporting Period (+/-)					After	
	Shares	Percentage (%)	New issues	Shares as dividend converted from profit	Shares as dividend converted from capital reserves	Other	Subtotal	Shares	Percentage (%)
I. Restricted shares	0	0.0000%	0	0	0	0	0	0	0.0000%
1. Shares held by state	0	0.0000%	0	0	0	0	0	0	0.0000%
2. Shares held by state-owned legal person	0	0.0000%	0	0	0	0	0	0	0.0000%
3. Shares held by other domestic investors	0	0.0000%	0	0	0	0	0	0	0.0000%
Including: Shares held by domestic legal person	0	0.0000%	0	0	0	0	0	0	0.0000%
Shares held by domestic natural person	0	0.0000%	0	0	0	0	0	0	0.0000%
4. Shares held by foreign investors	0	0.0000%	0	0	0	0	0	0	0.0000%
Including: Shares held by foreign legal person	0	0.0000%	0	0	0	0	0	0	0.0000%
Shares held by foreign natural person	0	0.0000%	0	0	0	0	0	0	0.0000%
II. Unrestricted shares	2,481,842,185	100.0000%	0	0	0	306,100	306,100	2,482,148,285	100.0000%
1. RMB ordinary shares	2,301,946,755	92.7515%	0	0	0	306,100	306,100	2,302,252,855	92.7524%
2. Domestically listed foreign shares	179,895,430	7.2485%	0	0	0	0	0	179,895,430	7.2476%
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	2,481,842,185	100.0000%	0	0	0	306,100	306,100	2,482,148,285	100.0000%

Reasons for the share changes:

During the Reporting Period, the Company increased its share capital by a total of 306,100 shares as a result of the independent exercise of options under the Stock Option Incentive Plan, and the total share capital of the Company increased from 2,481,842,185 shares to 2,482,148,285 shares.

Approval of the share changes:

☐ Applicable √ Not applicable

Transfer of share ownership:

☐ Applicable √ Not applicable

Progress on any share repurchase:

☐ Applicable √ Not applicable

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

☐ 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:

The Company reported basic earnings per share of RMB1.12 and diluted earnings per share of RMB1.12 for the first half of 2026, and equity per share attributable to the Company's ordinary shareholders of RMB26.30. During the Reporting Period, the Company increased its share capital by a total of 306,100 shares as a result of the independent exercise of options under the Stock Option Incentive Plan, and the total share capital of the Company increased from 2,481,842,185 shares to 2,482,148,285 shares. By the measurement of the Company's total share capital as at the end of 2025, irrespective of the effect of the independent exercise of the Stock Option Incentive Plan, the Company's basic earnings per share in H1 2026 was RMB1.12, the diluted earnings per share was RMB1.12, and the equity per share attributable to the Company's ordinary shareholders was RMB26.30.

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

☐ Applicable √ Not applicable

II Issuance and Listing of Securities

☐ Applicable √ Not applicable

III Shareholders and Their Holdings as at the Period-End

Unit: share

<table>
<tr><td colspan="2">Number of ordinary shareholders at the period-end</td><td colspan="2">27,228 (17,618 A-shareholders and 9,610 B-shareholders)</td><td colspan="3">Number of preferred shareholders with resumed voting rights at the period-end (if any)</td><td>0</td></tr>
<tr><td colspan="8">5% or greater ordinary shareholders or top 10 ordinary shareholders (exclusive of shares lent in refinancing)</td></tr>
<tr><td>Name of shareholder</td><td>Nature of shareholder</td><td>Shareholding percentage</td><td>Total shares held at the period-end</td><td>Increase/decrease in the Reporting Period</td><td>Restricted shares held</td><td>Unrestricted shares held</td><td>Shares in pledge, marked or frozen</td></tr>
<tr><td>China Merchants Port Investment Development Company Limited</td><td>Foreign legal person</td><td>46.28%</td><td>1,148,648,648</td><td>0</td><td>0</td><td>1,148,648,648</td><td>0</td></tr>
<tr><td>Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd.</td><td>State-owned legal person</td><td>23.23%</td><td>576,709,537</td><td>0</td><td>0</td><td>576,709,537</td><td>0</td></tr>
<tr><td>China Merchants Gangtong Development (Shenzhen) Co., Ltd.</td><td>State-owned legal person</td><td>14.94%</td><td>370,878,000</td><td>0</td><td>0</td><td>370,878,000</td><td>0</td></tr>
<tr><td>Shenzhen Infrastructure Investment Fund Management Co., Ltd.-Shenzhen Infrastructure Investment Fund Partnership (Limited Partnership)</td><td>Fund and wealth management products etc.</td><td>2.61%</td><td>64,850,182</td><td>0</td><td>0</td><td>64,850,182</td><td>0</td></tr>
<tr><td>Broadford Global Limited</td><td>State-owned legal person</td><td>2.23%</td><td>55,314,208</td><td>0</td><td>0</td><td>55,314,208</td><td>0</td></tr>
<tr><td>China-Africa Development Fund</td><td>State-owned legal person</td><td>0.63%</td><td>15,610,368</td><td>0</td><td>0</td><td>15,610,368</td><td>0</td></tr>
<tr><td>Hong Kong Securities Clearing Company Ltd.</td><td>Overseas legal person</td><td>0.55%</td><td>13,609,404</td><td>8,586,029</td><td>0</td><td>13,609,404</td><td>0</td></tr>
<tr><td>Zou Yanmin</td><td>Domestic natural person</td><td>0.33%</td><td>8,080,028</td><td>817,953</td><td>0</td><td>8,080,028</td><td>0</td></tr>
<tr><td>PICC Property And Casualty Company Limited－Traditional-General Insurance Product</td><td>Fund and wealth management products etc.</td><td>0.26%</td><td>6,480,601</td><td>1,767,701</td><td>0</td><td>6,480,601</td><td>0</td></tr>
<tr><td>Li Runrong</td><td>Domestic natural person</td><td>0.24%</td><td>6,005,375</td><td>-158,800</td><td>0</td><td>6,005,375</td><td>0</td></tr>
<tr><td colspan="2">Strategic investors or general legal person becoming top-ten ordinary shareholders due to placing of new shares (if any)</td><td colspan="6">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</td></tr>
</table>

	Shenzhen Stock Exchange on 4 November 2019, and the lock-in period lasted until 4 November 2020. China-Africa Development Fund subscribed for 64,102,564 shares of the Company offered in a non-public manner in 2019 for raising supporting funds at RMB17.16 per share. The subscribed shares were floated on Shenzhen Stock Exchange on 4 November 2019, and the lock-in period lasted until 4 November 2020. Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd. subscribed for 576,709,537 shares of the Company offered in a non-public manner at RMB18.50 per share. The subscribed shares were floated on Shenzhen Stock Exchange on 12 October 2022, and the lock-in period lasts until 12 October 2025.		
Related or acting-in-concert parties among the shareholders above	1. Broadford Global Limited is entrusted to manage the 74.66% shares of Rainbow Reflection Limited held by China Merchants Holdings (Hong Kong) Company Limited, and China Merchants Port Investment Development Company Limited is the wholly-owned subsidiary of Rainbow Reflection Limited. 2. Broadford Global Limited is the controlling shareholder of China Merchants Gangtong Development (Shenzhen) Co., Ltd. The Company does not know whether the other unrestricted shareholders are related parties or not.		
Above shareholders involved in entrusting/being entrusted and giving up voting rights	Broadford Global Limited is entrusted to manage the 74.66% shares of Rainbow Reflection Limited held by China Merchants Holdings (Hong Kong) Company Limited, and China Merchants Port Investment Development Company Limited is the wholly-owned subsidiary of Rainbow Reflection Limited.		
Special account for share repurchases (if any) among the top 10 shareholders	N/A		
Top 10 unrestricted shareholders (exclusive of shares lent in refinancing or locked-up shares of senior management)			
Name of shareholder	Unrestricted shares held at the period-end	Shares by type	
		Type	Shares
China Merchants Port Investment Development Company Limited	1,148,648,648	RMB ordinary share	1,148,648,648
Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd.	576,709,537	RMB ordinary share	576,709,537
China Merchants Gangtong Development (Shenzhen) Co., Ltd.	370,878,000	RMB ordinary share	370,878,000
Shenzhen Infrastructure Investment Fund Management Co., Ltd.-Shenzhen Infrastructure Investment Fund Partnership (Limited Partnership)	64,850,182	RMB ordinary share	64,850,182
Broadford Global Limited	55,314,208	Domestically listed foreign share	55,314,208
China-Africa Development Fund	15,610,368	RMB ordinary share	15,610,368
Hong Kong Securities Clearing Company Ltd.	13,609,404	RMB ordinary share	13,609,404
Zou Yanmin	8,080,028	Domestically listed foreign share	8,080,028
PICC Property And Casualty Company Limited－Traditional- General Insurance Product	6,480,601	RMB ordinary share	6,480,601
Li Runrong	6,005,375	RMB ordinary share	6,005,375
Related or acting-in-concert parties among top 10 unrestricted shareholders, as well as between top 10 unrestricted shareholders and top 10 shareholders	1. Broadford Global Limited is entrusted to manage the 74.66% shares of Rainbow Reflection Limited held by China Merchants Holdings (Hong Kong) Company Limited, and China Merchants Port Investment Development Company Limited is the wholly-owned subsidiary of Rainbow Reflection Limited. 2. Broadford Global Limited is the controlling shareholder of China Merchants Gangtong Development (Shenzhen) Co., Ltd. The Company does not know whether the other unrestricted shareholders are related parties or not.		
Top 10 ordinary shareholders involved in securities margin trading (if any)	N/A		

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

☐ Applicable √ Not applicable

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

☐ Applicable √ Not applicable

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

☐ Yes √ No

No such cases in the Reporting Period.

IV Change in Shareholdings of Directors and Senior Management

Name	Office title	Incumbent/ Former	Beginning shareholding (share)	Increase in the Reporting Period (share)	Decrease in the Reporting Period (share)	Ending shareholding (share)	Restricted shares granted at the period-beginning (share)	Restricted shares granted in the Reporting Period (share)	Restricted shares granted at the period-end (share)
Liu Libing	Board Secretary	Incumbent	0	25,000	0	25,000	0	0	0
Total	--	--	0	25,000	0	25,000	0	0	0

V Change of the Controlling Shareholder or the De Facto Controller

Change of the controlling shareholder in the Reporting Period
☐ Applicable √ Not applicable
No such cases in the Reporting Period.
Change of the de facto controller in the Reporting Period
☐ Applicable √ Not applicable
No such cases in the Reporting Period.

VI Preference Shares

☐ Applicable √ Not applicable
No preference shares in the Reporting Period.

Part VII Bonds

I Enterprise Bonds

☐ Applicable √ Not applicable

No enterprise bonds in the Reporting Period.

II Corporate Bonds

1. Basic Information of the Corporate Bonds

Unit: RMB’0,000

Name	Abbr.	Code	Date of issuance	Interest commencement date	Maturity date	Outstanding bond balance	Interest rate	Principal and interest payment method	Trading place
2024 Public Offering of Sci-Tech Innovation Corporate Bonds of China Merchants Port Group Co., Ltd. (for professional investors) (Phase I)	24 CMPort K1	148877	22 August 2024 to 23 August 2024	23 August 2024	23 August 2029	200,000.00	2.18%	Simple interest is adopted and calculated by year. No compound interest is calculated. Interest is payable once every year and principal paid in a lump sum at maturity. In the last instalment, the interest is payable together with the principal.	Shenzhen Stock Exchange
2025 Public Offering of Sci-Tech Innovation Corporate Bonds of	25 CMPort K1	524409	22 August 2025 to 25 August 2025	25 August 2025	25 August 2028	300,000.00	1.82%	Simple interest is adopted and calculated by year. No compound interest is	Shenzhen Stock Exchange

China Merchants Port Group Co., Ltd. (for professional investors) (Phase I)								calculated. Interest is payable once every year and principal paid in a lump sum at maturity. In the last instalment, the interest is payable together with the principal.	
2026 Public Offering of Short-term Corporate Bonds of China Merchants Port Group Co., Ltd. (for professional investors) (Phase I)	26 CMPort D1	524813	26 May 2026	26 May 2026	2 December 2026	100,000.00	1.32%	Simple interest is adopted and calculated by year. No compound interest is calculated. Interest is payable once every year and principal paid in a lump sum at maturity. In the last instalment, the interest is payable together with the principal.	Shenzhen Stock Exchange

Investor suitability arrangements (if any)	The Company's bonds are publicly issued to professional institutional investors
Applicable trading mechanism	Match-and-deal, negotiate-and-deal, click-and-deal, inquire-and-deal, bid-and-deal
Risk of termination of listing transactions (if any) and countermeasures	None

Overdue bonds

☐ Applicable √ Not applicable

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

☐ Applicable √ Not applicable

3. Adjustment of Credit Rating Results during the Reporting Period

☐ Applicable √ Not applicable

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

☐ Applicable √ Not applicable

III Debt Financing Instruments of Non-financial Enterprises

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

Unit: RMB’0,000

Name	Abbr.	Code	Date of issuance	Value date	Maturity	Bonds balance	Interest rate	Way of redemption	Trading place
Medium-term Notes of China Merchants Port Group Co., Ltd. (Phase I 2024) (Variety A)	24 CMPort MTN001A	102481314	1 April 2024	3 April 2024	3 April 2029	50,000.00	2.68%	Interest payable once every year and principal payable in a lump sum on the redemption date	Interbank bond market
Medium-term Notes of China Merchants Port Group Co., Ltd. (Phase I 2024) (Variety B)	24 CMPort MTN001B	102481315	1 April 2024	3 April 2024	3 April 2034	150,000.00	2.80%	Interest payable once every year and principal payable in a lump sum on the redemption date	Interbank bond market
Medium-term Notes of China Merchants Port Group Co., Ltd. (Phase II 2024) (Variety A)	24 CMPort MTN002A	102482957	10 July 2024	12 July 2024	12 July 2027	80,000.00	2.10%	Interest payable once every year and principal payable in a lump sum on the redemption date	Interbank bond market
Medium-term Notes of China Merchants Port Group Co., Ltd. (Phase II 2024) (Variety B)	24 CMPort MTN002B	102482958	10 July 2024	12 July 2024	12 July 2029	120,000.00	2.30%	Interest payable once every year and principal payable in a lump sum on the	Interbank bond market

								redemption date	
Medium-term Notes of China Merchants Port Holdings Company Limited (Phase I 2025)	25 CMPort Holdings MTN001	102581356.IB	24 March 2025	25 March 2025	25 March 2028	200,000.00	1.98%	Interest payable once every year and principal payable in a lump sum on the redemption date	Interbank bond market
Medium-term Notes of China Merchants Port Group Co., Ltd. (Phase I 2025)	25 CMPort MTN001	102584687	7 November 2025	10 November 2025	10 November 2028	200,000.00	1.76%	Interest payable once every year and principal payable in a lump sum on the redemption date	Interbank bond market
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase II 2025)	25 CMPort SCP002	012581169	12 November 2025	13 November 2025	7 August 2026	200,000.00	1.58%	Principal and interest payable in a lump sum at maturity	Interbank bond market
Appropriate arrangement of the investors (if any)	N/A								
Applicable trading mechanism	Inquiry								
Risk of termination of listing transactions (if any) and countermeasures	None								

Overdue bonds

☐ Applicable √ Not applicable

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

☐ Applicable √ Not applicable

3. Credit Rating Adjustments during the Reporting Period

☐ Applicable √ Not applicable

4. Implementation and Changes of Guarantees, Repayment Plan and Other Repayment Guarantee Measures during the Reporting Period, and their Impact on the Rights and Interests of Bond Investors

☐ Applicable √ Not applicable

IV Convertible Corporate Bonds

☐ Applicable √ Not applicable
No such cases in the Reporting Period.

V Losses within the Scope of the Consolidated Financial Statements during the Reporting Period Exceeding 10% of Equity at the End of Last Year

□ Applicable √ Not applicable

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

Item	30 June 2026	31 December 2025	Increase/decrease
Current ratio	70.98%	77.93%	-8.92%
Debt/asset ratio	35.85%	35.96%	-0.11%
Quick ratio	69.32%	76.29%	-9.14%
	H1 2026	H1 2025	Increase/decrease
Net profit after deducting non-recurring gains and losses (RMB'0,000)	272,293.86	251,868.60	8.11%
EBITDA to total debt ratio	11.83%	11.64%	0.19%
Interest coverage ratio	6.79	5.60	21.25%
Cash interest coverage ratio	5.46	4.49	21.60%
EBITDA interest coverage ratio	9.56	8.15	17.30%
Loan repayment ratio	100.00%	100.00%	-
Interest payment ratio	100.00%	100.00%	-

Part VIII Financial Statements

I Independent Auditor's Report

These interim financial statements have not been audited by an independent auditor.

II Financial Statements

See attached.

China Merchants Port Group Co., Ltd.

Board of Directors

Dated 29 August 2026

CHINA MERCHANTS PORT GROUP CO., LTD.

FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2026

CHINA MERCHANTS PORT GROUP CO., LTD.

FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2026

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Consolidated Balance Sheet

RMB

Item	Notes	30/06/2026	31/12/2025
Current Assets:			
Cash and bank balances	(VIII)1	15,931,449,539.20	15,374,846,360.79
Including: Cash deposited in the finance company	(XV)6(1)	3,106,325,950.09	4,733,188,415.27
Financial assets held for trading	(VIII)2	7,801,237,827.41	7,578,824,365.75
Derivative financial assets		-	-
Bills receivable	(VIII)3	74,258,926.74	151,029,884.15
Accounts receivable	(VIII)4	2,211,972,986.10	1,297,166,857.70
Receivables under financing	(VIII)5	67,563,325.20	114,680,738.25
Prepayments	(VIII)6	112,683,131.34	82,819,198.95
Funds receivable under centralised management		-	-
Other receivables	(VIII)7	1,687,761,121.55	1,012,655,278.64
Including: Dividends receivable	(VIII)7	1,296,598,929.03	576,943,449.36
Inventories	(VIII)8	298,274,145.09	307,216,425.15
Including: Raw materials		277,448,402.90	288,311,631.73
Goods in stock (finished products)		11,339,790.91	9,419,494.95
Data resources		-	-
Contract assets		-	-
Assets held for sale		-	-
Non-current assets due within one year		539,722.23	-
Other current assets	(VIII)9	254,227,724.10	158,947,975.17
Total current assets		28,439,968,448.96	26,078,187,084.55
Non-current Assets:			
Debt investments		-	-
Other debt investments		-	-
Long-term receivables	(VIII)10	4,020,774,854.85	3,874,516,647.46
Long-term equity investments	(VIII)11	104,461,636,494.18	103,073,100,064.87
Investments in other equity instruments	(VIII)12	141,766,365.15	141,766,365.15
Other non-current financial assets	(VIII)13	28,768,810.95	28,768,810.95
Investment properties	(VIII)14	3,094,241,385.73	3,157,951,323.78
Fixed assets	(VIII)15	29,503,749,018.28	30,442,884,297.82
Including: Cost of fixed assets		57,301,941,871.46	57,478,268,295.87
Accumulated depreciation		27,586,065,563.77	26,823,319,777.57
Provision for impairment of fixed assets		212,280,683.43	212,280,683.43
Construction in progress	(VIII)16	3,914,637,944.57	3,403,583,431.48
Right-of-use assets	(VIII)17	8,581,524,684.60	8,965,304,928.17
Intangible assets	(VIII)18	17,178,383,201.23	17,643,855,579.95
Including: Data resources		5,299,292.77	5,616,273.79
Development costs	(IX)2	24,789,747.46	34,234,599.73
Including: Data resources		-	-
Goodwill	(VIII)19	6,238,999,205.88	6,176,416,050.77
Long-term deferred expenses	(VIII)20	879,576,256.34	919,719,245.18
Deferred tax assets	(VIII)21	347,334,760.56	355,487,521.84
Other non-current assets	(VIII)22	776,596,823.91	718,921,542.98
Total non-current assets		179,192,779,553.69	178,936,510,410.13
TOTAL ASSETS		207,632,748,002.65	205,014,697,494.68

The accompanying notes form part of the financial statements.

Consolidated Balance Sheet - continued

RMB

Item	Notes	30/06/2026	31/12/2025
Current liabilities:			
Short-term borrowings	(VIII)23	17,833,999,783.41	19,775,820,831.32
Financial liabilities held for trading		-	-
Derivative financial liabilities		-	-
Bills payable		-	-
Accounts payable	(VIII)24	731,884,896.96	739,900,492.35
Advance payments received	(VIII)25	13,233,982.45	12,191,454.52
Contract liabilities	(VIII)26	467,332,338.33	446,822,948.79
Employee benefits payable	(VIII)27	1,145,330,939.94	1,297,834,679.20
Including: Payroll payable		1,103,301,785.50	1,252,447,318.40
Welfare payable		1,858,128.31	-
Taxes payable	(VIII)28	1,055,563,894.95	913,284,472.54
Including: Taxes payable		1,051,899,986.37	904,515,326.51
Other payables	(VIII)29	5,141,501,344.76	2,034,923,078.95
Including: Dividends payable	(VIII)29	3,082,819,731.15	135,169,470.79
Liabilities held for sale		-	-
Non-current liabilities due within one year	(VIII)30	10,511,185,806.73	6,042,522,685.33
Other current liabilities	(VIII)31	3,165,837,420.28	2,199,301,417.02
Total current liabilities		40,065,870,407.81	33,462,602,060.02
Non-current Liabilities:			
Long-term borrowings	(VIII)32	5,334,589,680.46	7,439,956,123.50
Bonds payable	(VIII)33	17,078,267,745.12	20,709,787,532.29
Including: Preference shares		-	-
Perpetual bonds		-	-
Lease liabilities	(VIII)34	1,620,470,269.87	1,690,860,832.08
Long-term payables	(VIII)35	3,646,949,075.01	3,721,605,292.07
Long-term employee benefits payable	(VIII)36	529,966,480.72	546,386,377.62
Provisions	(VIII)37	188,067,420.35	185,493,182.45
Deferred income	(VIII)38	890,659,028.85	923,349,449.41
Deferred tax liabilities	(VIII)21	4,926,513,388.18	4,869,165,969.03
Other non-current liabilities	(VIII)39	159,772,264.45	164,442,477.36
Total non-current liabilities		34,375,255,353.01	40,251,047,235.81
TOTAL LIABILITIES		74,441,125,760.82	73,713,649,295.83

The accompanying notes form part of the financial statements.

Consolidated Balance Sheet - continued

RMB

Item	Notes	30/06/2026	31/12/2025
Shareholders' equity:			
Share capital	(VIII)40	2,482,148,285.00	2,481,842,185.00
Including: State capital		-	-
State-owned corporate capital		2,235,341,406.00	2,235,944,258.00
Collective capital		-	-
Private capital		215,830,683.00	227,577,129.00
Foreign capital		30,976,196.00	18,320,798.00
Other equity instruments		-	-
Including: Preference shares		-	-
Perpetual bonds		-	-
Capital reserve	(VIII)41	36,907,299,986.91	36,816,586,615.98
Less: Treasury shares		-	-
Other comprehensive income	(VIII)42	-962,440,797.25	-969,163,426.51
Including: Translation difference of financial statements denominated in foreign currencies		-657,829,888.31	-708,485,813.50
Specific reserve	(VIII)43	76,328,638.95	57,278,650.39
Surplus reserve	(VIII)44	1,249,537,330.50	1,249,537,330.50
Including: Legal reserve		1,249,537,330.50	1,249,537,330.50
Arbitrary accumulation fund		-	-
Retained earnings	(VIII)45	25,527,619,112.39	24,729,748,576.84
Total equity attributable to shareholders of the Company		65,280,492,556.50	64,365,829,932.20
Non-controlling interests		67,911,129,685.33	66,935,218,266.65
TOTAL SHAREHOLDERS' EQUITY		133,191,622,241.83	131,301,048,198.85
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		207,632,748,002.65	205,014,697,494.68

The accompanying notes form part of the financial statements.

The financial statements were signed by the following:

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

Balance Sheet of the Company

RMB

Item	Notes	30/06/2026	31/12/2025
Current Assets:			
Cash and bank balances		3,136,397,685.03	2,754,342,020.39
Including: Cash deposited in the finance company		1,252,044,742.50	1,739,063,279.42
Financial assets held for trading		3,605,291,136.98	3,253,363,657.53
Derivative financial assets		-	-
Bills receivable		-	-
Accounts receivable		-	-
Receivables under financing		-	-
Prepayments		299,000.00	339,344.00
Funds receivable under centralised management		-	-
Other receivables	(XX)1	1,050,198,084.69	1,176,102,035.60
Including: Dividends receivable	(XX)1	175,455,861.95	148,813,646.87
Inventories		-	-
Including: Raw materials		-	-
Goods in stock (finished products)		-	-
Data resources		-	-
Contract assets		-	-
Assets held for sale		-	-
Non-current assets due within one year		135,602.50	155,510.11
Other current assets		9,525,040.24	10,184,446.02
Total current assets		7,801,846,549.44	7,194,487,013.65
Non-current Assets:			
Debt investments		-	-
Other debt investments		-	-
Long-term receivables		216,769,806.22	217,060,862.62
Long-term equity investments	(XX)2	56,698,592,437.41	56,471,842,754.45
Investments in other equity instruments		130,399,200.00	130,399,200.00
Other non-current financial assets		-	-
Investment properties		-	-
Fixed assets		23,312,823.24	24,431,510.36
Including: Fixed assets – cost		34,230,604.85	34,337,104.85
Accumulated depreciation		10,917,781.61	9,905,594.49
Provision for impairment of fixed assets		-	-
Construction in progress		1,014,339.62	1,014,339.62
Right-of-use assets		-	-
Intangible assets		81,374,817.63	87,413,564.25
Including: Data resources		-	-
Development costs		9,629,737.65	9,629,737.65
Including: Data resources		-	-
Goodwill		-	-
Long-term deferred expenses		483,127.00	554,450.68
Deferred tax assets		-	-
Other non-current assets		-	-
Total non-current assets		57,161,576,288.77	56,942,346,419.63
TOTAL ASSETS		64,963,422,838.21	64,136,833,433.28

The accompanying notes form part of the financial statements.

Balance Sheet of the Company - continued

RMB

Item	Notes	30/06/2026	31/12/2025
Current Liabilities:			
Short-term borrowings		-	-
Financial liabilities held for trading		-	-
Derivative financial liabilities		-	-
Bills payable		-	-
Accounts payable		-	-
Advance payments received		-	-
Contract liabilities		-	-
Employee benefits payable		62,845,723.77	68,938,370.19
Including: Payroll payable		62,757,904.29	68,787,532.24
Welfare payable		-	-
Taxes payable		260,724.94	4,410,347.86
Including: Taxes payable		260,724.94	4,410,347.86
Other payables		2,717,493,420.82	864,340,142.41
Including: Dividends payable		2,017,814,057.83	34,577,578.12
Liabilities held for sale		-	-
Non-current liabilities due within one year		5,137,356,838.27	4,107,494,323.34
Other current liabilities		3,039,463,242.56	2,037,223,115.04
Total current liabilities		10,957,419,950.36	7,082,406,298.84
Non-current Liabilities:			
Long-term borrowings		266,804,000.00	2,242,804,000.00
Bonds payable		11,000,000,000.00	11,000,000,000.00
Including: Preference shares		-	-
Perpetual bonds		-	-
Lease liabilities		-	-
Long-term payables		-	-
Long-term employee benefits payable		-	-
Provisions		-	-
Deferred income		-	-
Deferred tax liabilities		37,790,938.06	37,309,068.19
Other non-current liabilities		-	-
Total non-current liabilities		11,304,594,938.06	13,280,113,068.19
TOTAL LIABILITIES		22,262,014,888.42	20,362,519,367.03

The accompanying notes form part of the financial statements.

Balance Sheet of the Company - continued

RMB

Item	Notes	30/06/2026	31/12/2025
Shareholders' equity			
Share capital		2,482,148,285.00	2,481,842,185.00
Including: State capital		-	-
State-owned corporate capital		2,235,341,406.00	2,235,944,258.00
Collective capital		-	-
Private capital		215,830,683.00	227,577,129.00
Foreign capital		30,976,196.00	18,320,798.00
Other equity instruments		-	-
Including: Preference shares		-	-
Perpetual bonds		-	-
Capital reserve		37,443,761,393.57	37,426,664,891.68
Less: Treasury shares		-	-
Other comprehensive income		114,457,959.44	108,754,933.18
Including: Translation difference of financial statements denominated in foreign currencies		-	-
Specific reserve		-	-
Surplus reserve		1,249,537,330.50	1,249,537,330.50
Including: Legal reserve		1,249,537,330.50	1,249,537,330.50
Arbitrary accumulation fund		-	-
Retained earnings		1,411,502,981.28	2,507,514,725.89
Total shareholders' equity		42,701,407,949.79	43,774,314,066.25
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		64,963,422,838.21	64,136,833,433.28

The accompanying notes form part of the financial statements.

Consolidated Income Statement

RMB

Item	Notes	For the six months ended 30 June	
		2026	2025
I. Total operating income	(VIII)46	8,948,462,047.19	8,468,491,376.08
Including: Operating income		8,948,462,047.19	8,468,491,376.08
II. Total operating costs		6,524,030,341.04	6,475,255,491.56
Less: Operating costs	(VIII)46	4,752,291,707.16	4,596,264,092.50
Taxes and surcharges	(VIII)47	209,360,736.24	176,215,156.49
Selling and distribution expenses		-	-
General and administrative expenses	(VIII)48	763,945,984.07	759,073,109.44
Research and development expenses	(VIII)49	96,037,707.66	107,131,146.55
Financial expenses	(VIII)50	702,394,205.91	836,571,986.58
Including: Interest expenses		900,438,848.43	1,015,802,958.42
Interest income		175,792,695.79	200,788,693.82
Net exchange losses (“-” for gains)		-26,618,683.08	16,212,019.97
Add: Other income	(VIII)51	52,290,043.56	125,162,556.03
Investment income (“-” for losses)	(VIII)52	3,750,165,351.14	3,652,835,333.37
Including: Income from investments in associates and joint ventures	(VIII)52	3,698,410,454.89	3,606,506,212.05
Income arising from derecognition of financial assets measured at amortised cost		-	-
Net exposure hedging income (“-” for losses)		-	-
Gains from changes in fair value (“-” for losses)	(VIII)53	24,450,827.42	21,035,446.60
Credit impairment losses (“-” for gains)	(VIII)54	-2,992,581.38	4,693,801.77
Asset impairment losses (“-” for losses)		-	1,621.20
Gains from asset disposals (“-” for losses)	(VIII)55	623,174.49	6,688,854.69

The accompanying notes form part of the financial statements.

Consolidated Income Statement - continued

RMB

Item	Notes	For the six months ended 30 June	
		2026	2025
III. Operating profit		6,248,968,521.38	5,803,653,498.18
Add: Non-operating income	(VIII)56	11,160,829.16	17,571,993.99
Including: Government grants		-	-
Less: Non-operating expenses	(VIII)57	10,392,892.40	12,789,299.83
IV. Profit before income tax		6,249,736,458.14	5,808,436,192.34
Less: Income tax expenses	(VIII)60	876,426,240.35	728,408,809.32
V. Net profit		5,373,310,217.79	5,080,027,383.02
(I) Net profit classified by continuity of operations			
1. Net profit from continuing operation		5,373,310,217.79	5,080,027,383.02
2. Net profit from discontinued operation		-	-
(II) Net profit classified by ownership			
1. Attributable to shareholders of the Company		2,781,107,015.26	2,626,638,199.47
2. Non-controlling interests		2,592,203,202.53	2,453,389,183.55
VI. Other comprehensive income, net of tax	(VIII)42	-301,797,058.40	1,602,339,066.79
(I) Other comprehensive income (net of tax) attributable to shareholders of the Company		6,722,629.26	645,540,659.01
1. Items that will not be reclassified to profit or loss		-12,238,105.89	3,712,517.74
(1) Remeasurement of defined benefit plan		-	-
(2) Other comprehensive income recognised under the equity method		-12,238,105.89	3,712,517.74
(3) Changes in fair value of investments in other equity instruments		-	-
(4) Changes in fair value of entity's own credit risk		-	-
(5) Others		-	-
2. Item that reclassified to profit or loss		18,960,735.15	641,828,141.27
(1) Other comprehensive income recognised under the equity method		-31,695,190.04	229,359,310.24
(2) Changes in fair value of other debt investments		-	-
(3) Amount of financial assets reclassified into other comprehensive income		-	-
(4) Credit losses of other debt investments		-	-
(5) Cash flow hedge reserve (effective part of cash flow hedging profit and loss)		-	-
(6) Translation differences arising from translation of foreign currency financial statements		50,655,925.19	412,468,831.03
(7) Others		-	-
(II) Other comprehensive income (net of tax) attributable to non-controlling interests		-308,519,687.66	956,798,407.78
VII. Total comprehensive income for the period		5,071,513,159.39	6,682,366,449.81
(I) Attributable to shareholders of the Company		2,787,829,644.52	3,272,178,858.48
(II) Attributable to non-controlling interests		2,283,683,514.87	3,410,187,591.33
VIII. Earnings per share			
(I) Basic earnings per share (RMB/share)		1.12	1.05
(II) Diluted earnings per share (RMB/share)		1.12	1.05

The accompanying notes form part of the financial statements.

Income Statement of the Company

RMB

Item	Notes	For the six months ended 30 June	
		2026	2025
I. Total operating income	(XX)3	11,339,529.35	10,468,785.48
Including: Operating costs	(XX)3	1,869,721.92	1,869,721.92
Taxes and surcharges		1,439.00	40,139.06
Selling and distribution expenses		-	-
General and administrative expenses		66,219,364.57	68,889,403.19
Research and development expenses		2,769,843.83	4,901,396.85
Financial expenses		174,139,702.58	202,419,199.24
Including: Interest expenses		193,862,087.91	230,132,141.74
Interest income		19,208,909.32	31,430,097.06
Net exchange loss (“-” for gain)		-667,774.20	3,423,695.95
Add: Other income		225,023.79	1,308,142.76
Investment income (“-” for losses)	(XX)4	1,115,849,700.35	1,407,966,977.76
Including: Income from investments in associates and joint ventures	(XX)4	620,440,971.34	616,975,745.63
Income arising from derecognition of financial assets measured at amortised cost		-	-
Net exposure hedging income (“-” for losses)		-	-
Gains from changes in fair value (“-” for losses)		5,291,136.98	419,178.08
Reversal of credit impairment (“-” for losses)		-	-
Impairment losses (“-” for losses)		-	-
Gains from asset disposals (“-” for losses)		-2,581.64	-
II. Operating profit		887,702,736.93	1,142,043,223.82
Add: Non-operating income		3,868.04	0.01
Including: Government grants		-	-
Less: Non-operating expenses		-	-
III. Profit before income tax		887,706,604.97	1,142,043,223.83
Less: Income tax expenses		481,869.87	-495,856.17
IV. Net profit		887,224,735.10	1,142,539,080.00
Net profit from continuing operations (“-” for net loss)		887,224,735.10	1,142,539,080.00
Net profit from discontinued operations (“-” for net loss)		-	-
V. Other comprehensive income, net of tax		5,703,026.26	-9,233,634.93
(I) Items that will not be reclassified to profit or loss		-	-
1. Remeasurement of the defined benefit plan		-	-
2. Other comprehensive income recognised under the equity method		-	-
3. Changes in fair value of investments in other equity instruments		-	-
4. Changes in fair value of entity’s own credit risk		-	-
5. Others		-	-
(II) Items that may be reclassified to profit or loss		5,703,026.26	-9,233,634.93
1. Other comprehensive income recognised under the equity method		5,703,026.26	-9,233,634.93
2. Changes in fair value of other debt investments		-	-
3. Amount of financial assets reclassified into other comprehensive income		-	-
4. Credit losses of other debt investments		-	-
5. Cash flow hedge reserve (effective part of cash flow hedging profit and loss)		-	-
6. Translation differences arising from translation of foreign currency financial statements		-	-
7. Others		-	-
VI. Total comprehensive income for the period		892,927,761.36	1,133,305,445.07

The accompanying notes form part of the financial statements.

Consolidated Cash Flow Statement

RMB

Item	Notes	For the six months ended 30 June	
		2026	2025
I. Cash flows from operating activities:			
Proceeds from sale of goods and rendering of services		8,434,591,075.26	7,857,539,602.92
Refund of taxes		32,045,469.96	22,625,702.07
Proceeds from other operating activities	(VIII)63(1)	311,684,094.58	434,331,435.71
Sub-total of cash inflows		8,778,320,639.80	8,314,496,740.70
Payment for goods and services		2,137,017,250.47	2,213,195,912.82
Payment to and for employees		1,967,381,800.45	1,920,159,455.08
Payment of various taxes		992,059,574.55	779,324,979.56
Payment for other operating activities	(VIII)63(1)	333,787,401.19	393,123,076.45
Sub-total of cash outflows		5,430,246,026.66	5,305,803,423.91
Net cash inflow from operating activities	(VIII)64(1)	3,348,074,613.14	3,008,693,316.79
II. Cash flows from investing activities:			
Proceeds from disposal of investments		30,711,436,354.57	22,390,000,000.00
Investment returns received		1,215,179,100.26	1,400,094,606.45
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		4,348,482.41	92,000,595.10
Net proceeds from disposal of subsidiaries and other business units		-	-
Proceeds from other investing activities	(VIII)63(2)	30,609,211.91	193,281,858.34
Sub-total of cash inflows		31,961,573,149.15	24,075,377,059.89
Payment for acquisition of fixed assets, intangible assets and other long-term assets		737,575,344.32	1,057,042,867.97
Payment for acquisition of investments		30,910,000,000.00	21,608,606,292.72
Net payment for acquisition of subsidiaries and other business units		-	13,185,876.35
Payment for other investing activities	(VIII)63(2)	135,426,610.41	125,708,873.81
Sub-total of cash outflows		31,783,001,954.73	22,804,543,910.85
Net cash inflow from investing activities		178,571,194.42	1,270,833,149.04
III. Cash flows from financing activities:			
Proceeds from investors		2,659,907.81	4,628,001.40
Including: Proceeds from non-controlling shareholders of subsidiaries		-	-
Proceeds from borrowings		6,027,920,203.19	9,304,432,954.50
Proceeds from other financing activities	(VIII)63(3)	671,645.19	255,592,133.41
Sub-total of cash inflows		6,031,251,756.19	9,564,653,089.31
Repayments of borrowings		7,448,443,990.90	11,894,107,127.58
Payment for dividends, profit distributions or interests	(VIII)64(3)	1,030,285,223.95	3,230,960,884.51
Including: Dividends and profits paid to non-controlling shareholders of subsidiaries		378,623,401.71	572,192,997.59
Payment for other financing activities	(VIII)63(3)	327,043,882.34	381,049,285.64
Sub-total of cash outflows		8,805,773,097.19	15,506,117,297.73
Net cash outflow from financing activities		-2,774,521,341.00	-5,941,464,208.42
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-147,485,206.81	51,426,294.43
V. Net increase in cash and cash equivalents ("-" for net decrease)		604,639,259.75	-1,610,511,448.16
Add: Cash and cash equivalents at the beginning of the period	(VIII)64(1)	15,244,357,662.04	16,515,069,554.91
VI. Cash and cash equivalents at the end of the period	(VIII)64(2)	15,848,996,921.79	14,904,558,106.75

The accompanying notes form part of the financial statements.

Cash Flow Statement of the Company

RMB

Item	Notes	For the six months ended 30 June	
		2026	2025
I. Cash flows from operating activities:			
Proceeds from sale of goods and rendering of services		-	-
Refunds of taxes		238,525.21	220,631.35
Proceeds from other operating activities		45,805,012.74	129,026,795.99
Sub-total of cash inflows		46,043,537.95	129,247,427.34
Payment for goods and services		1,696,325.92	3,450,000.00
Payment to and for employees		61,176,740.15	53,334,144.19
Payment of various taxes		48,579.96	176,611.04
Payment for other operating activities		29,316,186.49	16,200,899.11
Sub-total of cash outflows		92,237,832.52	73,161,654.34
Net cash (outflow)/inflow from operating activities		-46,194,294.57	56,085,773.00
II. Cash flows from investing activities:			
Proceeds from disposal of investments		15,050,000,000.00	12,900,000,000.00
Investment returns received		884,450,466.01	1,615,238,889.61
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		3,100.00	-
Net proceeds from disposals of subsidiaries and other business units		-	-
Proceeds from other investing activities		762,518,455.89	1,455,335,973.18
Sub-total of cash inflows		16,696,972,021.90	15,970,574,862.79
Payment for acquisition of fixed assets, intangible assets and other long-term assets		4,692.15	1,390,143.47
Payment for acquisition of investments		15,400,000,000.00	11,700,000,000.00
Net payment for acquisition of subsidiaries and other business units		-	-
Payment for other investing activities		600,008,527.34	1,645,739,266.80
Sub-total of cash outflows		16,000,013,219.49	13,347,129,410.27
Net cash inflow from investing activities		696,958,802.41	2,623,445,452.52
III. Cash flows from financing activities:			
Proceeds from investors		2,659,907.81	4,628,001.40
Proceeds from borrowings		1,100,000,000.00	2,152,406,452.28
Proceeds from other financing activities		521,902.61	7,586,443.41
Sub-total of cash inflows		1,103,181,810.42	2,164,620,897.09
Repayments of borrowings		1,229,590,395.76	4,008,000,000.00
Payment for dividends, profit distributions or interests		117,509,435.99	2,031,554,308.07
Payment for other financing activities		3,029,767.96	272,507,639.18
Sub-total of cash outflows		1,350,129,599.71	6,312,061,947.25
Net cash outflow from financing activities		-246,947,789.29	-4,147,441,050.16
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-8,968.48	-267,786.56
V. Net increase in cash and cash equivalents (“-” for net decrease)		403,807,750.07	-1,468,177,611.20
Add: Cash and cash equivalents at the beginning of the period		2,717,060,614.37	4,016,283,989.90
VI. Cash and cash equivalents at the end of the period		3,120,868,364.44	2,548,106,378.70

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2026

Consolidated Statement of Changes in Shareholders' Equity

RMB

Item	For the six months ended 30 June 2026													
	Equity attributable to shareholders of the Company													
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Including: Translation difference of financial statements denominated in foreign currencies	Specific reserve	Surplus reserve	Retained earnings	Subtotal	Non-controlling interests	Total
		Preference shares	Perpetual bonds	others										
I. Balance at the end of the previous year	2,481,842,185.00	-	-	-	36,816,586,615.98	-	-969,163,426.51	-708,485,813.50	57,278,650.39	1,249,537,330.50	24,729,748,576.84	64,365,829,932.20	66,935,218,266.65	131,301,048,198.85
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corrections of prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business combination involving entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at the beginning of the period	2,481,842,185.00	-	-	-	36,816,586,615.98	-	-969,163,426.51	-708,485,813.50	57,278,650.39	1,249,537,330.50	24,729,748,576.84	64,365,829,932.20	66,935,218,266.65	131,301,048,198.85
III. Changes in equity during the period	306,100.00	-	-	-	90,713,370.93	-	6,722,629.26	50,655,925.19	19,049,988.56	-	797,870,535.55	914,662,624.30	975,911,418.68	1,890,574,042.98
(I) Total comprehensive income	-	-	-	-	-	-	6,722,629.26	50,655,925.19	-	-	2,781,107,015.26	2,787,829,644.52	2,283,683,514.87	5,071,513,159.39
(II) Shareholders' contributions of capital	306,100.00	-	-	-	90,713,370.93	-	-	-	-	-	-	91,019,470.93	73,168,003.78	164,187,474.71
1. Contribution by ordinary shareholders	306,100.00	-	-	-	5,155,967.24	-	-	-	-	-	-	5,462,067.24	-	5,462,067.24
2. Contribution by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Equity-settled share-based payments	-	-	-	-	-1,000,570.00	-	-	-	-	-	-	-1,000,570.00	-	-1,000,570.00
4. Others	-	-	-	-	86,557,973.69	-	-	-	-	-	-	86,557,973.69	73,168,003.78	159,725,977.47
(III) Appropriation of profits	-	-	-	-	-	-	-	-	-	-	-1,983,236,479.71	-1,983,236,479.71	-1,397,121,334.50	-3,380,357,814.21
1. Appropriation for surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Including: Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Arbitrary accumulation fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Distribution to shareholders	-	-	-	-	-	-	-	-	-	-	-1,983,236,479.71	-1,983,236,479.71	-1,397,121,334.50	-3,380,357,814.21
3. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Transfers within equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Share capital increased by capital reserve transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Share capital increased by surplus reserve transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Transfer of surplus reserve to offset losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Changes arising from defined benefit plan transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Transfer of other comprehensive income to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Specific reserve	-	-	-	-	-	-	-	-	19,049,988.56	-	-	19,049,988.56	16,181,234.53	35,231,223.09
1. Appropriation during the period	-	-	-	-	-	-	-	-	32,455,476.95	-	-	32,455,476.95	30,347,491.36	62,802,968.31
2. Utilisation during the period	-	-	-	-	-	-	-	-	-13,405,488.39	-	-	-13,405,488.39	-14,166,256.83	-27,571,745.22
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Balance at the end of the period	2,482,148,285.00	-	-	-	36,907,299,986.91	-	-962,440,797.25	-657,829,888.31	76,328,638.95	1,249,537,330.50	25,527,619,112.39	65,280,492,556.50	67,911,129,685.33	133,191,622,241.83

Consolidated Statement of Changes in Shareholders' Equity - continued

RMB

Item	For the six months ended 30 June 2025													
	Equity attributable to shareholders of the Company													
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Including: Translation difference of financial statements denominated in foreign currencies	Specific reserve	Surplus reserve	Retained earnings	Subtotal	Non-controlling interests	Total
		Preference shares	Perpetual bonds	others										
I. Balance at the end of the previous year	2,501,308,481.00	-	-	-	37,362,981,831.67	50,559,789.14	-1,558,381,237.45	-1,030,995,258.63	40,074,647.27	1,249,537,330.50	21,957,778,579.11	61,502,739,842.96	66,655,698,931.29	128,158,438,774.25
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corrections of prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business combination involving entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at the beginning of the period	2,501,308,481.00	-	-	-	37,362,981,831.67	50,559,789.14	-1,558,381,237.45	-1,030,995,258.63	40,074,647.27	1,249,537,330.50	21,957,778,579.11	61,502,739,842.96	66,655,698,931.29	128,158,438,774.25
III. Changes in equity during the period	199,900.00	-	-	-	-137,139,310.02	269,263,918.22	645,749,556.15	412,468,831.03	18,906,939.36	-	787,255,949.22	1,045,709,116.49	1,383,524,623.49	2,429,233,739.98
(I) Total comprehensive income	-	-	-	-	-	-	645,540,659.01	412,468,831.03	-	-	2,626,638,199.47	3,272,178,858.48	3,410,187,591.33	6,682,366,449.81
(II) Shareholders' contributions of capital	199,900.00	-	-	-	-137,139,310.02	269,263,918.22	208,897.14	-	33,514.19	-	454,446.93	-405,506,469.98	-197,643,127.49	-603,149,597.47
1. Contribution by ordinary shareholders	199,900.00	-	-	-	3,341,011.41	-	-	-	-	-	-	3,540,911.41	-	3,540,911.41
2. Contribution by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Equity-settled share-based payments	-	-	-	-	-442,650.00	-	-	-	-	-	-	-442,650.00	-211,470.30	-654,120.30
4. Others	-	-	-	-	-140,037,671.43	269,263,918.22	208,897.14	-	33,514.19	-	454,446.93	-408,604,731.39	-197,431,657.19	-606,036,388.58
(III) Appropriation of profits	-	-	-	-	-	-	-	-	-	-	-1,839,836,697.18	-1,839,836,697.18	-1,845,390,388.42	-3,685,227,085.60
1. Appropriation for surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Including: Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Arbitrary accumulation fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Distribution to shareholders	-	-	-	-	-	-	-	-	-	-	-1,839,836,697.18	-1,839,836,697.18	-1,873,154,898.22	-3,712,991,595.40
3. Others	-	-	-	-	-	-	-	-	-	-	-	-	27,764,509.80	27,764,509.80
(IV) Transfers within equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Share capital increased by capital reserve transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Share capital increased by surplus reserve transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Transfer of surplus reserve to offset losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Changes arising from defined benefit plan transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Transfer of other comprehensive income to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Specific reserve	-	-	-	-	-	-	-	-	18,873,425.17	-	-	18,873,425.17	16,370,548.07	35,243,973.24
1. Appropriation during the period	-	-	-	-	-	-	-	-	29,389,276.80	-	-	29,389,276.80	28,395,051.01	57,784,327.81
2. Utilisation during the period	-	-	-	-	-	-	-	-	-10,515,851.63	-	-	-10,515,851.63	-12,024,502.94	-22,540,354.57
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Balance at the end of the period	2,501,508,381.00	-	-	-	37,225,842,521.65	319,823,707.36	-912,631,681.30	-618,526,427.60	58,981,586.63	1,249,537,330.50	22,745,034,528.33	62,548,448,959.45	68,039,223,554.78	130,587,672,514.23

The accompanying notes form part of the financial statements.

The Company's Statement of Changes in Shareholders' Equity

RMB

Item	For the six months ended 30 June 2026											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Including: Translation difference of financial statements denominated in foreign currencies	Specific reserve	Surplus reserve	Retained earnings	Total
		Preference shares	perpetual bonds	others								
I. Balance at the end of the previous year	2,481,842,185.00	-	-	-	37,426,664,891.68	-	108,754,933.18	-	-	1,249,537,330.50	2,507,514,725.89	43,774,314,066.25
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-
Corrections of prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-
II Balance at the beginning of the period	2,481,842,185.00	-	-	-	37,426,664,891.68	-	108,754,933.18	-	-	1,249,537,330.50	2,507,514,725.89	43,774,314,066.25
III. Changes in equity during the period	306,100.00	-	-	-	17,096,501.89	-	5,703,026.26	-	-	-	-1,096,011,744.61	-1,072,906,116.46
(I) Total comprehensive income	-	-	-	-	-	-	5,703,026.26	-	-	-	887,224,735.10	892,927,761.36
(II) Shareholders' contributions of capital	306,100.00	-	-	-	17,096,501.89	-	-	-	-	-	-	17,402,601.89
1. Contribution by ordinary shareholders	306,100.00	-	-	-	5,155,967.24	-	-	-	-	-	-	5,462,067.24
2. Contribution by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
3. Equity-settled share-based payments	-	-	-	-	-1,000,570.00	-	-	-	-	-	-	-1,000,570.00
4. Others	-	-	-	-	12,941,104.65	-	-	-	-	-	-	12,941,104.65
(III) Appropriation of profits	-	-	-	-	-	-	-	-	-	-	-1,983,236,479.71	-1,983,236,479.71
1. Appropriation for surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-
Including: Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-
Arbitrary accumulation fund	-	-	-	-	-	-	-	-	-	-	-	-
2. Distribution to shareholders	-	-	-	-	-	-	-	-	-	-	-1,983,236,479.71	-1,983,236,479.71
3. Others	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Transfers within equity	-	-	-	-	-	-	-	-	-	-	-	-
1. Share capital increased by capital reserve transfer	-	-	-	-	-	-	-	-	-	-	-	-
2. Share capital increased by surplus reserve transfer	-	-	-	-	-	-	-	-	-	-	-	-
3. Transfer of surplus reserve to offset losses	-	-	-	-	-	-	-	-	-	-	-	-
4. Changes arising from defined benefit plan transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
5. Transfer of other comprehensive income to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-
(V) Specific reserve	-	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation during the period	-	-	-	-	-	-	-	-	-	-	-	-
2. Utilisation during the period	-	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-
IV. Balance at the end of the period	2,482,148,285.00	-	-	-	37,443,761,393.57	-	114,457,959.44	-	-	1,249,537,330.50	1,411,502,981.28	42,701,407,949.79

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

RMB

Item	For the six months ended 30 June 2025											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Including: Translation difference of financial statements denominated in foreign currencies	Specific reserve	Surplus reserve	Retained earnings	Total
		Preference shares	perpetual bonds	others								
I. Balance at the end of the previous year	2,501,308,481.00	-	-	-	37,773,833,882.62	50,559,789.14	130,414,442.07	-	-	1,249,537,330.50	2,285,715,457.11	43,890,249,804.16
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-
Corrections of prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-
II Balance at the beginning of the period	2,501,308,481.00	-	-	-	37,773,833,882.62	50,559,789.14	130,414,442.07	-	-	1,249,537,330.50	2,285,715,457.11	43,890,249,804.16
III. Changes in equity during the period	199,900.00	-	-	-	56,375,517.89	269,263,918.22	-9,233,634.93	-	-	-	-697,297,617.18	-919,219,752.44
(I) Total comprehensive income	-	-	-	-	-	-	-9,233,634.93	-	-	-	1,142,539,080.00	1,133,305,445.07
(II) Shareholders' contributions of capital	199,900.00	-	-	-	56,375,517.89	269,263,918.22	-	-	-	-	-	-212,688,500.33
1. Contribution by ordinary shareholders	199,900.00	-	-	-	3,341,011.41	-	-	-	-	-	-	3,540,911.41
2. Contribution by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
3. Equity-settled share-based payments	-	-	-	-	-442,650.00	-	-	-	-	-	-	-442,650.00
4. Others	-	-	-	-	53,477,156.48	269,263,918.22	-	-	-	-	-	-215,786,761.74
(III) Appropriation of profits	-	-	-	-	-	-	-	-	-	-	-1,839,836,697.18	-1,839,836,697.18
1. Appropriation for surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-
Including: Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-
Arbitrary accumulation fund	-	-	-	-	-	-	-	-	-	-	-	-
2. Distribution to shareholders	-	-	-	-	-	-	-	-	-	-	-1,839,836,697.18	-1,839,836,697.18
3. Others	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Transfers within equity	-	-	-	-	-	-	-	-	-	-	-	-
1. Share capital increased by capital reserve transfer	-	-	-	-	-	-	-	-	-	-	-	-
2. Share capital increased by surplus reserve transfer	-	-	-	-	-	-	-	-	-	-	-	-
3. Transfer of surplus reserve to offset losses	-	-	-	-	-	-	-	-	-	-	-	-
4. Changes arising from defined benefit plan transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
5. Transfer of other comprehensive income to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-
(V) Specific reserve	-	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation during the period	-	-	-	-	-	-	-	-	-	-	-	-
2. Utilisation during the period	-	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-
IV. Balance at the end of the period	2,501,508,381.00	-	-	-	37,830,209,400.51	319,823,707.36	121,180,807.14	-	-	1,249,537,330.50	1,588,417,839.93	42,971,030,051.72

The accompanying notes form part of the financial statements.

(I) GENERAL INFORMATION OF THE COMPANY

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

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

The Company's and consolidated financial statements were approved by the Board of Directors on 27 August 2026.

(II) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Basis of preparation of financial statements

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

Going concern

As at 30 June 2026, the Group had total current liabilities in excess of total current assets by RMB 11,625,901,958.85. As at 30 June 2026, the Group had available and unused credit facilities and bonds amounting to RMB 68,671,064,184.07, which is greater than the balance of the net current liabilities. The Group can obtain financial support from the available line of credit and bonds when needed. Therefore, the financial statements have been prepared on a going concern basis.

(III) STATEMENT OF COMPLIANCE WITH THE ASBE

The financial statements prepared by the Company comply with the requirements of the Accounting Standards for Business Enterprises, and truly and completely reflect the consolidated and Company's financial position as at 30 June 2026, and the consolidated and Company's operating results, consolidated and Company's shareholders' equity, and consolidated and Company's cash flow for the period from 1 January to 30 June 2026.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Accounting year

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

2. Operating cycle

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

3. Functional currency

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

4. Basis of accounting and principle of measurement

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

4. Basis of accounting and principle of measurement - continued

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.

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

6. Business combinations

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

6.1 Business combinations involving enterprises under common control

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

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

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

6.2 Business combinations not involving enterprises under common control

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

6. Business combinations - continued

6.2 Business combinations not involving enterprises under common control - continued

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

7. Goodwill

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

8. Consolidated financial statements

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

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

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

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

8. Consolidated financial statements - continued

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

8. Consolidated financial statements - continued

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

9. Joint arrangements

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

9. Joint arrangements - continued

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

10. Cash and cash equivalents

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

11. Financial instruments

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense 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 carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial asset or financial liability (such as repayment in advance, extension, call option or other similar options etc.) without considering the expected credit losses.

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

11.1 Classification, recognition and measurement of financial assets

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.1 Classification, recognition and measurement of financial assets - continued

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

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

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

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

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

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

11.1.1 Financial assets measured at amortised cost

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.1 Classification, recognition and measurement of financial assets - continued

11.1.1 Financial assets measured at amortised cost - continued

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

11.1.2 Financial assets at FVTOCI

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.1 Classification, recognition and measurement of financial assets - continued

11.1.3 Financial assets at FVTPL

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

11.2 Impairment of financial instruments

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.2 Impairment of financial instruments - continued

11.2.1 Significant increase of credit risk

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

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

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

(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

(12) Expected changes to loan contracts, 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;
(13) Significant change in the expected performance and repayment of the debtor;
(14) Changes 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 one or more events that are expected to have an adverse impact on the future cash flows of the financial assets have occurred, the financial assets become credit-impaired. The evidence 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) A creditor grants a concession to the debtor that it would not otherwise consider, driven by economic or contractual considerations relating to the debtor's financial difficulty.
(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 collateral held by the Group).

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.2 Impairment of financial instruments - continued

11.2.3 Determination of expected credit loss

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

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

- For financial assets, the credit loss is the present value of the difference between the contractual cash flows that are due to the Group under the contract and the cash flows that the Group expects to receive.
- For financial guarantee contracts (refer to Note (IV) 11.4.1.3 for the detail of accounting policies), the credit loss is the present value of the expected payments to reimburse the holder for the credit loss incurred less any amounts that the Group expects to receive from the holder, the debtor or any other party.
- For financial assets credit-impaired at the balance sheet date, but not purchased or originated credit-impaired, the credit loss is the difference between the 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 recognised by assessing a range of possible outcomes; time value of money; reasonable and supportable information related to historical events, current condition and forecast of future economic condition that is available without undue cost or effort at the balance sheet date.

11.2.4 Write-off of financial assets

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.3 Transfer of financial assets

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.3 Transfer of financial assets - continued

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

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

11.4 Classification of financial liabilities and equity instruments

Financial instruments issued by the Group or their components are classified into financial liabilities or equity instruments on the basis of the substance of the contractual arrangements and the economic nature rather than solely on their 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 FVTPL. Except for derivative financial liabilities presented separately, the financial liabilities at FVTPL are presented as financial liabilities held for trading.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.4 Classification of financial liabilities and equity instruments - continued

11.4.1 Classification, recognition and measurement of financial liabilities - continued

11.4.1.1 Financial liabilities at FVTPL - continued

A financial liability 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 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 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 financial instrument is a hybrid instrument containing one or more embedded derivatives.

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

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

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

11.4.1.2 Other financial liabilities

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

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

11.4.1.3 Financial guarantee contracts

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.4 Classification of financial liabilities and equity instruments - continued

11.4.2 Derecognition of financial liabilities

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

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

11.4.3 Equity instruments

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.5 Derivatives and embedded derivatives

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

For hybrid contracts comprising an embedded derivative and a host contract, where the host contract is a financial asset, the Group does not separate the embedded derivative from such hybrid contracts. 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 is measured at the difference between the fair value of the hybrid contracts and the fair value of the host contracts. By adopting the above method, if the embedded derivative cannot be measured on a stand-alone basis at the time when it is acquired or at subsequent balance sheet dates, the hybrid instrument is designated as financial instruments at fair value through profit or loss as a whole.

11.6 Offsetting financial assets and financial liabilities

Where the Group has a legal right that is currently enforceable to set off the recognised financial assets and financial liabilities, and intends either to settle on a net basis, or to realise 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.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.7 Compound instruments

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

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

The liability portion of the convertible bonds is subsequently measured at amortised cost using effective interest method; the value of the conversion option classified as equity instrument remains 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 costs relating to the liability portion is included in the carrying amount of the liability, and amortised over the lifetime of the convertible bonds using effective interest method.

11.8 Reclassification of financial instruments

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Financial instruments - continued

11.8 Reclassification of financial instruments - continued

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

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

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

Where a financial asset at FVTPL is reclassified as a financial asset at amortised cost by the Group, the fair value at the date of reclassification is determined as the new 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 determines the credit losses of receivables on a portfolio basis using an impairment matrix for other receivables. The amount of increase in or reversal of allowance for expected credit losses on receivables is included in profit or loss for the period as credit losses or gains.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

12. Receivables - continued

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

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

The Group assigns internal credit ratings to customers and determines expected loss rate of receivables. The bases for determining ratings and the expected loss rates are as follows:

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

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

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

13. Inventories

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

13.1.1 Categories of inventories

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

13. Inventories - continued

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

13.1.2 Measurement method of cost of inventories

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

13.1.3 Inventory count system

The inventory system adopted is the perpetual inventory system.

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

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

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

14. Long-term equity investments

14.1 Basis for determining joint control and significant influence over investee

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

14.2 Determination of initial investment cost

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

14. Long-term equity investments - continued

14.2 Determination of initial investment cost - continued

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

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

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

14.3 Subsequent measurement and recognition of profit or loss

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

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

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

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

Except for investments in associates and joint ventures classified as held-for-sale in whole or in part, 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.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

14. Long-term equity investments - continued

14.3 Subsequent measurement and recognition of profit or loss - continued

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

14. Long-term equity investments - continued

14.4 Disposal of long-term equity investments

On disposal of a long-term equity investment, the difference between the consideration received and the carrying amount is recognised in profit or loss for the period. For long-term equity investments accounted for using the equity method, if the remaining interest after disposal is still accounted for using the equity method, other comprehensive income previously recognised using the equity method is accounted for on the same basis as would have been required if the investee had directly disposed of related assets or liabilities, and transferred to profit or loss for the period on a pro rata basis; shareholders' equity recognised due to other changes in shareholders' equity of the investee (other than net profit or loss, other comprehensive income and profit distribution) is transferred to profit or loss for the period on a pro rata basis. For long-term equity investments accounted for using the cost method, if the remaining interest after disposal is still accounted for using the cost method, other comprehensive income previously recognised using the equity method or in accordance with the standards for the recognition and measurement of financial instruments before the acquisition of 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 shareholders' equity in the investee's net assets recognised under the equity method (other than net profit or loss, other comprehensive income and profit distribution) are 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 if the equity method had been applied since the acquisition date. If remaining shares after disposal cannot have joint control or significant influence over the investee, they are accounted for in accordance with the standards for recognition and measurement of financial instruments, and the difference between fair value on date of losing control and carrying amount is recognised in profit or loss for the period. Other comprehensive income recognised using the equity method or in accordance with the standards for the recognition and measurement of financial instruments before obtaining control over the investee, is accounted for on the same basis as would have been required if the investee had directly disposed of related assets or liabilities when the control over the investee is lost; other changes in shareholders' equity in the investee's net assets recognised under the equity method (other than net profit or loss, other comprehensive income and profit distribution) is transferred to profit or loss for the period. Where remaining shares after disposal are accounted for under equity method, other comprehensive income and other shareholders' 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 shareholders' equity are all transferred.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

14. Long-term equity investments - continued

14.4 Disposal of long-term equity investments - continued

Where the Group loses joint control or significant influence over the investee after due to the disposal of part of its equity investment, remaining shares after disposal are accounted for in accordance with the standards for recognition and measurement of financial instruments, and the difference between fair value at the date of losing joint control or significant influence and carrying amount is recognised in profit or loss for the period. Other comprehensive income previously recognised under the equity method, is accounted for on the same basis as would have been required if the investee had directly disposed of related assets or liabilities when the equity method is not adopted, and other changes in shareholders' 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 are assessed as a "package deal", all transactions are deemed as one transaction on disposal of equity investment in subsidiaries, and the difference between the amount of disposal and carrying amount of long-term equity investment is recognised as other comprehensive income before the loss of control, and transferred to profit or loss for the period when the control is lost.

15. Investment properties

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

15. Investment properties - continued

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

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

16. Fixed assets and depreciation

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

16. Fixed assets and depreciation - continued

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

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

17. Construction in progress

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

18. Intangible assets

18.1 Intangible assets

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

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

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

18.2 Expenditure on research and development

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

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

(1) it is technically feasible to complete the intangible asset so that it will be available for use or sale.
(2) the Group has the intention to complete the intangible asset and use or sell it.
(3) the Group can demonstrate the ways in which the intangible asset will generate economic benefits, including the evidence of the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

18. Intangible assets - continued

18.2 Expenditure on research and development - continued

(4) The availability of adequate technical, financial, and other resources to complete the development of the intangible asset and the ability to use or sell the intangible asset.
(5) The expenditure attributable to the intangible asset during its development phase can be measured reliably.

If the expenditures cannot be distinguished between the research phase and development phase, the Group recognises all of them in profit or loss for the period. 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.

19. Long-term deferred expenses

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

20. Impairment of non-financial assets other than goodwill

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

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

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

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

21. Provisions

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

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

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

22. Employee benefits

22.1 Short-term employee benefits

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

22. Employee benefits - continued

22.1 Short-term employee benefits - continued

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

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

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

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

22.2 Post-employment benefits

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

22. Employee benefits - continued

22.2 Post-employment benefits - continued

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 contributions to independent funds; the defined benefit plans refer to the post-employment benefit plans other than the defined contribution plans. During the accounting period in which employees render services to the Group, the amounts payable calculated based on the defined contribution plans are recognised as liabilities and included in profit or loss for the period or costs of related assets.

For defined benefit plans, the Group attributes the welfare obligations arising from the defined benefit plans to the period in which employees provide services to the Group according to the formula determined based on the projected unit credit 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 plan 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 recognised in profit or loss for the period or costs of related assets. Remeasurement of the net defined benefit liabilities (assets) (including actuarial gains and losses, the return on plan assets, excluding amounts included in net interest on net defined benefit liabilities (assets), and any changes in the effect of the asset ceiling, excluding amounts included in net interest on net defined benefit liabilities (assets)) are recognised in other comprehensive income.

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

22. Employee benefits - continued

22.3 Termination benefits

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

22.4 Other long-term employee benefits

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

23. Share-based payments

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

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

24. Bonds payable

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

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

25. Preference shares, perpetual bonds and other financial instruments

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

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, cancellations, etc., are treated as changes in equity, and related transaction costs are deducted from equity.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

26. Revenue recognition

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

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

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

The Group evaluates the contract on the contract start date, identifies each individual performance obligation contained in the contract, and determines whether each individual performance obligation is performed within a certain period or at a certain time point. It is a performance obligation satisfied during a period of time and the Group recognises revenue during a period of time according to the progress of performance if one of the following conditions is met: (i) the customer obtains and consumes economic benefits at the same time of the Group's performance; (ii) the customer is able to control goods or services in progress during the Group's performance; (iii) goods or services generated during the Group's performance no alternative use, and the Group is entitled to collect amounts of cumulative performance part which have been done up to now. Otherwise, revenue is recognised at a point in time when the customer obtains control over the relevant goods or services.

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

26. Revenue recognition - continued

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

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

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

If there are two or more of performance obligations included in the contract, at the inception of the contract, the Group allocates the transaction price to each single performance obligation based on the proportion of stand-alone selling price of goods or services promised in each stand-alone performance obligation. However, if there is conclusive evidence indicating that the contract discount or variable consideration is only relative to 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 likely amount. The transaction price including variable consideration shall not exceed the amount of the cumulatively recognised revenue which is highly probable not being significantly reversed when relevant uncertainty is eliminated. At each balance sheet date, the Group re-estimates the amount of variable consideration which should be included in transaction price.

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

26. Revenue recognition - continued

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

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

26. Revenue recognition - continued

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

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

26.3 Costs of obtaining a contract

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

26.4 Costs to fulfil a contract

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

27. Government grants

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

27. Government grants - continued

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

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

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

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

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

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

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

28. Borrowing costs

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

28. Borrowing costs - continued

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

29. Income tax

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

29.1 Current income tax

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

29.2 Deferred tax assets and deferred tax liabilities

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

29. Deferred tax assets/ deferred tax liabilities - continued

29.2 Deferred tax assets and deferred tax liabilities - continued

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

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

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

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

29.3 Income tax offsetting

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realise 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 realise the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

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

30.1 Transactions denominated in foreign currencies

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

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

30.2 Translation of financial statements denominated in foreign currencies

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases

A lease is a contract under which a lessor conveys the right to use an asset to a lessee for a specified period in exchange for consideration.

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

31.1 The Group as lessee

31.1.1 Separating components of a lease

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

31.1.2 Right-of-use assets

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

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

The Group depreciates right-of-use assets in accordance with the depreciation requirements set out in Accounting Standard for *ASBE No.4 -- Fixed Assets*. If it is reasonably certain that the Group will obtain ownership of the underlying asset by the end of the lease term, the right-of-use asset is depreciated over the remaining useful life of the underlying asset. If it is not reasonably certain that the Group will obtain ownership of the underlying asset by the end of the lease term, the right-of-use asset is depreciated over the shorter of the lease term and the remaining useful life of the underlying asset.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases - continued

31.1 The Group as lessee - continued

31.1.3 Lease liabilities

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

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

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

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

After the commencement date, interest expense 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.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases - continued

31.1 The Group as lessee - continued

31.1.3 Lease liabilities - continued

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

- where there is a change in the lease term, or in the assessment of an option to purchase the underlying asset, the Group remeasures the lease liabilities, on the basis of the revised leases payments and the revised discount rate.
- where there is a change in the amounts expected to be payable under a residual value guarantee, or in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities, on the basis of the revised lease payments and the unchanged discount rate, unless the change in the lease payments results from a change in floating interest rates, in which case the revised discount rate is applied.

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

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

31.1.5 Lease modifications

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases - continued

31.1 The Group as lessee - continued

31.1.5 Lease modifications - continued

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification, the Group should allocate the consideration in the modified contract, determine the lease term of the modified lease and remeasure the lease liabilities based on the present value of the changed lease payments and the revised discount rate.

For lease modifications that decrease the scope of the lease or shorten the term of the lease, the Group should decrease the carrying amount of the right-of-use assets with any gain or loss relating to the partial or full termination of the lease recognised in profit or loss. For re-measurement of lease liabilities due to other lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use assets.

31.2 The Group as lessor

31.2.1 Separating components of a lease

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

31.2.2 Classification of leases

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

31.2.3 The Group as lessor under operating leases

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases - continued

31.2.4 The Group as lessor under finance leases

At the commencement date, the Group recognises a finance lease receivable at the amount equal to the net lease investment with assets under finance lease derecognised. The net investment in the lease is the sum of the present value of the unguaranteed residual value and the lease payments receivable at the commencement date, discounted using the lease's implicit interest rate.

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;
- guaranteed residual values 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 payments not included in the measurement of the net investment in the lease are recognised in profit or loss in the period in which they occur.

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases - continued

31.2 The Group as lessor - continued

31.2.5 Subleases

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

31.2.6 Lease modifications

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

A lease modification should be accounted for as a separate lease if there is a modification in a finance lease and both of the following conditions 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*.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases - continued

31.2.7 The Group as the buyer-lessor

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

32. Safety production cost

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

33. Exchange of non-monetary assets

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

33. Exchange of non-monetary assets - continued

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

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

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

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

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

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

1.1 Goodwill impairment

The book value of goodwill on 30 June 2026 is RMB 6,238,999,205.88. The Group will conduct impairment testing on goodwill at least annually. For the purpose of impairment testing, the recoverable amount of each cash-generating unit and group of cash-generating units that generate goodwill of the Group is determined by fair value less estimated cost of disposal and by the present value of estimated future cash flows, which involve management judgments.

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

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

1.2 Recognition of deferred income tax

The Group calculates and recognises deferred tax liabilities based on 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, the corresponding deferred tax liabilities are not recognised considering such earnings will be utilised for the investees' daily operations and future development. Where the actual profit distribution in future years exceeds or falls below the expected profit distribution amount, corresponding deferred tax liabilities will be recognised or reversed in profit or loss for the period at the earlier of the date of change to the profit distribution plan and the date of dividend declaration.

Deferred tax assets are recognised based on the deductible temporary differences and the corresponding tax rate, to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. If the actual taxable income in future years are higher or lower than the current expectations, corresponding deferred tax assets will be recognised or reversed in profit or loss in the year in which such differences arise.

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

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

(VI) CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Changes in significant accounting policies

1.1 Interpretation of Accounting Standards for Business Enterprises No. 19

The Ministry of Finance of the PRC issued *Interpretation of Accounting Standards for Business Enterprises No. 19* (hereinafter referred to as "Interpretation No. 19") on December 5, 2025. The provisions concerning "Accounting Treatment for Compensatory Assets in Business Combinations Not under Common Control", "Accounting Treatment for Capital Reserves Related to the Disposal of Subsidiaries Originally Acquired through Business Combinations under Common Control", "Derecognition of Financial Liabilities Settled through Electronic Payment Systems", "Assessment of Contractual Cash Flow Characteristics of Financial Assets and Related Disclosures", and "Disclosures for Equity Instruments Designated at Fair Value through Other Comprehensive Income" shall be applied for annual periods beginning on or after January 1, 2026.

Following this accounting policy change, the Group applies the relevant provisions of Interpretation No. 19.

The adoption of these provisions has had no material impact on the Group's financial position or operating results.

1.2 Interpretation of Accounting Standards for Business Enterprises No. 20

The Ministry of Finance of the PRC issued *Interpretation of Accounting Standards for Business Enterprises No. 20* (hereinafter referred to as "Interpretation No. 20") on June 4, 2026. The provisions concerning "Assessment of Contractual Cash Flow Characteristics of Financial Assets" and "Accounting Treatment and Related Disclosures for Transactions Involving Currencies Lacking Exchangeability" shall be applied **effective upon issuance**.

For transactions occurring between January 1, 2026, and the effective date of Interpretation No. 20 that fall within the scope of this Interpretation, enterprises shall apply retrospective adjustment in accordance with Interpretation No. 20.

Following this accounting policy change, the Group applies the relevant provisions of Interpretation No. 20.

The adoption of these provisions has had no material impact on the Group's financial position or operating results.

(VII) TAXES

1. Major taxes and tax rates

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

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% or 16.5%, the majority of subsidiaries set up in China are subject to an enterprise income tax rate of 25%, and the other overseas subsidiaries are subject to enterprise income tax rates between 10% and 34%.

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

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

(VII) TAXES - continued

1. Major taxes and tax rates - continued

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

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

2. Tax preference and approval documents

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

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

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

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

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

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

Item	Closing Balance	Opening Balance
Cash	197,280.89	191,636.31
Bank deposits	12,781,714,516.33	10,403,337,125.34
Other cash and bank balances	43,211,791.89	238,129,183.87
Cash deposited in the finance company	3,106,325,950.09	4,733,188,415.27
Total	15,931,449,539.20	15,374,846,360.79
Including: Total amount of funds deposited overseas	6,936,982,087.70	6,289,654,047.38

Note 1: The interest receivable at the end of the period amounted to RMB 20,122,912.76 (31 December 2025 : RMB 42,029,709.64).

Note 2: Cash deposited in the finance company included the interest receivable amounting to RMB 19,270,302.43 (31 December 2025 : RMB 14,222,500.39).

Note 3: As of the period, the Group has no non-restricted term diposits exceeding three months. (31 December 2025 : RMB 30,000,000.00).

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

Item	30/06/2026	31/12/2025	Reasons for restricted use
Interest receivable	39,393,215.19	56,252,210.03	Not actually received
Performance bond	39,830,652.22	41,023,738.72	Not available for withdrawal at any time
Litigation freezing funds	3,000,000.00	3,000,000.00	Not available for withdrawal at any time
Guarantee deposit	216,000.00	200,000.00	Not available for withdrawal at any time
ETC card frozen funds	12,750.00	12,750.00	Not available for withdrawal at any time
Total	82,452,617.41	100,488,698.75	

2. Financial assets held for trading

Item	30/06/2026	31/12/2025
Financial assets classified as FVTPL	7,801,237,827.41	7,578,824,365.75
Including: Structured deposits	7,801,237,827.41	7,578,824,365.75
Total	7,801,237,827.41	7,578,824,365.75

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

3. Bills receivable

(1) Category of bills receivable

Category	30/06/2026	31/12/2025
Bank acceptance	74,258,926.74	122,029,884.15
Commercial acceptance	-	29,000,000.00
Total	74,258,926.74	151,029,884.15

Note: For the period from 1 January to 30 June 2026, no provision for bad debts of bills receivable is assessed on an individual basis and, the main acceptor of bank acceptance and commercial acceptance for which provision for bad debts is assessed on a portfolio basis has high credit ratings with no significant credit risks, therefore, no provision for bad debts is made.

(2) As at 30 June 2026, the Group has no bills receivable pledged.

(3) As at 30 June 2026, bills receivable endorsed or discounted by the Group and not yet due on the balance sheet date.

Item	Amount derecognised at the end of the period	Unrecognised amount at the end of the period
Bank acceptance	54,690,881.53	19,542,230.91

(4) As at 30 June 2026, the Group has no bills transferred to accounts receivable due to the drawer's failure to perform.

(5) For the period from 1 January to 30 June 2026, there were no notes receivable written off.

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

4. Accounts receivable

(1) Overall situation of accounts receivable

Category	30/06/2026	31/12/2025
Accounts receivable	2,279,779,753.19	1,362,653,229.32
Less: Provision for bad debts	67,806,767.09	65,486,371.62
Total	2,211,972,986.10	1,297,166,857.70

(2) Aging analysis of accounts receivable

Aging	Closing Balance			Opening Balance		
	Gross carrying amount	Proportion (%)	Provision for bad debts	Gross carrying amount	Proportion (%)	Provision for bad debts
Within 1 year (Including 1 year)	2,205,805,577.18	96.75	12,374,216.89	1,286,427,749.56	94.40	11,648,068.41
1-2 years (Including 2 years)	22,019,651.33	0.97	8,660,555.25	20,966,190.64	1.54	4,671,448.93
2-3 years (Including 3 years)	15,457,690.55	0.68	12,110,345.88	22,842,354.51	1.68	17,333,429.71
More than 3 years	36,496,834.13	1.60	34,661,649.07	32,416,934.61	2.38	31,833,424.57
Total	2,279,779,753.19	100.00	67,806,767.09	1,362,653,229.32	100.00	65,486,371.62

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

4. Accounts receivable - continued

(3) Disclosure of accounts receivable by category

Item	Closing Balance					Opening Balance					Reason for provision
	Gross carrying amount		Provision for bad debts		Net carrying amount	Gross carrying amount		Provision for bad debts		Net carrying amount	
	Value	Percentage (%)	Value	Proportion (%)		Value	Percentage (%)	Value	Proportion (%)		
A	1,410,370,816.85	61.87	1,230,308.32	0.09	1,409,140,508.53	816,089,512.92	59.89	220,906.31	0.03	815,868,606.61	Accrued according to the expected loss rate of each rating
B	745,283,228.99	32.69	487,431.67	0.07	744,795,797.32	405,297,310.13	29.74	872,676.19	0.22	404,424,633.94	Accrued according to the expected loss rate of each rating
C	64,104,690.87	2.81	8,355,211.33	13.03	55,749,479.54	78,476,799.95	5.76	4,725,227.39	6.02	73,751,572.56	Accrued according to the expected loss rate of each rating
D	60,021,016.48	2.63	57,733,815.77	96.19	2,287,200.71	62,789,606.32	4.61	59,667,561.73	95.03	3,122,044.59	Low probability of recovery
Total	2,279,779,753.19	100.00	67,806,767.09	2.97	2,211,972,986.10	1,362,653,229.32	100.00	65,486,371.62	4.81	1,297,166,857.70	——

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

Name	Closing Balance			Reason for provision
	Gross carrying amount	Provision for bad debts	Expected credit loss rate (%)	
Client 1	14,166,889.98	14,166,889.98	100.00	Low probability of recovery
Client 2	6,546,597.51	6,546,597.51	100.00	Low probability of recovery
Client 3	5,646,116.02	5,646,116.02	100.00	Low probability of recovery
Client 4	4,828,983.86	4,828,983.86	100.00	Low probability of recovery
Client 5	3,631,638.08	3,631,638.08	100.00	Low probability of recovery
Others	25,200,791.03	22,913,590.32	90.92	——
Total	60,021,016.48	57,733,815.77	96.19	——

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

4. Accounts receivable - continued

(4) For the period from 1 January to 30 June 2026, the Group has no significant provision for bad debts recovered or reversed this period.

(5) For the period from 1 January to 30 June 2026, the Group has no written-off of accounts receivable in this period.

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

Name of entity	Relationship with the Group	Gross carrying amount	Aging	Provision for bad debts	Proportion of the amount to the total accounts receivable (%)
Client 6	Third party	519,166,325.62	Within 1 year, 1-2 years and 2-3 years	225,674.38	22.77
Client 7	Third party	120,265,061.77	Within 1 year, 1-2 years and 2-3 years	240,443.34	5.28
Client 8	Third party	80,784,642.03	Within 1 year	136,978.61	3.54
Client 9	Third party	61,409,681.97	Within 1 year	-	2.69
Client 10	Third party	53,152,567.98	Within 1 year	-	2.33
Total	——	834,778,279.37	——	603,096.33	36.61

5. Receivables under financing

(1) Classification of receivables under financing

Item	Closing Balance	Opening Balance
Bank acceptance measured at fair value	67,563,325.20	114,680,738.25

(2) As at 30 June 2026, the Group has no pledged receivables under financing.

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

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

6. Prepayments

(1) Aging analysis of prepayments

Aging	30/06/2026			31/12/2025		
	Gross carrying amount	Proportion (%)	Impairment provision	Gross carrying amount	Proportion (%)	Impairment provision
Within 1 year (including 1 year)	109,233,500.70	93.51	-	79,429,482.24	91.21	-
1-2 years (including 2 year)	7,371,598.21	6.31	4,134,596.39	7,288,415.34	8.37	4,260,618.26
2-3 years (including 3 year)	60,583.94	0.05	-	301,519.63	0.35	-
More than 3 years	152,044.88	0.13	-	60,400.00	0.07	-
Total	116,817,727.73	100.00	4,134,596.39	87,079,817.21	100.00	4,260,618.26

(2) As at 30 June 2026, the Group has no significant prepayments aged more than one year.

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

Name of entity	Closing Balance	Proportion in total prepayments (%)	Provision for bad debts
Supplier 1	12,873,729.25	11.02	-
Supplier 2	8,491,222.91	7.27	-
Supplier 3	7,358,988.26	6.30	-
Supplier 4	6,024,726.94	5.16	-
Supplier 5	4,583,289.04	3.92	-
Total	39,331,956.40	33.67	-

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

7. Other receivables

7.1 Presentation of other receivables

Item	30/06/2026	31/12/2025
Dividends receivable	1,296,598,929.03	576,943,449.36
Other receivables	391,162,192.52	435,711,829.28
Total	1,687,761,121.55	1,012,655,278.64

7.2 Dividends receivable

Name of investee	30/06/2026	31/12/2025	Reason for non-recovery	Whether there is impairment and its judgment basis
Dividends receivable with an aging within 1 year	1,150,867,381.09	467,505,525.56	——	——
Including:	——	——	——	——
Shanghai International Port (Group) Co., Ltd. (hereinafter referred to as "Shanghai Port Group")	947,040,362.53	326,565,642.25	——	No
Liaoning Port Co., Ltd. (hereinafter referred to as "Liaoning Port")	77,667,363.38	-	——	No
Qingdao Port Dongjiakou Ore Terminal Co., Ltd.	68,175,602.27	68,175,602.27	——	No
Modern Terminals Ltd.	46,329,730.83	-	——	No
PORT OF NEWCASTLE INVESTMENTS (PROPERTY HOLDINGS) PTY LIMITED	7,554,070.64	7,264,990.21	——	No
Tianjin Port Container Terminal Co., Ltd.	4,100,251.44	-	——	No
China Nanshan Development (Group) Incorporation (hereinafter referred to as "Nanshan Group")	-	37,014,000.00	——	No
Euro-Asia Oceangate S.à r.l..	-	28,485,290.83	——	No
Dividends receivable with an aging of more than one year	147,029,444.77	110,015,444.77	——	——
Including:	——	——	——	——
Nanshan Group	111,042,000.00	74,028,000.00	Relevant procedures are being handled and past dividends are being paid in succession	No
Zhanjiang Merchants Port City Investment Co., Ltd. (hereinafter referred to as "Merchants Port City")	35,771,044.77	35,771,044.77	Lack of funds	No
Others	216,400.00	216,400.00	Lack of funds	No
Sub-total	1,297,896,825.86	577,520,970.33	——	——
Less: Provision for bad debts	1,297,896.83	577,520.97	——	——
Total	1,296,598,929.03	576,943,449.36	——	——

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

7. Other receivables - continued

7.3 Other receivables

(1) Aging analysis of other receivables

Aging	30/06/2026			31/12/2025		
	Gross carrying amount	Proportion (%)	Provision for bad debts	Gross carrying amount	Proportion (%)	Provision for bad debts
Within 1 year (including 1 year)	132,547,204.06	13.33	4,721,366.43	172,587,395.66	16.08	3,636,376.18
1-2 years (including 2 year)	72,858,071.55	7.33	3,432,619.19	77,083,020.84	7.18	4,185,192.57
2-3 years (including 3 year)	6,929,120.18	0.70	3,276,905.04	10,568,270.82	0.98	3,606,663.48
More than 3 years	782,022,012.61	78.64	591,763,325.22	813,057,695.18	75.76	626,156,320.99
Total	994,356,408.40	100.00	603,194,215.88	1,073,296,382.50	100.00	637,584,553.22

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

7. Other receivables - continued

7.3 Other receivables - continued

(2) Disclosure of other receivables by nature

Item	30/06/2026	31/12/2025
Operation compensation (Note 1)	526,857,964.27	560,956,025.90
Advance payment	181,611,357.94	233,561,792.45
Land compensation (Note 2)	58,262,369.00	58,262,369.00
Security deposit	27,854,028.74	33,170,963.31
Others	199,770,688.45	187,345,231.84
Sub-total	994,356,408.40	1,073,296,382.50
Less: Provision for bad debts	603,194,215.88	637,584,553.22
Total	391,162,192.52	435,711,829.28

Note 1: It is the operating compensation that the subsidiary of the Company shall collect from the holding company of its non-controlling shareholders according to the agreement. As at 30 June 2026, the aggregate outstanding compensation receivable by the Group, which is equivalent to RMB 526,857,964.27. The provision for bad debts have been fully withdrawn.

Note 2: On 9 October 2021, Zhanjiang Port (Group) Co., Ltd. (hereinafter referred to as "Zhanjiang Port"), a subsidiary of the Company, signed the *Agreement on the Recovery of State owned Land Use Rights* with local government agencies, which stipulates that Zhanjiang Port will return 195.68 mu of land located in Zhanjiang Comprehensive Bonded Zone, east of Shugang Avenue, to local government agencies at a price of RMB 89,630,000.00. The above land has been handed over before 31 December 2021. As at 30 June 2026, the above land compensation of RMB 89,000,000.00 has been recovered, and the remaining RMB 630,000.00 of land compensation has not been recovered.

On 4 September 2024, Zhanjiang Port signed the *Agreement on the Recovery of State owned Land Use Rights* with local government agencies, which stipulates that Zhanjiang Port will return 146,970.20 square meters of land and assets on the ground located in the north of Xiashan Port District of Zhanjiang to local government agencies at a price of RMB 107,632,369.00. The above land and above ground assets have been transferred before 18 September 2024. As at 30 June 2026, Zhanjiang Port has recovered land compensation of RMB 50,000,000.00, the remaining land compensation of RMB 57,632,369.00 has not yet been recovered.

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

7. Other receivables - continued

7.3 Other receivables - continued

(3) Provision for credit loss of other receivables

Item	30/06/2026					Opening Balance					Reason for provision
	Book balance		Provision for bad debts		Net carrying amount	Book balance		Provision for bad debts		Net carrying amount	
	Amount	Proportion (%)	Amount	Provision rate (%)		Amount	Proportion (%)	Amount	Provision rate (%)		
A	287,588,390.92	28.92	42,350.01	0.01	287,546,040.91	328,840,429.56	30.64	43,549.74	0.01	328,796,879.82	Accrued based on the expected loss rate of each rating
B	-	-	-	-	-	-	-	-	-	-	——
C	122,569,018.03	12.33	28,156,519.86	22.97	94,412,498.17	-	-	-	-	-	No specific payment plan
D	584,198,999.45	58.75	574,995,346.01	98.42	9,203,653.44	744,455,952.94	69.36	637,541,003.48	85.64	106,914,949.46	Expected to be unrecoverable
Total	994,356,408.40	100.00	603,194,215.88	60.66	391,162,192.52	1,073,296,382.50	100.00	637,584,553.22	59.40	435,711,829.28	——

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

Name of entity	30/06/2026	Provision for bad debts	ECL rate (%)	Reason for provision
Customer 11	526,857,964.27	526,857,964.27	100.00	Expected to be unrecoverable (Note)
Customer 12	14,000,000.00	14,000,000.00	100.00	Expected to be unrecoverable
Total	540,857,964.27	540,857,964.27	100.00	

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

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

7. Other receivables - continued

7.3 Other receivables - continued

(4) Movements of provisions for bad and doubtful debts

Item	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit loss	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	
As at 1 January 2026	43,549.74	-	637,541,003.48	637,584,553.22
Balance of other receivables at 1 January 2026				
- Transfer to Stage 2	-	-	-	-
- Transfer to Stage 3	-	-	-	-
- Reverse to Stage 2	-	-	-	-
- Reverse to Stage 1	-	-	-	-
Provision for the period	-	-	191,074.78	191,074.78
Reversal for the period	-	-	-24,590.19	-24,590.19
Effect of changes in the scope of consolidation	-	-	-	-
Charge-off for the period	-	-	-	-
Write-off for the period	-	-	-	-
Other changes	-1,199.73	-	-34,555,622.20	-34,556,821.93
As at 30 June 2026	42,350.01	-	603,151,865.87	603,194,215.88

(5) The Group has no other receivables actually written off this period.

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

Name of entity	Relationship with the Group	Gross carrying amount	Aging	Proportion to total other receivables (%)	Provision for credit impairment at the end of the period	Nature
GLOBAL TERMINAL LIMITED S.A.R.L.	Non-related party	526,857,964.27	More than 3 years	52.98	526,857,964.27	Operation compensation
Committee of China Seamen's Union Zhanjiang Port (Group) Co., Ltd	Non-related party	122,569,018.03	More than 3 years	12.33	28,156,519.86	Reimbursable Advances
Zhanjiang Land Reserve Management Center	Non-related party	58,262,369.00	Within 1-2 years, more than 3 years	5.86	-	Land compensation
CHU KONG RIVER TRADE TERMINAL CO.，LTD.	Associated enterprise	31,637,563.20	More than 3 years	3.18	-	Loan
PORT DE DJIBOUTI S.A.	Associated enterprise	24,043,672.50	More than 3 years	2.42	-	Loan
Total	——	763,370,587.00	——	76.77	555,014,484.13	——

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

8. Inventories

(1) Inventories by category

Item	30/06/2026			31/12/2025		
	Gross carrying amount	Provision for impairment of inventories	Net carrying amount	Gross carrying amount	Provision for impairment of inventories	Net carrying amount
Raw materials	277,973,037.72	524,634.82	277,448,402.90	288,836,266.55	524,634.82	288,311,631.73
Finished goods	11,339,790.91	-	11,339,790.91	9,419,494.95	-	9,419,494.95
Others	9,485,951.28	-	9,485,951.28	9,485,298.47	-	9,485,298.47
Total	298,798,779.91	524,634.82	298,274,145.09	307,741,059.97	524,634.82	307,216,425.15

(2) Provision for impairment of inventories

Category	1/1/2026	Increase		Decrease		Effect of translation of financial statements denominated in foreign currencies	30/06/2026
		Provision	Others	Reversal or charge-off	Others		
Raw materials	524,634.82	-	-	-	-	-	524,634.82

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

(3) As at 30 June 2026, the Group has no capitalized borrowing cost in the balance of inventories.

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

9. Other current assets

Item	30/06/2026	31/12/2025
Input VAT to be deducted and certified	127,158,637.96	107,448,766.71
Prepaid taxes	127,069,086.14	51,499,208.46
Sub-total	254,227,724.10	158,947,975.17
Less: Provision for impairment	-	-
Total	254,227,724.10	158,947,975.17

10. Long-term receivables

(1) Details of long-term receivables

Item	30/06/2026			31/12/2025			Range of discount rate at the end of period
	Gross carrying amount	Provision for bad debts	Net carrying amount	Gross carrying amount	Provision for bad debts	Net carrying amount	
Land compensation receivable (Note 2)	2,631,932,000.00	63,130,000.00	2,568,802,000.00	2,631,932,000.00	63,130,000.00	2,568,802,000.00	
Advances to shareholders (Note 1)	1,453,257,049.50	1,453,257.05	1,451,803,792.45	1,306,312,715.28	1,306,312.72	1,305,006,402.56	3.00%-8.25%
Others	169,062.40	-	169,062.40	708,784.63	539.73	708,244.90	
Total	4,085,358,111.90	64,583,257.05	4,020,774,854.85	3,938,953,499.91	64,436,852.45	3,874,516,647.46	

Note 1: It mainly represents the aggregate principal and interest receivable from Port of Newcastle and Terminal Link SAS.

On 14 June 2018, China Merchants Port Holdings Company (hereinafter referred to as "CM Port"), a subsidiary of the Company, provided a long-term loan to Port of Newcastle, which signed in 2023 and has been extended to 31 December 2034. The loan carries interest at a rate of weighted average interest rate on debt as determined by local authority of Port of Newcastle plus 0.5%. As at 30 June 2026, RMB 1,053,748,023.05 has not yet been recovered.

On 31 May 2023, CM Port, a subsidiary of the Company, provided a long-term loan to Terminal Link SAS to support additional capital injection to Port of Thessaloniki project and charged interest to Terminal Link SAS at an interest rate of 6.15%. As at 30 June 2026, RMB 230,600,949.28 has not yet been recovered.

On 17 June 2026, CM Port, a subsidiary of the Company, provided a long-term loan to Terminal Link SAS for supporting the West Yard expansion project at Kingston Port in Jamaica and charged interest to Terminal Link SAS at an interest rate of 8.25%. As at 30 June 2026, RMB 134,087,860.52 has not yet been recovered.

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

10. Long-term receivables - continued

Note 2: On 5 November 2019, Shantou CM Port Group Co., Ltd. (hereinafter referred to as "Shantou Port"), a subsidiary of the Company entered into the *Contract for the Acquisition of State-Owned Land Use Rights in Shantou* with Shantou Land Reserve Center. Pursuant to the contract, the land and attached buildings of approximately 370.96 mu located in Zhuchi Deepwater Port on the south of Zhongshan East Road of Shantou should be returned to Shantou Land Reserve Center by Shantou Port, which is amounting to RMB 1,558,032,000.00. Among them, 183.63 mu of land and attached buildings have been transferred in 2019, and the remaining 187.33 mu of land and attached buildings have been transferred in 2020. As at 30 June 2026, the land compensation of RMB 1,158,032,000.00 has not yet been recovered.

On 21 August 2020, Shantou Port and Shantou Haojiang District Land Reserve Center signed the *Shantou City State owned Land Use Right Purchase Contract*, which stipulates that Shantou Port will hand back 152.34 mu of land and attached buildings located in Wutian Farm, Yushi, Haojiang District, Shantou City to Shantou Haojiang District Land Reserve Center at a price of RMB250,000,000.00. The above land and attached buildings have been handed over before 31 December 2020. As at 30 June 2026, the land compensation of RMB 200,000,000.00 has not yet been recovered.

On 22 December 2020, Shantou Port entered into the *Contract for the Acquisition of State-Owned Land Use Rights in Shantou* with Shantou Land Reserve Center. Pursuant to the contract, the land and attached buildings of approximately 648.78 mu located in Zhuchi Deepwater Port of Shantou should be returned to Shantou Land Reserve Center by Shantou Port, which is amounting to RMB2,724,876,000.00. Among them, 320 mu of land and attached buildings were transferred by 31 December 2020, which is amounting to RMB 1,344,000,000.00, and the remaining 328.78 mu of land and attached buildings have not been transferred. As at 30 June 2026, the land compensation of RMB 1,273,900.000.00 has not yet been recovered.

Taking into account historical repayment records and future prospects comprehensively, the Group estimates the difference between the present value of overall expected cash flows to be collected and the carrying amount, and recognises credit impairment losses accordingly. As at 30 June 2026, cumulative credit impairment losses recognised totalled RMB 63,130,000.00.

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

10. Long-term receivables - continued

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

Category	30 June 2026					31 December 2025				
	Gross carrying amount		Provision for bad debts		Net carrying amount	Gross carrying amount		Provision for bad debts		Net carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Provision for bad debts assessed on a portfolio basis	4,085,358,111.90	100.00	64,583,257.05	1.58	4,020,774,854.85	3,938,953,499.91	100.00	64,436,852.45	1.64	3,874,516,647.46
Total	4,085,358,111.90	100.00	64,583,257.05	1.58	4,020,774,854.85	3,938,953,499.91	100.00	64,436,852.45	1.64	3,874,516,647.46

(3) Details of provision for bad debts

Category	01/01/2026	Changes for the period				30/06/2026
		Provision	Recovery or reversal	Charge-off or write-off	Effect of changes in the scope of consolidation	
Amounts due from investees	1,306,312.72	146,944.33	-	-	-	1,453,257.05
Guarantees for finance leases	539.73	-	539.73	-	-	-
Land compensation receivable	63,130,000.00	-	-	-	-	63,130,000.00
Total	64,436,852.45	146,944.33	539.73	-	-	64,583,257.05

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

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

11. Long-term equity investments

(1) Classification of long-term equity investments

Item	01/01/2026	Increase in investments	Decrease in investments	Other increase (decrease expressed with "-")	Effect of translation of financial statements denominated in foreign currencies	30/06/2026
Investment in joint ventures	9,270,011,992.27	-	-12,436,354.57	183,856,368.97	-93,465,193.43	9,347,966,813.24
Investment in associates	94,138,451,299.94	-	-9,000,000.00	1,685,102,459.56	-365,606,480.85	95,448,947,278.65
Sub-total	103,408,463,292.21	-	-21,436,354.57	1,868,958,828.53	-459,071,674.28	104,796,914,091.89
Less: provision for impairment of long-term equity investments	335,363,227.34	-	-	-	-85,629.63	335,277,597.71
Total	103,073,100,064.87	-	-21,436,354.57	1,868,958,828.53	-458,986,044.65	104,461,636,494.18

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

11. Long-term equity investments - continued

(2) Details of long-term equity investments

Investees	Investment cost	01/01/2026	Changes for the year									30/06/2026	Provision for impairment at the end of the year
			Increase in investments	Decrease in investments	Investment income under equity method	Share of other comprehensive income	Share of other changes in equity	Cash dividends or profits declared	Provision for impairment	Effect of translation of financial statements denominated in foreign currencies	Other		
I. Joint ventures													
Euro-Asia Oceangate S.à r.l.	2,425,579,513.09	2,249,082,300.70	-	-	71,500,712.47	-	-	-	-	-67,297,353.11	-	2,253,285,660.06	-
Port of Newcastle	2,228,913,892.38	2,058,440,062.60	-	-	48,786,273.08	-5,794,763.95	-	-7,750,137.78	-	3,626,793.86	-	2,097,308,227.81	-
Others	3,828,369,257.52	4,954,376,146.33	-	-12,436,354.57	83,388,433.05	-6,584.58	1,972,239.43	-8,239,802.75	-	-29,794,634.18	-	4,989,259,442.73	8,113,482.64
Sub-total	8,482,862,662.99	9,261,898,509.63	-	-12,436,354.57	203,675,418.60	-5,801,348.53	1,972,239.43	-15,989,940.53	-	-93,465,193.43	-	9,339,853,330.60	8,113,482.64
II. Associates													
Shanghai Port Group	10,907,913,439.36	42,182,508,829.09	-	-	2,392,147,528.07	5,105,368.52	146,885,058.80	-947,040,362.53	-	-	-	43,779,606,421.95	-
Ningbo Zhoushan Port Company Limited (hereinafter referred to as "Ningbo Port")	16,958,018,515.43	19,998,140,793.95	-	-	587,082,137.86	6,523,586.24	14,236,279.65	-404,052,682.05	-	-	-	20,201,930,115.65	-
Shenzhen China Merchants Qianhai Industrial Development Co., Ltd.	6,846,580,290.61	7,551,582,821.15	-	-	10,489,667.93	-	-	-	-	-	-	7,562,072,489.08	-
Terminal Link SAS	5,980,765,880.26	6,540,010,509.49	-	-	285,286,982.08	-93,948,464.43	-	-399,964,663.69	-	-191,192,745.37	-	6,140,191,618.08	-
Nanshan Group	2,182,780,419.00	6,022,827,152.25	-	-	-59,704,989.41	-500,088.85	-	-	-	-	-	5,962,622,073.99	-
Liaoning Port	3,731,548,568.95	4,304,492,463.70	-	-	101,913,608.59	-7,763,595.05	3,085,712.66	-77,641,449.60	-	-	-	4,324,086,740.30	324,913,116.66
Others	7,735,090,626.46	7,211,638,985.61	-	-9,000,000.00	177,520,101.17	7,684,528.05	-96,948.47	-62,144,855.98	-	-174,328,105.85	-	7,151,273,704.53	2,250,998.41
Sub-total	54,342,697,740.07	93,811,201,555.24	-	-9,000,000.00	3,494,735,036.29	-82,898,665.52	164,110,102.64	-1,890,844,013.85	-	-365,520,851.22	-	95,121,783,163.58	327,164,115.07
Total	62,825,560,403.06	103,073,100,064.87	-	-21,436,354.57	3,698,410,454.89	-88,700,014.05	166,082,342.07	-1,906,833,954.38	-	-458,986,044.65	-	104,461,636,494.18	335,277,597.71

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

11. Long-term equity investments - continued

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

Item	01/01/2026	Effect of changes in the scope of consolidation	Increase	Decrease		Effect of translation of financial statements denominated in foreign currencies	30/06/2026
				Decrease	Reasons for reduction		
Liaoning Port	324,913,116.66	-	-	-	-	-	324,913,116.66
Silk Road Yishang Information Technology Co., Ltd.	8,113,482.64	-	-	-	-	-	8,113,482.64
HOA THUONG CORPORATION	2,336,628.04	-	-	-	-	-85,629.63	2,250,998.41
Total	335,363,227.34	-	-	-	-	-85,629.63	335,277,597.71

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

12. Investments in other equity instruments

(1) Details of investments in other equity instruments

Item	30/06/2026	31/12/2025	Dividend income recognised for the period	Other comprehensive income during the period	Other comprehensive income at the end of the period	Reasons for designation at fair value through other comprehensive income	Amount transferred from other comprehensive income to retained earnings	Reasons for transferring other comprehensive income to retained earnings
China Ocean Shipping Agency Shenzhen Co., Ltd.	130,000,000.00	130,000,000.00	-	-	116,490,000.00	It is a non-trading equity instrument investment	-	— —
Others	11,766,365.15	11,766,365.15	-	-	2,738,865.15	It is a non-trading equity instrument investment	-	— —
Total	141,766,365.15	141,766,365.15	-	-	119,228,865.15		-	

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

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

13. Other non-current financial assets

Item	30/06/2026	31/12/2025
Financial assets at FVTPL	28,768,810.95	28,768,810.95
Including: Investments in equity instruments	28,768,810.95	28,768,810.95
Total	28,768,810.95	28,768,810.95

14. Investment properties

(1) Investment properties measured at cost

Item	Land use rights	Buildings and structures	Total
I. Cost	——	——	——
As at 1 January 2026	130,253,174.50	4,318,863,937.19	4,449,117,111.69
Increase for the period	-	953,421.49	953,421.49
Other decreases	-	3,548,533.09	3,548,533.09
As at 30 June 2026	130,253,174.50	4,316,268,825.59	4,446,522,000.09
II. Accumulated depreciation and amortization	——	——	——
As at 1 January 2026	50,539,179.69	1,240,626,608.22	1,291,165,787.91
Increase for the period	1,207,896.89	61,695,795.62	62,903,692.51
Other decreases	-	1,788,866.06	1,788,866.06
As at 30 June 2026	51,747,076.58	1,300,533,537.78	1,352,280,614.36
III. Impairment provision	——	——	——
As at 1 January 2026	-	-	-
As at 30 June 2026	-	-	-
IV. Carrying amount	——	——	——
As at 1 January 2026	79,713,994.81	3,078,237,328.97	3,157,951,323.78
As at 30 June 2026	78,506,097.92	3,015,735,287.81	3,094,241,385.73

(2) Investment properties without ownership certificates

Item	Book value	Reasons for not obtaining certificate of title
Buildings, structures, and land use rights	17,797,601.23	Some buildings and structures have not yet obtained certificates of land use rights

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

15. Fixed assets

15.1 Summary of fixed assets

Item	30/06/2026	31/12/2025
Fixed assets	29,503,595,624.26	30,442,667,834.87
Disposal of fixed assets	153,394.02	216,462.95
Total	29,503,749,018.28	30,442,884,297.82

15.2 Fixed assets

(1) Details of fixed assets

Item	Port and terminal facilities	Buildings and structures	Machinery and equipment, furniture, fixture and other equipment	Motor vehicles and cargo ships	Total
I. Cost	——	——	——	——	——
As at 1 January 2026	33,277,988,553.01	3,709,278,075.43	18,157,238,030.56	2,333,763,636.87	57,478,268,295.87
Purchase	15,177,950.33	-	107,694,082.40	2,093,344.38	124,965,377.11
Transfer from construction in progress	43,286,452.87	-	52,023,939.37	3,520,344.14	98,830,736.38
Decrease for the period	-4,813,247.10	-	-99,251,739.48	-30,818,603.34	-134,883,589.92
Reclassification	-1,771,321.13	-	1,771,321.13	-	-
Transfer to construction in progress	-	-5,496,432.57	-290,000.00	-	-5,786,432.57
Other decreases	-12,692,919.33	-	-1,626,107.58	-	-14,319,026.91
Effect of translation of financial statements denominated in foreign currencies	-47,664,665.34	-5,742,285.12	-166,105,360.24	-25,621,177.80	-245,133,488.50
As at 30 June 2026	33,269,510,803.31	3,698,039,357.74	18,051,454,166.16	2,282,937,544.25	57,301,941,871.46
II. Accumulated depreciation	——	——	——	——	——
As at 1 January 2026	12,482,177,493.56	1,204,790,144.49	11,815,544,282.41	1,320,807,857.11	26,823,319,777.57
Increase for the period	492,949,050.00	61,475,368.22	402,568,245.33	52,958,617.60	1,009,951,281.15
Decrease for the period	-4,084,784.29	-	-92,568,801.92	-29,313,874.66	-125,967,460.87
Reclassification	-174,476.62	-	174,476.62	-	-
Transfer to construction in progress	-	-2,948,840.52	-59,691.71	-	-3,008,532.23
Other decreases	-3,588.43	-	-40,919.89	-	-44,508.32
Effect of translation of financial statements denominated in foreign currencies	-21,404,957.43	-2,696,206.05	-82,593,137.82	-11,490,692.23	-118,184,993.53
As at 30 June 2026	12,949,458,736.79	1,260,620,466.14	12,043,024,453.02	1,332,961,907.82	27,586,065,563.77
III. Impairment provision	——	——	——	——	——
As at 1 January 2026	196,464,146.22	9,414,527.47	6,402,009.74	-	212,280,683.43
As at 31 30 June 2026	196,464,146.22	9,414,527.47	6,402,009.74	-	212,280,683.43
IV. Carrying amount	——	——	——	——	——
As at 1 January 2026	20,599,346,913.23	2,495,073,403.47	6,335,291,738.41	1,012,955,779.76	30,442,667,834.87
As at 30 June 2026	20,123,587,920.30	2,428,004,364.13	6,002,027,703.40	949,975,636.43	29,503,595,624.26
Including: Carrying amount of fixed assets pledged at the end of the period	807,416,565.98	20,312,910.32	269,064,390.69	-	1,096,793,866.99

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

15. Fixed assets - continued

15.2 Fixed assets - continued

(2) The Group has no fixed assets that are temporarily idle as at 30 June 2026.

(3) Fixed assets leased out under operating leases

Item	Carrying amount as at 30/06/2026	Carrying amount as at 31/12/2025
Buildings and structures	169,118,546.71	180,145,890.02
Port and terminal facilities	13,453,944.65	30,385,645.46
Machinery and equipment, furniture, fixture and other equipment	1,776,017.37	1,346,838.39
Total	184,348,508.73	211,878,373.87

(4) Fixed assets without ownership certificates

Item	Carrying amount as at 30/06/2026	Carrying amount as at 31/12/2025	Remark
Buildings, structures, port and terminal facilities	1,098,836,955.11	1,264,731,872.19	This is mainly due to the fact that certain buildings and structures have not yet obtained the land use rights of the corresponding land and the approval procedures have not yet been completed.

(5) The details of the Group's fixed assets with restricted ownership as at 30 June 2026 are set out in Note (VIII) 61.

15.3 Disposal of fixed assets

Item	30/06/2026	31/12/2025
Machinery and equipment, furniture, fixture and other equipment	153,394.02	216,462.95
Total	153,394.02	216,462.95

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

16. Construction in progress

(1) Presentation of construction in progress

Item	30/06/2026	31/12/2025
Construction in progress	3,911,260,282.93	3,399,698,342.95
Materials for construction in progress	3,377,661.64	3,885,088.53
Total	3,914,637,944.57	3,403,583,431.48

(2) Details of construction in progress

Item	30/06/2026			31/12/2025		
	Gross carrying amount	Provision for impairment	Net carrying amount	Gross carrying amount	Provision for impairment	Net carrying amount
Port and terminal facilities	2,372,090,068.45	2,820,449.86	2,369,269,618.59	1,996,474,911.84	2,906,416.74	1,993,568,495.10
Infrastructure	1,277,608,521.78	-	1,277,608,521.78	1,172,459,051.94	-	1,172,459,051.94
Berths and yards	26,429,205.80	-	26,429,205.80	20,857,215.96	-	20,857,215.96
Cargo ships under construction	22,231,858.40	-	22,231,858.40	16,673,893.80	-	16,673,893.80
Others	219,117,845.20	3,396,766.84	215,721,078.36	199,645,516.48	3,505,830.33	196,139,686.15
Total	3,917,477,499.63	6,217,216.70	3,911,260,282.93	3,406,110,590.02	6,412,247.07	3,399,698,342.95

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

16. Construction in progress - continued

(3) Changes of significant construction in progress

Item	Budget amount	01/01/2026	Increase for the period	Transfer to fixed assets	Effect of translation of financial statements denominated in foreign currencies	30/06/2026	Proportion of accumulated construction investment in budget (%)	Construction progress (%)	Amount of accumulated capitalised interest	Including: Capitalised interest for the period	Interest capitalization rate for the current period (%)	Capital source
Zhanjiang Port Baoman Port Area Container Terminal Phase I Expansion Project	2,342,775,800.00	1,168,118,524.14	101,480,322.43	-	-	1,269,598,846.57	54.19	54.19	23,447,996.82	8,868,230.92	2.60	Own funds and loans
Reconstruction project of HIPG container, oil terminal, tank area and subsequent construction in progress of HIPG wharf	3,848,879,925.29	820,644,788.78	-	-	-24,271,689.65	796,373,099.13	20.69	20.69	-	-	-	Own funds
Zhanjiang Port Donghai Island Port Area Grocery Wharf Project	905,348,400.00	540,542,765.26	-	-	-	540,542,765.26	59.71	59.71	44,364,372.49	-	-	Own funds and loans
Phase III Expansion Project of Bulk Grain Warehouse at 2 # and 3 # Berths in Xinshanan Operation Area of Machong Port	1,070,060,466.80	290,669,672.55	158,182,652.78	-	-	448,852,325.33	42.00	42.00	1,307,928.03	131,986.90	2.85	Own funds and loans
Guang'ao Phase III Project	3,573,290,000.00	55,328,286.82	190,619,818.00	-	-	245,948,104.82	13.10	13.10	-	-	-	Own funds
Dachanwan phase II project	6,201,904,300.00	163,681,138.48	31,296,470.10	-	-	194,977,608.58	3.14	3.14	-	-	-	Own funds
The Project of Zhanjiang Port 21# Warehouse and Substation Renovation and Expansion	117,110,000.00	69,150,340.29	14,204,209.51	-	-	83,354,549.80	71.18	71.18	-	-	-	Own funds
Back land reclamation project on Haidagan Bulk Yard and Supporting Facilities and Liquid Bulk Berth	82,400,000.00	65,599,002.20	418,555.20	-	-	66,017,557.40	80.12	80.12	-	-	-	Own funds
Full rotation tugboat construction project	41,870,000.00	16,673,893.80	5,557,964.60	-	-	22,231,858.40	53.10	53.10	-	-	-	Own funds
Phase II of the second phase of the wharf project in the local operation area of the port area of Foshan Port is controlled in sequence	512,745,400.00	2,436,347.70	5,777,708.29	-	-	8,214,055.99	69.00	69.00	1,920,104.33	-	-	Own funds and loans
Total	18,696,384,292.09	3,192,844,760.02	507,537,700.91	-	-24,271,689.65	3,676,110,771.28	——	——	71,040,401.67	9,000,217.82	——	——

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

17. Right-of-use assets

Item	Port and terminal facilities	Buildings and structures	Machinery and equipment, furniture, fixture and other equipment	Land use rights	Motor vehicles, cargo ships and others	Total
I. Cost	——	——	——	——	——	——
As at 1 January 2026	6,881,205,316.97	128,646,822.13	1,299,625.66	3,616,495,050.79	9,292,410.89	10,636,939,226.44
Increase for the period	14,699,732.59	14,601,238.78	1,167,953.80	30,651,038.69	-	61,119,963.86
Decrease for the period	2,682,688.96	4,920,651.61	-	24,171,396.23	6,177,384.73	37,952,121.53
Effect of translation of financial statements denominated in foreign currencies	-185,468,369.75	-4,142,615.10	-72,986.83	-134,148,742.55	-	-323,832,714.23
As at 30 June 2026	6,707,753,990.85	134,184,794.20	2,394,592.63	3,488,825,950.70	3,115,026.16	10,336,274,354.54
II. Accumulated depreciation	——	——	——	——	——	——
As at 1 January 2026	1,128,350,862.44	32,566,668.06	1,100,638.25	504,103,041.21	5,513,088.31	1,671,634,298.27
Increase for the period	119,451,100.73	13,036,336.92	1,324,342.89	34,138,434.04	113,720.62	168,063,935.20
Decrease for the period	2,682,688.96	3,280,434.48	-	24,171,396.23	5,548,933.13	35,683,452.80
Effect of translation of financial statements denominated in foreign currencies	-31,003,937.82	-1,468,043.86	-68,920.18	-16,724,208.87	-	-49,265,110.73
As at 30 June 2026	1,214,115,336.39	40,854,526.64	2,356,060.96	497,345,870.15	77,875.80	1,754,749,669.94
III. Impairment provision	——	——	——	——	——	——
As at 1 January 2026	-	-	-	-	-	-
As at 30 June 2026	-	-	-	-	-	-
IV. Carrying amount	——	——	——	——	——	——
As at 1 January 2026	5,752,854,454.53	96,080,154.07	198,987.41	3,112,392,009.58	3,779,322.58	8,965,304,928.17
As at 30 June 2026	5,493,638,654.46	93,330,267.56	38,531.67	2,991,480,080.55	3,037,150.36	8,581,524,684.60

18. Intangible assets

(1) Details of intangible assets

Item	Opening Balance	Increases for the year	Decreases for the year	Effect of translation of financial statements denominated in foreign currencies	Closing Balance
I. Total cost	26,161,673,959.77	120,471,795.03	35,605,427.66	-268,603,148.47	25,977,937,178.67
Including: Land use rights	14,167,908,297.16	32,872,500.00	-	-8,607,993.42	14,192,172,803.74
Terminal operating right	10,029,389,779.63	65,203,505.49	-	-266,799,391.94	9,827,793,893.18
Self developed data resources	6,339,622.62	-	-	-	6,339,622.62
Other	1,958,036,260.36	22,395,789.54	35,605,427.66	6,804,236.89	1,951,630,859.13
II. Total accumulated amortisation	8,460,808,109.75	387,173,788.86	11,911,298.40	-93,526,892.84	8,742,543,707.37
Including: Land use rights	4,913,463,479.86	175,887,173.03	-	-4,583,001.25	5,084,767,651.64
Terminal operating right	2,830,104,273.73	159,359,436.18	-	-91,207,548.96	2,898,256,160.95
Self developed data resources	723,348.83	316,981.02	-	-	1,040,329.85
Other	716,517,007.33	51,610,198.63	11,911,298.40	2,263,657.37	758,479,564.93
III. Total impairment provision	57,010,270.07	-	-	-	57,010,270.07
Including: Land use rights	44,199,381.24	-	-	-	44,199,381.24
Terminal operating right	-	-	-	-	-
Self developed data resources	-	-	-	-	-
Other	12,810,888.83	-	-	-	12,810,888.83
IV. Total carrying amount	17,643,855,579.95	——	——	——	17,178,383,201.23
Including: Land use rights	9,210,245,436.06	——	——	——	9,063,205,770.86
Terminal operating right	7,199,285,505.90	——	——	——	6,929,537,732.23
Self developed data resources	5,616,273.79	——	——	——	5,299,292.77
Other	1,228,708,364.20	——	——	——	1,180,340,405.37

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

18. Intangible assets - continued

(2) Land use rights without ownership certificates as at 30 June 2026:

Item	Carrying amount as at 30/06/2026	Carrying amount as at 31/12/2025
Land use rights (Note)	1,625,795,827.47	1,643,722,609.93

(2) Land use rights without ownership certificates as at 30 June 2026: - continued

Note: As at 30 June 2026, the land use rights without ownership certificates mainly represent the land use rights for berth and storage yard within Chiwan Port area obtained by the Group from Nanshan Group, with an area of 690,161.97 m^2, and Dachanwan Port area Phase II land use rights obtained by Ansujie Port Warehousing Services (Shenzhen) Co., Ltd.(hereinafter referred to as "ASJ") , the costs of which are RMB 1,179,538,483.36 and RMB 918,521,317.23 respectively.

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

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

(3) The details of the Group's intangible assets with restricted ownership as at 30 June 2026 are set out in Note (VIII) 61.

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

19. Goodwill

(1) Details of goodwill

Investee	Sources	Opening Balance	Increase	Decrease	Effect of translation of financial statements denominated in foreign currencies	Closing Balance
TCP	Acquisition of equity	2,607,638,594.14	-	-	65,000,604.11	2,672,639,198.25
Mega Shekou Container Terminals Limited (hereinafter referred to as "Mega SCT")	Acquisition of equity	1,815,509,322.42	-	-	-	1,815,509,322.42
CM Port	Acquisition of equity	993,992,000.00	-	-	-	993,992,000.00
Shantou Port	Acquisition of equity	552,317,736.65	-	-	-	552,317,736.65
Zhanjiang Port	Acquisition of equity	418,345,307.68	-	-	-	418,345,307.68
Shenzhen Mawan Project	Acquisition of equity	408,773,001.00	-	-	-	408,773,001.00
Others	Acquisition of equity	350,503,133.21	-		-2,417,449.00	348,085,684.21
Sub-total	——	7,147,079,095.10	-	-	62,583,155.11	7,209,662,250.21
Provision for impairment of goodwill	——	970,663,044.33	-	-	-	970,663,044.33
Total	——	6,176,416,050.77	-	-	62,583,155.11	6,238,999,205.88

(2) Provision for impairment of goodwill

Investee	31/12/2025	Effect of changes in the scope of consolidation	Provision	Effect of translation of financial statements denominated in foreign currencies	Decrease	30/06/2026
Shantou Port	552,317,736.65	-	-	-	-	552,317,736.65
Zhanjiang Port	418,345,307.68	-	-	-	-	418,345,307.68
Total	970,663,044.33	-	-	-	-	970,663,044.33

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

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

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

19. Goodwill - continued

(4) Specific method for determination of recoverable amount

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

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

20. Long-term deferred expenses

Presentation of long-term deferred expenses:

Item	01/01/2026	Increase for the period	Amortization in the period	Other decreases	30/06/2026	Reason for other decreases
Tonggu channel widening project (Note 1)	411,742,764.87	-	6,739,500.63	-	405,003,264.24	
West public channel widening project at West port area (Note 2)	223,073,535.76	-	3,833,984.46	-	219,239,551.30	
Dredging project	49,698,913.35	-	11,725,742.39	6,424.65	37,966,746.31	Settlement Variance
Relocation project of Nanhai Rescue Bureau	34,232,006.30	-	553,684.20	-	33,678,322.10	
Expenditures for the improvement of leased fixed assets	23,536,943.50	-	1,943,529.72	-	21,593,413.78	
Others	177,435,081.40	10,096,206.26	25,308,641.39	127,687.66	162,094,958.61	Settlement Variance
Total	919,719,245.18	10,096,206.26	50,105,082.79	134,112.31	879,576,256.34	

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

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

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

21. Deferred income tax

(1) Deferred tax assets before offsetting

Item	Closing Balance		Opening Balance	
	Deferred tax assets	Deductible temporary differences	Deferred tax assets	Deductible temporary differences
Lease liabilities	267,395,865.47	1,197,787,285.11	295,871,432.32	1,367,303,811.47
Unrealised profit	179,208,961.07	732,700,191.30	179,593,057.91	734,475,385.57
Terminal operating right	217,115,374.38	723,717,914.61	223,733,018.15	745,776,727.15
Depreciation of fixed assets	41,193,253.30	196,118,345.39	40,471,835.50	191,301,536.12
Provision for bad debts	9,199,584.70	41,329,709.02	9,161,395.67	41,122,248.17
Accrued and unpaid wages	11,862,829.80	56,370,560.91	15,275,295.00	73,422,009.38
Estimated liabilities	28,940,134.53	85,118,042.74	28,614,938.41	90,185,667.85
Deferred income	7,104,722.78	29,974,198.79	7,151,504.28	30,286,075.45
Amortisation of computer software	2,649,821.86	14,042,260.54	2,269,985.97	13,606,231.50
Provision for impairment of assets	673,227.45	3,364,804.44	673,227.45	3,364,804.44
Others	67,381,797.89	320,755,281.37	57,068,526.53	271,481,000.83
Total	832,725,573.23	3,401,278,594.22	859,884,217.19	3,562,325,497.93

(2) Deferred tax liabilities before offsetting

Item	Closing Balance		Opening Balance	
	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences
Withholding dividend income tax	3,341,945,882.20	49,517,697,707.12	3,258,707,299.23	48,419,673,418.17
Right-of-use assets	354,873,431.41	1,488,542,391.93	377,554,058.21	1,607,827,870.66
Terminal operating right	77,899,407.21	259,664,690.70	80,273,769.35	267,579,231.18
Fair value adjustment of assets acquired from business combination	1,194,880,466.58	4,676,600,784.45	1,226,351,207.35	4,851,401,238.39
Depreciation of fixed assets	296,353,139.63	1,058,331,307.65	281,321,320.16	1,004,405,641.73
Changes in fair value of investments in other equity instruments	29,122,500.00	116,490,000.00	29,122,500.00	116,490,000.00
Valuation of financial assets held for trading	1,843,606.19	7,374,424.76	1,182,941.81	4,731,767.24
Others	114,985,767.63	1,151,620,158.00	119,049,568.27	1,060,609,222.61
Total	5,411,904,200.85	58,276,321,464.61	5,373,562,664.38	57,332,718,389.98

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

Item	Offset amount of deferred tax assets and liabilities at the end of the current period	Balance of deferred tax assets or liabilities after offsetting at the end of the current period	Offset amount of deferred tax assets and liabilities at the end of the prior year	Balance of deferred tax assets or liabilities after offsetting at the end of the prior year
Deferred tax assets	-485,390,812.67	347,334,760.56	-504,396,695.35	355,487,521.84
Deferred tax liabilities	-485,390,812.67	4,926,513,388.18	-504,396,695.35	4,869,165,969.03

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

21. Deferred income tax - continued

(4) Details of unrecognised deferred tax assets

Item	30/06/2026	31/12/2025
Deductible temporary differences	1,004,131,924.80	1,088,193,612.07
Deductible losses	1,804,700,327.32	1,247,132,283.40
Total	2,808,832,252.12	2,335,325,895.47

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

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

Year	30/06/2026	31/12/2025
2026	98,026,114.68	102,128,558.83
2027	291,656,682.92	205,298,714.50
2028	712,560,061.98	709,684,706.07
2029	47,132,770.25	47,794,332.62
2030	273,361,878.32	176,809,471.64
2031	352,852,612.82	-
2034	5,416,499.74	5,416,499.74
2035	23,693,706.61	-
Total	1,804,700,327.32	1,247,132,283.40

22. Other non-current assets

Item	30/06/2026	31/12/2025
Advances for the channel project (Note 1)	804,718,682.70	793,174,860.33
Prepayments for long-term assets	114,847,302.18	67,035,987.35
Prepayments for terminal operating right	30,606,255.98	32,437,050.53
Others	788,694.96	637,756.68
Sub-total	950,960,935.82	893,285,654.89
Less: provision for impairment (Note 2)	174,364,111.91	174,364,111.91
Total	776,596,823.91	718,921,542.98

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

22. Other non-current assets - continued

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

Note 2: Zhanjiang Port, a subsidiary of the Company, comprehensively considers the reasonable and reliable information related to the credit risk status of the debtor, including the payment period agreed in the contract, actual settlement period, the financial status of the debtor, etc., estimates the present value of the difference between the contractual cash flows of the waterway advance payment fee and the expected cash flow collected, and makes provision for bad debts accordingly. As at 30 June 2026, the Group has accrued corresponding credit impairment losses of RMB 174,364,111.91 (31 December 2025: RMB 174,364,111.91).

23. Short-term borrowings

(1) Classification of short-term borrowings

Item	30/06/2026	31/12/2025
Credit borrowings	17,782,969,891.69	19,724,784,577.14
Mortgage borrowings (Note 1)	51,029,891.72	51,036,254.18
Total	17,833,999,783.41	19,775,820,831.32

Note 1: It is obtained by Guangdong Yide Port Co., Ltd. (hereinafter referred to as "Yide Port"), a subsidiary of the Company, by mortgaging the land and fixed assets held by it.

(2) As at 30 June 2026, the Group has no short-term borrowings that are overdue.

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

24. Accounts payable

Item	30/06/2026	31/12/2025
Service fee	201,240,177.75	238,195,011.65
Material purchase fee	84,688,410.73	125,891,873.15
Construction fee	69,165,257.66	85,951,478.75
Equipment payments	27,841,721.96	40,330,021.94
Others	348,949,328.86	249,532,106.86
Total	731,884,896.96	739,900,492.35

(1) Aging of accounts payable

Aging	30/06/2026		31/12/2025	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (Including 1 year)	628,893,962.10	85.93	621,757,239.35	84.03
1-2 years (Including 2 years)	49,997,726.05	6.83	62,740,553.51	8.48
2-3 years (Including 3 years)	15,277,238.78	2.09	19,536,220.58	2.64
More than 3 years	37,715,970.03	5.15	35,866,478.91	4.85
Total	731,884,896.96	100.00	739,900,492.35	100.00

(2) Significant accounts payable aged more than 1 year

Name of entity	Closing Balance	Reason for outstanding
Shenzhen Nanshan District Treasury Payment Center	29,910,561.52	To be paid upon confirmation by both parties.
Quanzhou Antong Logistics Co., Ltd.	17,869,057.61	To be paid upon confirmation by both parties.

25. Advance payments received

Item	30/06/2026	31/12/2025
Rental fee received in advance	13,030,905.77	11,781,611.38
Others	203,076.68	409,843.14
Total	13,233,982.45	12,191,454.52

(1) Aging of advance payments received

Aging	30/06/2026		31/12/2025	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (Including 1 year)	12,132,914.86	91.68	11,444,067.35	93.87
1-2 years (Including 2 years)	483,689.58	3.65	96,278.62	0.79
2-3 years (Including 3 years)	101,794.98	0.77	651,108.55	5.34
More than 3 years	515,583.03	3.90	-	-
Total	13,233,982.45	100.00	12,191,454.52	100.00

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

25. Advance payments received - continued

(2) As at 30 June 2026, the Group has no significant advance payments received aged more than one year.

(3) For the period ended 30 June 2026, the Group has no advance payments received with significant changes in carrying amount.

26 Contract liabilities

(1) Details of contract liabilities

Item	Closing Balance	Opening Balance
Unused sales discounts	214,195,624.14	264,529,928.79
Port and service fees collected in advance	247,146,251.36	167,813,038.98
Storage fees collected in advance	3,696,741.13	2,310,969.36
Others	2,293,721.70	12,169,011.66
Total	467,332,338.33	446,822,948.79

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

At the beginning of the current period, the book value of contract liabilities was RMB 175,569,354.54, which was recognised as revenue in this year, including unused sales discounts, advance collection of port and service fees, advance collection of warehousing fees contracts, and advance collection for other contracts that have been settled but not completed.

(3) As at 30 June 2026, the Group has no significant contract liabilities aged more than one year.

(4) Qualitative analysis of contract liabilities

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

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

27. Employee benefits payable

(1) Employee benefits payable classification

Item	01/01/2026	Increase for the period	Decrease for the period	30/06/2026
1. Short-term benefits	1,287,019,019.77	1,657,071,907.76	1,811,118,572.32	1,132,972,355.21
2. Post-employment benefits defined contribution plan	10,815,659.43	208,246,806.19	206,703,880.89	12,358,584.73
3. Termination benefits	-	40,663,804.51	40,663,804.51	-
4. Other benefits due within 1 year	-	3,609.10	3,609.10	-
5. Others	-	4,504,520.82	4,504,520.82	-
Total	1,297,834,679.20	1,910,490,648.38	2,062,994,387.64	1,145,330,939.94

(2) Presentation of short-term benefits

Item	01/01/2026	Increase for the period	Decrease for the period	30/06/2026
1. Wages and salaries, bonuses, allowances and subsidies	1,252,447,318.40	1,359,811,931.47	1,508,957,464.37	1,103,301,785.50
2. Staff welfare	-	65,522,931.79	63,664,803.48	1,858,128.31
3. Social insurance contributions	23,162,258.98	99,811,129.83	106,877,457.00	16,095,931.81
Including: Medical insurance and maternity insurance premiums	20,189,966.68	75,790,981.34	82,306,912.46	13,674,035.56
Work injury insurance	-	11,573,452.55	11,573,452.55	-
Others	2,972,292.30	12,446,695.94	12,997,091.99	2,421,896.25
4. Housing provident funds	-	101,021,763.49	100,905,947.25	115,816.24
5. Trade union and employee education funds	11,365,455.48	24,941,858.17	24,802,968.13	11,504,345.52
6. Other short-term benefits	43,986.91	5,962,293.01	5,909,932.09	96,347.83
Total	1,287,019,019.77	1,657,071,907.76	1,811,118,572.32	1,132,972,355.21

(3) Presentation of defined benefit plans

Item	01/01/2026	Increase for the period	Decrease for the period	30/06/2026
1. Basic pension	8,966,332.53	158,029,199.94	156,594,595.64	10,400,936.83
2. Unemployment insurance	-	6,061,939.08	6,061,939.08	-
3. Enterprise annuity	1,849,326.90	44,155,667.17	44,047,346.17	1,957,647.90
Total	10,815,659.43	208,246,806.19	206,703,880.89	12,358,584.73

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

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

28. Taxes payable

Item	30/06/2026	31/12/2025
Enterprise income tax	888,726,593.01	758,576,333.33
VAT	24,799,917.45	24,055,651.28
Other taxes and surcharges	142,037,384.49	130,652,487.93
Total	1,055,563,894.95	913,284,472.54

29. Other payables

(1) Presentation of other payables

Item	30/06/2026	31/12/2025
Dividends payable	3,082,819,731.15	135,169,470.79
Other payables	2,058,681,613.61	1,899,753,608.16
Total	5,141,501,344.76	2,034,923,078.95

(2) Dividends payable

Item	30/06/2026	31/12/2025
Ordinary share dividends	3,082,819,731.15	135,169,470.79
Including: China Merchants Port Investment Development Company Limited	917,770,269.75	-
Zhejiang Seaport Investment and Operation Group Co., Ltd.	460,790,920.06	-
CHINA MERCHANTS UNION (BVI) LIMITED	390,217,789.91	-
China Merchants Gangtong Development (Shenzhen) Co., Ltd.	296,331,522.00	-
China Merchants Zhangzhou Development Zone Co., Ltd.	105,526,928.23	105,526,928.23
SINOMART KTS DEVELOPMENT LIMITED	63,500,000.00	-
Infrastructure Investment Fund Partnership (Limited Partnership)	51,815,295.42	-
Broadford International Limited	44,196,052.19	-
Yiu Lian Dockyards Limited	22,924,685.89	22,924,685.89
China Merchants Innovation And Technology (Hong Kong) Co., Limited	10,043,234.80	-
Qingdao Port (Group) Co., Ltd.	6,717,856.67	6,717,856.67
Qingdao Qingbao Investment Holding Co.,Ltd.	1,980,000.00	-
Orienture Holdings Company Limited	1,276,466.04	-
Others	709,728,710.19	-

Note: As at 30 June 2026, The Group has a total of RMB 105,526,928.23 of important dividends payable with an aging of more than one year, all of which are dividends payable to China Merchants Zhangzhou Development Zone Co., Ltd. The reason for the non-disbursement is that the funding plan has not yet been arranged.

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

29. Other payables - continued

(3) Other payables

(a) Disclosure of other payables by nature

Item	30/06/2026	31/12/2025
Amount payable for construction and quality warranty	861,501,868.12	830,865,851.52
Guarantees and deposits	256,138,567.30	207,608,168.44
Port construction and security fee	4,060,637.41	22,421,347.69
Others	936,980,540.78	838,858,240.51
Total	2,058,681,613.61	1,899,753,608.16

(b) Aging analysis of other payables

Aging	30/06/2026		31/12/2025	
	Amount	Proportion（%）	Amount	Proportion（%）
Within 1 year (including 1 year)	1,449,259,229.91	70.40	1,297,912,623.51	68.32
1-2 years (including 2 years)	108,021,144.06	5.24	130,587,433.84	6.87
2-3 years (including 3 years)	66,267,197.03	3.22	64,712,876.01	3.41
More than 3 years	435,134,042.61	21.14	406,540,674.80	21.40
Total	2,058,681,613.61	100.00	1,899,753,608.16	100.00

(c) Significant other payables aged more than one year

Company name	Amount payable	Aging	Reason for being outstanding
Transport Bureau of Shenzhen Municipality (Ports Administration of Shenzhen Municipality)	79,691,658.18	more than 3 years	To be paid upon confirmation by both parties
Lac Assal Investment Holding Company Limited	77,587,700.91	1-2 years and 2-3 years	To be paid upon confirmation by both parties
Shanghai Zhenhua Heavy Industries Co., Ltd.	37,846,777.91	1-2 years and more than 3 years	To be paid upon confirmation by both parties
Shantou Bureau of Communications	31,358,355.47	more than 3 years	To be paid upon confirmation by both parties
POWERCHINA Changchun Generating Equipment Group Limited	16,550,772.53	1-2 years	To be paid upon confirmation by both parties
Total	243,035,265.00	——	——

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

30. Non-current liabilities due within one year

Item	Closing Balance	Opening Balance
Long-term borrowings due within one year	6,396,741,740.60	5,429,113,410.54
Including: Credit borrowings	6,225,245,568.09	5,305,704,329.05
Mortgage borrowings	56,636,302.75	33,593,973.27
Guaranteed and mortgage borrowings	114,859,869.76	89,815,108.22
Bonds payable due within one year	3,674,535,763.59	229,971,569.71
Lease liabilities due within one year	147,783,875.70	211,853,235.22
Long-term payables due within one year	235,848,050.30	114,496,507.83
Long-term employee benefits payable due within one year	41,226,376.54	42,037,962.03
Other non-current liabilities due within one year	15,050,000.00	15,050,000.00
Total	10,511,185,806.73	6,042,522,685.33

31. Other current liabilities

(1) Details of other current liabilities

Item	Closing Balance	Opening Balance
Short-term bonds payable	3,021,232,328.77	2,004,242,191.78
Others	144,605,091.51	195,059,225.24
Total	3,165,837,420.28	2,199,301,417.02

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

31. Other current liabilities - continued

(2) Changes in short-term bonds payable

Name of bond	Face value	Coupon rate	Date of issue	Term of the bond	Amount of issue	01/01/2026	Amount issued in the current period	Interest accrued based on par value	Amortization of premiums or discounts	Repayment in the current period	30/06/2026	Is it in breach of contract?
1.58% RMB 2 billion Super & Short-term Commercial Paper	2,000,000,000.00	1.58%	2025-11-13	267 days	2,000,000,000.00	2,004,242,191.78	-	15,670,136.99	-	-	2,019,912,328.77	No
1.32% RMB 1 billion Short-term bonds payable	1,000,000,000.00	1.32%	2026-05-26	190 days	1,000,000,000.00	-	1,000,000,000.00	1,320,000.00	-	-	1,001,320,000.00	No
Total	3,000,000,000.00				3,000,000,000.00	2,004,242,191.78	1,000,000,000.00	16,990,136.99	-	-	3,021,232,328.77	

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

32. Long-term borrowings

Category	30/06/2026	31/12/2025	Range of period-end interest rate
Credit borrowings	3,487,786,503.47	5,677,716,492.69	1.70%-3.00%
Mortgage borrowings (Note 1)	762,730,704.51	744,516,884.53	2.66%-2.76%
Guaranteed and mortgage borrowings (Note 2)	1,084,072,472.48	1,017,722,746.28	2.25%
Total	5,334,589,680.46	7,439,956,123.50	

Note 1: On 30 June 2026, the Company's subsidiary, Yide Port obtained long-term borrowings of RMB 680,725,812.21 (31 December 2025: RMB 660,846,067.18) secured by its proprietary land and fixed assets, as well as the proprietary land of Guangdong Shunkong Lingang Development and Construction Co., Ltd. (hereinafter referred to as "Shunkong Port"). The Company's subsidiary, China Merchants Port (Zhoushan) RoRo Terminal Co., Ltd. (hereinafter referred to as "Zhoushan RoRo"), obtained a long-term loan of RMB 82,004,892.30 (31 December 2024: RMB 83,670,817.35) with its land use right and mortgage of above ground buildings.

Note 2: On 30 June 2026, Shenzhen Haixing Port Development Co., Ltd. (hereinafter referred to as "Shenzhen Haixing") obtained a long-term loan of RMB 1,084,072,472.48 (31 December 2025: RMB 1,017,722,746.28) with the land holding property rights as collateral and guaranteed by China Merchants Port Holdings and Sinotrans South China Co., Ltd.

Details of mortgage and pledged borrowings are as follows:

Company name	Closing Balance	Opening Balance	Collateral and pledge
Bank of China Qianhai Shekou Branch	966,836,608.96	1,017,722,746.28	Land use rights of Shenzhen Haixing
Bank of Communications Co., Ltd. Guangdong Branch, Shenzhen Branch of China Merchants Group Finance Co., Ltd.	584,725,812.21	548,846,067.18	Land use rights of Shunkong Port
China Construction Bank Shunde Branch	96,000,000.00	112,000,000.00	Land use rights and fixed assets of Yide Port
China Merchants Group Finance Co., Ltd.	82,004,892.30	83,670,817.35	Land use right and buildings on ground of Zhoushan RoRo
Total	1,729,567,313.47	1,762,239,630.81	

Note: See Note (VIII) 61 for the above mortgages and pledges.

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

33. Bonds payable

(1) Bonds payable

Item	30/06/2026	31/12/2025
5.000% USD 600 million corporate bond	4,078,267,745.12	4,199,310,168.54
1.820% RMB 3 billion corporate bond	3,000,000,000.00	3,000,000,000.00
1.980% RMB 2 billion medium term notes	2,000,000,000.00	2,000,000,000.00
2.180% RMB 2 billion corporate bond	2,000,000,000.00	2,000,000,000.00
1.760% RMB 2 billion corporate bond	2,000,000,000.00	2,000,000,000.00
2.800% RMB 1,500 million medium term notes	1,500,000,000.00	1,500,000,000.00
2.300% RMB 1,200 million medium term notes	1,200,000,000.00	1,200,000,000.00
2.100% RMB 800 million medium term notes	800,000,000.00	800,000,000.00
2.680% RMB 500 million medium term notes	500,000,000.00	500,000,000.00
4.000% USD 500 million corporate bond	-	3,510,477,363.75
Total	17,078,267,745.12	20,709,787,532.29

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

33. 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	01/01/2026	Amount issued in the current period	Interest accrued based on par value	Amortisation of premiums or discounts	Repayment in current period	Effect of translation of financial statements denominated in foreign currencies	30/06/2026	Default or not
5.000% USD 600 million corporate bond	USD 600,000,000.00	5.0000%	2018-08-06	10 years	USD 600,000,000.00	4,284,114,214.80	-	102,968,826.70	3,200,958.90	172,139,052.65	-126,122,355.56	4,092,022,592.19	No
4.000% USD 500 million corporate bond	USD 500,000,000.00	4.0000%	2022-06-01	5 years	USD 500,000,000.00	3,522,609,270.77	-	68,302,326.58	1,418,705.05	-	-104,863,906.40	3,487,466,396.00	No
1.820% RMB 3 billion corporate bond	3,000,000,000.00	1.8200%	2025-08-25	3 years	3,000,000,000.00	3,019,296,986.29	-	27,075,616.42	-	-	-	3,046,372,602.71	No
2.180% RMB 2 billion corporate bond	2,000,000,000.00	2.1800%	2024-08-23	5 years	2,000,000,000.00	2,015,648,219.17	-	21,620,821.91	-	-	-	2,037,269,041.08	No
1.760% RMB 2 billion medium term notes	2,000,000,000.00	1.7600%	2025-11-07	3 years	2,000,000,000.00	2,005,014,794.52	-	17,455,342.45	-	-	-	2,022,470,136.97	No
1.980% RMB 2 billion medium term notes	2,000,000,000.00	1.9800%	2025-03-24	3 years	2,000,000,000.00	2,030,595,068.49	-	19,637,260.27	-	39,600,000.00	-	2,010,632,328.76	No
2.800% RMB 1500 million medium term notes	1,500,000,000.00	2.8000%	2024-04-01	10 years	1,500,000,000.00	1,531,413,698.63	-	20,827,397.26	-	42,000,000.00	-	1,510,241,095.89	No
2.300% RMB 1200 million medium term notes	1,200,000,000.00	2.3000%	2024-07-10	5 years	1,200,000,000.00	1,213,081,643.84	-	13,686,575.34	-	-	-	1,226,768,219.18	No
2.100% RMB 800 million medium term notes	800,000,000.00	2.1000%	2024-07-10	3 years	800,000,000.00	807,962,739.75	-	8,330,958.92	-	-	-	816,293,698.67	No
2.680% RMB 500 million medium term notes	500,000,000.00	2.6800%	2024-04-01	5 years	500,000,000.00	510,022,465.74	-	6,644,931.52	-	13,400,000.00	-	503,267,397.26	No
Total	——	——	——	——	——	20,939,759,102.00	-	306,550,057.37	4,619,663.95	267,139,052.65	-230,986,261.96	20,752,803,508.71	——
Less: Bonds payable due within one year	——	——	——	——	——	229,971,569.71	——	——	——	——	——	3,674,535,763.59	——
Bonds payable due after one year	——	——	——	——	——	20,709,787,532.29	——	——	——	——	——	17,078,267,745.12	——

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

34. Lease liabilities

(1) Lease liabilities

Category	30/06/2026	31/12/2025
Lease payment	3,503,274,976.19	3,748,343,293.15
Less: Unrecognised financing cost	1,735,020,830.62	1,845,629,225.85
Total	1,768,254,145.57	1,902,714,067.30
Less: Lease liabilities due within one year	147,783,875.70	211,853,235.22
Net leases liabilities	1,620,470,269.87	1,690,860,832.08

(2) Maturity of lease liabilities

Item	30/06/2026
1st year subsequent to the balance sheet date	226,136,935.87
2nd year subsequent to the balance sheet date	191,315,454.58
3rd year subsequent to the balance sheet date	188,520,392.16
Subsequent years	2,897,302,193.58
Total	3,503,274,976.19

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

35. Long-term payables

Item	30/06/2026	31/12/2025
Payment for the purchase of terminal operating rights (Note)	3,612,410,401.42	3,552,952,940.93
Sale-lease back payment	224,888,354.41	237,923,089.53
Shareholder loans	36,682,429.26	36,685,942.36
Special payables	6,798,831.34	6,461,237.03
Others	2,017,108.88	2,078,590.05
Total	3,882,797,125.31	3,836,101,799.90
Less: Long-term payables due within one year	235,848,050.30	114,496,507.83
Long-term payables due after one year	3,646,949,075.01	3,721,605,292.07

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

35. 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 30 June 2026, the amount payable for the acquisition of terminal management rights is RMB 863,579,529.15.

TCP, a subsidiary of the Company, entered into a franchise agreement on the Port of Paranaguá with the Administration of the Ports of Paranaguá and Antonina- APPA (hereinafter referred to as "APPA"). The agreement provides for an initial term of 25 years for the franchising rights. In April 2016, TCP and APPA entered into the Supplemental Agreement, which extends the term to 50 years and will be expired in October 2048. As at 30 June 2026, the amount of franchising rights payable was RMB 2,748,830,872.27.

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

Item	30/06/2026	31/12/2025
APPA Port Authority	2,748,830,872.27	2,672,990,824.23
Sri Lanka Ports Authority	865,596,638.03	882,040,706.75
Ocean Offshore 2403 Limited	110,749,905.41	128,076,334.57
China Merchants Finance Leasing (Tianjin) Co., Ltd.	114,138,449.00	109,846,754.96
Yihai Kerry Arawana Holdings Co., Ltd.	36,682,429.26	36,685,942.36
Total	3,875,998,293.97	3,829,640,562.87

(2) Special payables

Item	01/01/2026	Effect of changes in the scope of consolidation	Increase for the period	Decrease for the period	30/06/2026	Reason
Employee housing fund	6,461,237.03	-	337,594.31	-	6,798,831.34	Note
Total	6,461,237.03	-	337,594.31	-	6,798,831.34	

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

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

36. Long-term employee benefits payable

(1) Long-term employee benefits payable

Item	01/01/2026	Increase for the year	Decrease for the year	30/06/2026
Post-employment benefits - net liabilities of defined benefit plans	478,593,850.73	7,842,087.16	13,602,290.63	472,833,647.26
Termination benefits	32,348,987.48	1,519,780.20	4,065,098.67	29,803,669.01
Other long-term benefit (note)	35,443,539.41	875,082.94	8,989,457.90	27,329,164.45
Total	546,386,377.62	10,236,950.30	26,656,847.20	529,966,480.72

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

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

36. Long-term employee benefits payable - continued

(2) Changes in defined benefit plans

Present value of defined benefit plan obligations:

Item	Current period	Prior period
I. Opening balance	495,694,512.75	593,762,038.30
II. Defined benefit cost included in profit or loss for the period	9,525,404.51	14,053,403.85
1. Current service cost	4,905,404.49	7,218,603.83
2. Interest adjustment	4,620,000.02	6,834,800.02
III. Defined benefit cost included in other comprehensive income	-4,916,527.52	1,548,050.47
1. Effect of exchange rate changes	-4,916,527.52	1,548,050.47
IV. Other changes	-10,479,165.94	-8,056,944.75
1. Benefits paid	-10,479,165.94	-12,206,350.55
2. Changes in the scope of consolidation	-	4,149,405.80
V. At the end of the period	489,824,223.80	601,306,547.87

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

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

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

37. Provisions

Item	01/01/2026	Increase for the period	Decrease for the period	Effect of translation of financial statements denominated in foreign currencies	30/06/2026	Reason
Pending litigation	79,405,815.31	3,812,640.73	-	1,899,586.71	85,118,042.75	Note 1
External guarantees provided	106,087,367.14	-	-	-3,137,989.54	102,949,377.60	Note 2
Total	185,493,182.45	3,812,640.73	-	-1,238,402.83	188,067,420.35	

Note1: This represents the estimated compensation amount RMB 85,118,042.75 that the Company's subsidiary TCP may need to pay due to the pending litigation.

Note 2: The Board of the Group assessed the default risk of related parties based on the actual operation of the related parties, which amounted to RMB 102,949,377.60 as of 30 June 2026 (31 December 2025: RMB 106,087,367.14) . Please refer to Note (XV), 5, (3) for details.

38. Deferred income

Item	01/01/2026	Increase for the period	Decrease for the period	30/06/2026
Government grants	923,349,449.41	2,770,000.00	35,460,420.56	890,659,028.85
Total	923,349,449.41	2,770,000.00	35,460,420.56	890,659,028.85

(1) Government grants included in deferred income

Category of government grants	30/06/2026	Amount included in current profit and loss	Amount refunded this period	Reason for return
Government grants	890,659,028.85	23,997,820.56	11,462,600.00	Returned for non-compliance
Total	890,659,028.85	23,997,820.56	11,462,600.00	

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

39. Other non-current liabilities

Item	Opening Balance	Closing Balance
Actuarial cost for the calculation of pension benefit difference for the public security bureau staff (Note 1)	154,286,523.03	159,573,016.67
Other	5,485,741.42	4,869,460.69
Total	159,772,264.45	164,442,477.36

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

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

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

40. Share capital

Name of investor	01/01/2026		Increase for the period	Decrease for the period	30/06/2026	
	Investment amount	Proportion (%)			Investment amount	Proportion (%)
China Merchants Port Investment Development Company Limited	1,148,648,648.00	46.28	-	-	1,148,648,648.00	46.28
Zhejiang Seaport Investment and Operation Group Co., Ltd.	576,709,537.00	23.24	-	-	576,709,537.00	23.23
China Merchants Gangtong Development (Shenzhen) Co., Ltd.	370,878,000.00	14.94	-	-	370,878,000.00	14.94
Infrastructure Investment Fund Management Co., Ltd. – infrastructure Investment Fund Partnership (Limited Partnership)	64,850,182.00	2.61	-	-	64,850,182.00	2.61
Broadford International Limited	55,314,208.00	2.23	-	-	55,314,208.00	2.23
China Africa Development Fund Co., Ltd.	15,610,368.00	0.63	-	-	15,610,368.00	0.63
Others	249,831,242.00	10.07	306,100.00	-	250,137,342.00	10.08
Total	2,481,842,185.00	100.00	306,100.00	-	2,482,148,285.00	100.00

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

41. Capital Reserve

Item	Amount at the beginning of the period	Increase	Decrease	Amount at the end of the period
For the period from 1 January to 30 June 2026				
I. Capital premium	36,345,882,229.54	5,155,967.24	-	36,351,038,196.78
Including: Capital contributed by investors	17,113,820,944.86	5,155,967.24	-	17,118,976,912.10
Differences arising from business combination involving enterprises under common control	13,302,937,205.73	-	-	13,302,937,205.73
Differences arising from acquisition non-controlling interests	4,624,739,800.75	-	-	4,624,739,800.75
Others	1,304,384,278.20	-	-	1,304,384,278.20
II. Other capital reserve	470,704,386.44	86,557,973.69	1,000,570.00	556,261,790.13
Including: Transfer from capital reserve under the previous accounting rules	-2,781,133.00	-	-	-2,781,133.00
Others	473,485,519.44	86,557,973.69	1,000,570.00	559,042,923.13
Total	36,816,586,615.98	91,713,940.93	1,000,570.00	36,907,299,986.91
2025				
I. Capital premium	36,709,528,363.44	5,489,164.28	369,135,298.18	36,345,882,229.54
Including: Capital contributed by investors	17,108,331,780.58	5,489,164.28	-	17,113,820,944.86
Differences arising from business combination involving enterprises under common control	13,302,937,205.73	-	-	13,302,937,205.73
Differences arising from acquisition non-controlling interests	4,624,739,800.75	-	-	4,624,739,800.75
Others	1,673,519,576.38	-	369,135,298.18	1,304,384,278.20
II. Other capital reserve	653,453,468.23	951,302.21	183,700,384.00	470,704,386.44
Including: Transfer from capital reserve under the previous accounting rules	-2,781,133.00	-	-	-2,781,133.00
Others	656,234,601.23	951,302.21	183,700,384.00	473,485,519.44
Total	37,362,981,831.67	6,440,466.49	552,835,682.18	36,816,586,615.98

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

42. Other comprehensive income

Item	01/01/2026	Changes for the period						Other changes	30/06/2026
		Pre-tax amount for the period	Less: Amount included in other comprehensive income in the prior period but transferred to profit or loss in the current period	Less: Amount included in other comprehensive income in the prior period but transferred to retained earnings in the current period	Less: Income tax expenses	Attributable to the Company, net of tax	Attributable to non-controlling shareholders, net of tax		
For the period from 1 January to 30 June 2026									
I. Other comprehensive income that will not be reclassified subsequently to profit or loss	-89,672,429.98	-18,512,080.44	-	-	-	-12,238,105.89	-6,273,974.55	-	-101,910,535.87
Including: Changes arising from remeasurement of defined benefit plans	-3,865,222.34	-	-	-	-	-	-	-	-3,865,222.34
Other comprehensive income that can't be reclassified to profit or loss under equity method	-145,733,832.52	-18,512,080.44	-	-	-	-12,238,105.89	-6,273,974.55	-	-157,971,938.41
Changes in fair value of other equity instruments	59,926,624.88	-	-	-	-	-	-	-	59,926,624.88
II. Other comprehensive income that will be reclassified subsequently to profit or loss	-879,490,996.53	-283,284,977.96	-	-	-	18,960,735.15	-302,245,713.11	-	-860,530,261.38
Including: Other comprehensive income recognised under the equity method	-171,005,183.03	-70,187,933.61	-	-	-	-31,695,190.04	-38,492,743.57	-	-202,700,373.07
Translation differences of financial statements denominated in foreign currencies	-708,485,813.50	-213,097,044.35	-	-	-	50,655,925.19	-263,752,969.54	-	-657,829,888.31
Total other comprehensive income	-969,163,426.51	-301,797,058.40	-	-	-	6,722,629.26	-308,519,687.66	-	-962,440,797.25
2025									
I. Other comprehensive income that will not be reclassified subsequently to profit or loss	-125,708,734.97	92,020,131.46	-	-	192,928.31	36,036,304.99	55,790,898.16	-	-89,672,429.98
Including: Changes arising from remeasurement of defined benefit plans	-27,162,681.92	49,464,273.41	-	-	124,558.23	23,297,459.58	26,042,255.60	-	-3,865,222.34
Other comprehensive income that can't be reclassified to profit or loss under equity method	-157,659,266.07	40,241,379.95	-	-	-	11,925,433.55	28,315,946.40	-	-145,733,832.52
Changes in fair value of other equity instruments	59,113,213.02	2,314,478.10	-	-	68,370.08	813,411.86	1,432,696.16	-	59,926,624.88
II. Other comprehensive income that will be reclassified subsequently to profit or loss	-1,432,672,502.48	1,334,425,946.92	-	-	-	553,181,505.95	781,244,440.97	-	-879,490,996.53
Including: Other comprehensive income recognised under the equity method	-401,677,243.85	488,977,551.12	-	-	-	230,672,060.82	258,305,490.30	-	-171,005,183.03
Translation differences of financial statements denominated in foreign currencies	-1,030,995,258.63	845,448,395.80	-	-	-	322,509,445.13	522,938,950.67	-	-708,485,813.50
Total other comprehensive income	-1,558,381,237.45	1,426,446,078.38	-	-	192,928.31	589,217,810.94	837,035,339.13	-	-969,163,426.51

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

43. Specific reserve

Item	01/01/2026	Increase	Decrease	30/06/2026
Safety production cost	57,278,650.39	32,455,476.95	13,405,488.39	76,328,638.95

44. Surplus reserve

The period from 1 January to 30 June 2026

Item	01/01/2026	Increase	Decrease	30/06/2026
Statutory surplus reserve	1,249,537,330.50	-	-	1,249,537,330.50

2025

Item	01/01/2025	Increase	Decrease	31/12/2025
Statutory surplus reserve	1,249,537,330.50	-	-	1,249,537,330.50

Note: In accordance with the *Company Law of the People's Republic of China* and the Company's articles of association, the Company appropriates 10% of its annual net profit to the statutory surplus reserve. The appropriation may cease once the accumulated balance of the statutory surplus reserve reaches 50% of the registered capital. Subject to approval, the statutory surplus reserve may be utilised to offset accumulated losses or for capitalisation to share capital. As at 30 June 2026, the accumulated balance of the Company's statutory surplus reserve had reached 50% of the registered capital.

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

45. Retained earnings

Item	Amount	Proportion of appropriation or allocation
For the period from 1 January to 30 June 2026		
Retained earnings at the beginning of the year before adjustment	24,729,748,576.84	
Add: Adjustment to Retained earnings at beginning of the year	-	
Including: Changes in accounting policies	-	
Retained earnings at the beginning of the year after adjustment	24,729,748,576.84	
Increase for the period	2,781,107,015.26	
Including: Net profit of the period attributable to shareholders of the Company	2,781,107,015.26	
Retained earnings carried forward from other comprehensive income	-	
Others	-	
Decrease for the period	1,983,236,479.71	
Including: Transfer to discretionary surplus reserve in the current period	-	
Transfer to discretionary surplus reserve in the current period	-	
Ordinary shares' dividends payable	1,983,236,479.71	Note
Ordinary shares' dividends converted into share capital	-	
Pension benefit difference	-	
Transfer to the National Council for Social Security Fund	-	
Distribution to holders of other equity instruments	-	
Others	-	
Retained earnings at the end of the period	25,527,619,112.39	

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

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

45. Retained earnings - continued

Note 1: According to the resolution of shareholders' meeting on 21 May 2026, the Company plans to distribute cash dividends of RMB 7.99 (inclusive of tax) for every 10 shares, totalling RMB 1,983,035,850.82 on the basis of 2,481,897,185 shares. As of 30 June 2026, due to the exercise of stock options granted under the equity incentive plan, the total share capital of the Company has been changed to 2,482,148,285 shares. Based on this, the company’s cash dividend distributed has been changed to RMB 1,983,236,479.71.

46. Operating income and operating costs

(1) Details of operating income and operating costs

Item	Current period		Prior period	
	Income	Costs	Income	Costs
Principal operation	8,864,974,345.86	4,656,990,674.68	8,382,712,282.79	4,487,845,467.23
Other operations	83,487,701.33	95,301,032.48	85,779,093.29	108,418,625.27
Total	8,948,462,047.19	4,752,291,707.16	8,468,491,376.08	4,596,264,092.50

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

46. Operating income and operating costs - continued

(2) Breakdown information of operating income and operating costs

Category	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	5,062,994,498.73	3,091,178,183.49	299,247,573.75	169,177,759.25	83,487,701.33	95,301,032.48	5,445,729,773.81	3,355,656,975.22
- Pearl River Delta	3,557,969,364.25	1,837,174,300.83	219,073,333.26	128,574,041.28	83,487,701.33	95,301,032.48	3,860,530,398.84	2,061,049,374.59
- Yangtze River Delta	111,365.05	3,864,728.41	-	-	-	-	111,365.05	3,864,728.41
- Bohai Rim	13,639,927.27	6,661,149.32	80,174,240.49	40,603,717.97	-	-	93,814,167.76	47,264,867.29
- Other areas	1,491,273,842.16	1,243,478,004.93	-	-	-	-	1,491,273,842.16	1,243,478,004.93
Other countries	3,478,143,751.05	1,372,247,163.21	24,588,522.33	24,387,568.73	-	-	3,502,732,273.38	1,396,634,731.94
Total	8,541,138,249.78	4,463,425,346.70	323,836,096.08	193,565,327.98	83,487,701.33	95,301,032.48	8,948,462,047.19	4,752,291,707.16

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

46. Operating income and operating costs - continued

(3) Description of performance obligations

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

Part of the Group's handling contracts are established with discount terms, i.e., the customers whose business volume reaches agreed level, are granted with preferential charge rate or discount. At the end of the period, as the business volume finally realised within the contract period is uncertain, the contract consideration is subject to variable factors. The management includes this part of discount in contract liabilities. At the end of the period, the variable considerations arising from sales discount are set out in Note (VIII) 26.

(4) Descriptions on allocation to remaining performance obligations

At the end of the period, the amount of revenue corresponding to the performance obligations which the Group has entered into a contract for but has not fulfilled or completely fulfilled mainly included the contract liabilities of RMB 467,332,338.33, of which RMB 137,914,643.04 is expected to be recognised as revenue in 2026; and RMB 329,417,695.29 is expected to be recognised as revenue in 2027 and subsequent years.

47. Taxes and surcharges

Item	Current period	Prior period
Property tax	39,377,326.74	38,685,303.24
Land use tax	17,638,152.62	17,434,069.64
City construction and maintenance tax	5,819,732.97	4,696,513.64
Education surcharges and local education surcharges	4,326,805.24	3,534,408.66
Stamp duty	1,482,875.43	1,572,336.14
Others (Note)	140,715,843.24	110,292,525.17
Total	209,360,736.24	176,215,156.49

Note: Others mainly represent the social contribution tax and tax on services borne by TCP, a subsidiary of the Company, equivalent to RMB 132,981,139.14 (For the period from 1 January to 30 June 2026：equivalent to RMB 104,316,324.84) for the period.

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

48. General and administrative expenses

Item	Current period	Prior period
Employee benefits	601,966,878.04	576,990,389.64
Depreciation expenses	36,797,940.31	37,655,932.96
Fees paid to agencies	13,691,744.13	16,517,711.11
Amortization of intangible assets	13,948,691.83	16,989,576.27
Others	97,540,729.76	110,919,499.46
Total	763,945,984.07	759,073,109.44

49. Research and development expenses

Item	Current period	Prior period
Employee benefits	90,455,345.41	74,754,807.75
Direct materials and outsourced R&D	3,022,669.28	22,485,452.99
Depreciation and amortization	2,319,302.52	2,138,974.74
Others	240,390.45	7,751,911.07
Total	96,037,707.66	107,131,146.55

50. Financial expenses

Item	Current period	Prior period
Interest expenses	920,982,888.62	1,036,682,027.86
Including: Bank and other borrowings	382,975,901.87	392,666,154.34
Bond interest and bill discount	328,070,066.14	422,786,996.38
Interest expenses of terminal management right	141,556,398.97	131,215,913.75
Interest expenses of lease liabilities	51,775,404.22	55,654,549.51
Other interest expenses	16,605,117.42	13,479,344.44
Less: Capitalized interest expenses	20,544,040.19	20,879,069.44
Less: Interest income	175,792,695.79	200,788,693.82
Net exchange loss (“-” for net income)	-26,618,683.08	16,212,019.97
Others	4,366,736.35	5,345,702.01
Total	702,394,205.91	836,571,986.58

51. Other income

Item	Current period	Prior period	Whether it is government subsidy
Business development subsidy	19,359,861.55	94,882,937.73	Yes
Transfer from deferred income (Note VIII 38)	23,997,820.56	25,333,879.71	Yes
Others	8,932,361.45	4,945,738.59	——
Total	52,290,043.56	125,162,556.03	——
Including: Government grants	50,758,666.80	123,816,690.60	——

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

52. Investment income

Item	Current period	Prior period
Long-term equity investments income	3,698,410,454.89	3,606,506,212.05
Including: Income from long-term equity investments under equity method	3,698,410,454.89	3,606,506,212.05
Investment income from financial assets held for trading	51,754,896.25	42,352,582.82
Investment from equity remeasurement at fair value upon acquisition of control	-	3,856,538.50
Dividend income from investments in other equity instruments	-	120,000.00
Total	3,750,165,351.14	3,652,835,333.37

53. Gains from changes in fair value

Item	Current period	Prior period
Financial assets held for trading	24,450,827.42	21,035,446.60
Total	24,450,827.42	21,035,446.60

54. Provision of credit impairment ("-" for losses)

Item	Current period	Prior period
Credit impairment of accounts receivable	-1,959,316.33	5,740,580.39
Reversal of impairment of other receivables	-886,860.45	-961,479.46
Reversal of impairment of long-term receivables	-146,404.60	-85,299.16
Total	-2,992,581.38	4,693,801.77

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

55. Gains from asset disposals

Item	Current period	Prior period	Amount included in non-recurring profit or loss for the current period
Gains from disposal of non-current assets	623,174.49	6,688,854.69	623,174.49
Including: Gains from disposal of intangible assets	-	6,084,102.84	-
Gains from disposal of fixed assets	544,715.94	571,354.19	544,715.94
Others	78,458.55	33,397.66	78,458.55
Total	623,174.49	6,688,854.69	623,174.49

56. Non-operating income

Item	Current period	Prior period	Amount included in non-recurring profit or loss for the current period
Compensation received for violation of contracts	2,713,143.06	5,238,732.17	2,713,143.06
Gains from retirement or damage of non-current assets	403,951.58	1,760,337.51	403,951.58
Including: Gains from retirement or damage of fixed assets	182,084.74	1,760,337.51	182,084.74
Exempted current accounts	-	429,567.31	-
Others	8,043,734.52	10,143,357.00	8,043,734.52
Total	11,160,829.16	17,571,993.99	11,160,829.16

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

57. Non-operating expenses

Item	Current period	Prior period	Amount included in non-recurring profit or loss for the current period
Litigation loss	3,812,640.72	3,589,845.46	3,812,640.72
Losses on retirement of non-current assets	4,168,619.40	3,586,928.26	4,168,619.40
Including: Losses on retirement or damage of fixed assets	121,965.83	3,586,928.26	121,965.83
Compensation and liquidated damages	1,102,083.00	242,399.77	1,102,083.00
Expenditure on public welfare donations	313,031.39	543,413.08	313,031.39
Others	996,517.89	4,826,713.26	996,517.89
Total	10,392,892.40	12,789,299.83	10,392,892.40

58. Borrowing costs

Item	Capitalization rate	Capitalisation amount
Construction in progress	——	——
Zhanjiang Port Baoman Port Area Container Terminal Phase I Expansion Project	2.60%	8,868,230.92
Dongguan Machong Port Area Berth 2 # and 3 # Project Bulk Grain Warehouse Phase III Expansion Project	2.85%	131,986.90
Other non-current assets	——	——
Advances for channels	4.35%	11,543,822.37
Sub-total	——	20,544,040.19
Interest expenses included in profit or loss for the period (Excludes interest expense on terminal operating rights and lease liabilities）	——	707,107,045.24
Total	——	727,651,085.43

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

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

59. Translation of foreign currencies

Item	Current period
Exchange differences included in profit or loss for the period	-26,618,683.08
Total	-26,618,683.08

60. Income tax expenses

Item	Current period	Prior period
Current income tax expenses	804,157,805.76	686,714,642.78
Deferred income tax expenses	72,268,434.59	41,694,166.54
Total	876,426,240.35	728,408,809.32

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

Item	Current period
Total profit	6,249,736,458.14
Income tax expenses calculated at 25%	1,562,434,114.54
Effect of non-deductible costs, expenses and losses	173,821,991.75
Accrued income tax	285,127,413.57
Effect of deductible temporary differences and deductible losses for which deferred tax assets are not recognised in the period	97,422,968.62
Effect of tax-free income (Note)	-782,114,074.36
Effect of tax incentives and changes in tax rate	-372,059,641.55
Effect of different tax rates of subsidiaries operating in other jurisdictions	-87,818,887.63
Effect of utilizing deductible losses for which deferred tax assets were not recognised in prior period	-23,118,001.19
Effect of adjustments to income tax of prior year	10,602,940.77
Others	12,127,415.83
Income tax expenses	876,426,240.35

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

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

61. Assets with restricted ownership and use right

Item	30/06/2026				31/12/2025			
	Gross carrying amount	Net carrying amount	Type of restriction	Status of restriction	Gross carrying amount	Net carrying amount	Type of restriction	Status of restriction
Cash and bank balances (Note 1)	82,452,617.41	82,452,617.41	Restricted margin, interest receivable not actually received	Interest receivable, performance bond, frozen funds, etc	100,488,698.75	100,488,698.75	Restricted margin, interest receivable not actually received	Interest receivable, performance bond, frozen funds, etc
Fixed assets (Note 2)	1,431,656,920.99	1,096,793,866.99	Mortgage	Mortgage borrowings	1,440,293,745.49	1,124,374,793.46	Mortgage	Mortgage borrowings
Intangible assets (Note 2)	756,017,600.61	591,085,146.25	Mortgage	Mortgage borrowings	756,017,600.61	603,900,037.67	Mortgage	Mortgage borrowings
Total	2,270,127,139.01	1,770,331,630.65			2,296,800,044.85	1,828,763,529.88	——	——

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

Note 2: Details of mortgage borrowings are set out in Note (VIII) 23 and Note (VIII) 32.

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

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

Item	01/01/2026	Effect of changes in the scope of consolidation	Provision for the period	Reversal for the period	Write-off and charge-off for the period	Transfer-out due to sale in the current period	Other increases for the period	Other decreases for the period	Effect of translation of financial statements denominated in foreign currencies	30/06/2026
Provision for bad debts of accounts receivable	65,486,371.62	-	4,867,565.80	-2,908,249.47	-	-	-	-	361,079.14	67,806,767.09
Provision for bad debts of other receivables	638,162,074.19	-	934,028.94	-47,168.49	-	-	-	-	-34,556,821.93	604,492,112.71
Provision for impairment of prepayments	4,260,618.26	-	-	-	-	-	-	-	-126,021.87	4,134,596.39
Provision for decline in value of inventories	524,634.82	-	-	-	-	-	-	-	-	524,634.82
Provision for bad debts of long-term receivables	64,436,852.45	-	146,944.33	-539.73	-	-	-	-	-	64,583,257.05
Provision for impairment of long-term equity investments	335,363,227.34	-	-	-	-	-	-	-	-85,629.63	335,277,597.71
Provision for impairment of fixed assets	212,280,683.43	-	-	-	-	-	-	-	-	212,280,683.43
Provision for impairment of construction in progress	6,412,247.07	-	-	-	-	-	-	-	-195,030.37	6,217,216.70
Provision for impairment of intangible assets	57,010,270.07	-	-	-	-	-	-	-	-	57,010,270.07
Provision for impairment of goodwill	970,663,044.33	-	-	-	-	-	-	-	-	970,663,044.33
Provision for impairment of other non-current assets	174,364,111.91	-	-	-	-	-	-	-	-	174,364,111.91
Other credit impairment provision	106,087,367.14	-	-	-	-	-	-	-	-3,887,748.11	102,199,619.03
Total	2,635,051,502.63	-	5,948,539.07	-2,955,957.69	-	-	-	-	-38,490,172.77	2,599,553,911.24

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

63. Items in cash flow statement

(1) Cash relating to operating activities

Proceeds from other operating activities

Item	Current period	Prior period
Interest income	163,622,313.25	187,103,044.10
Government grants	21,436,036.59	13,699,206.43
Guarantees and deposits	16,631,406.48	17,300,555.93
Insurance indemnities	3,899,355.22	36,776.08
Others	106,094,983.04	216,191,853.17
Total	311,684,094.58	434,331,435.71

Payment for other operating activities

Item	Current period	Prior period
Payment of operating costs and management expenses and other daily operating related expenditures	66,783,518.43	86,994,106.72
Guarantees and deposits	21,550,935.09	18,129,368.75
Advance payment	16,154,076.82	24,805,804.42
Others	229,298,870.85	263,193,796.56
Total	333,787,401.19	393,123,076.45

(2) Cash relating to investing activities

Cash receipts relating to significant investing activities

Item	Current period	Prior period
Recovered structured deposits	30,690,000,000.00	22,390,000,000.00
Dividends received	1,141,386,838.26	1,340,132,233.83
Total	31,831,386,838.26	23,730,132,233.83

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

63. Items in cash flow statement - continued

(2) Cash relating to investing activities - continued

Cash payments relating to significant investing activities

Item	Current period	Prior period
Purchase of structured deposits	30,910,000,000.00	21,535,000,000.00
Purchase and construction of long-term assets	737,575,344.32	1,057,042,867.97
Total	31,647,575,344.32	22,592,042,867.97

Proceeds from other investing activities

Item	Current period	Prior period
Withdrawal of Principal from a Time Deposit	30,000,000.00	-
Collection of marine area usage fee on behalf of other paties	-	123,815,461.48
Collection of marine area usage fee by Dongguan Shenchiwan Port Affairs Co.,Ltd. (hereinafter referred to as "Dongguan Port Affairs")	-	60,469,329.00
Others	609,211.91	8,997,067.86
Total	30,609,211.91	193,281,858.34

Payment for other investing activities

Item	Current period	Prior period
Loans to others	135,418,083.07	-
Payment on behalf for sea area use right fee	-	123,613,360.00
Others	8,527.34	2,095,513.81
Total	135,426,610.41	125,708,873.81

(3) Cash relating to financing activities

Proceeds from other financing activities

Item	Current period	Prior period
Sale and leaseback proceeds	-	136,505,690.00
Shareholder advance	-	111,500,000.00
Others	671,645.19	7,586,443.41
Total	671,645.19	255,592,133.41

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

63. Items in cash flow statement - continued

(3) Cash relating to financing activities - continued

Payment for other financing activities

Item	Current period	Prior period
Paid lease and royalty payments	311,940,809.93	106,043,089.61
Repurchase shares of the Company	-	269,263,918.22
Others	15,103,072.41	5,742,277.81
Total	327,043,882.34	381,049,285.64

Changes in liabilities arising from financing activities

Item	01/01/2026	Increase for the period		Decrease for the period		30/06/2026
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term borrowings	19,775,820,831.32	4,201,586,900.00	230,298,288.67	5,706,534,048.45	667,172,188.13	17,833,999,783.41
Long-term borrowings	7,439,956,123.50	826,333,303.19	1,334,074.95	-	2,933,033,821.18	5,334,589,680.46
Non-current liabilities due within one year	6,042,522,685.33	-	7,205,675,958.99	2,705,414,155.27	31,598,682.32	10,511,185,806.73
Bonds payable	20,709,787,532.29	-	-	-	3,631,519,787.17	17,078,267,745.12
Lease liabilities	1,690,860,832.08	-	53,647,366.83	-	124,037,929.04	1,620,470,269.87
Long-term payables	3,721,605,292.07	-	121,255,552.91	-	195,911,769.97	3,646,949,075.01
Dividends payable	135,169,470.79	-	3,326,273,662.07	378,623,401.71	-	3,082,819,731.15
Other current liabilities	2,004,242,191.78	1,000,000,000.00	16,990,136.99	-	-	3,021,232,328.77
Total	61,519,964,959.16	6,027,920,203.19	10,955,475,041.41	8,790,571,605.43	7,583,274,177.81	62,129,514,420.52

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

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

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

64. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

Supplementary information	Current period	Prior period
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	5,373,310,217.79	5,080,027,383.02
Add: Impairment losses	-	-1,621.20
Provision of credit impairment("-" for gains)	2,992,581.38	-4,693,801.77
Depreciation of fixed assets	1,009,951,281.15	1,015,024,918.96
Depreciation of investment properties	62,903,692.51	63,045,293.72
Depreciation of right-of-use assets	158,954,873.25	132,500,839.22
Amortization of intangible assets	375,565,696.94	363,088,740.75
Amortization of long-term deferred expenses	50,105,082.79	50,060,940.14
Gains from disposal of fixed assets, intangible assets and other long-term assets	-623,174.49	-6,688,854.69
Losses on retirement of fixed assets, intangible assets and other long-term assets	3,764,667.82	1,826,590.75
Gains rising from changes in fair value ("-" for gains)	-24,450,827.42	-21,035,446.60
Financial expenses	823,555,585.65	1,026,273,978.91
Investment income ("-" for income)	-3,750,165,351.14	-3,652,835,333.37
Decrease in deferred tax assets ("-" for increase)	8,152,761.28	-6,410,580.52
Increase in deferred tax liabilities	64,115,673.31	48,104,747.06
Decrease in inventories ("-" for increase)	8,942,280.06	-45,929,114.96
Decrease in operating receivables ("-" for increase)	-855,476,285.75	-1,041,823,983.84
Increase in operating payables ("-" for decrease)	36,475,858.01	8,158,621.21
Net cash inflow from operating activities	3,348,074,613.14	3,008,693,316.79
2. Significant investing and financing activities that do not involve cash receipts and payments:	-	
Conversion of debt into capital	-	-
Convertible bonds due within one year	-	-
3. Net changes in cash and cash equivalents:	-	
Cash at the end of the period	15,848,996,921.79	14,904,558,106.75
Less: Opening balance of cash	15,244,357,662.04	16,515,069,554.91
Add: Cash equivalents at the end of the period	-	-
Less: Opening balance of cash equivalents	-	-
Net (decrease)/ increase in cash and cash equivalents	604,639,259.75	-1,610,511,448.16

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

64. Supplementary information to the cash flow statement - continued

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

Item	30/06/2026	31/12/2025
I. Cash	15,848,996,921.79	15,244,357,662.04
Including: Cash on hand	197,280.89	191,636.31
Bank deposits available for payment at any time	15,847,948,051.23	15,050,273,330.58
Other monetary funds available for payment at any time	851,589.67	193,892,695.15
II. Cash equivalents	-	-
III. Balance of cash and cash equivalents at the end of the period	15,848,996,921.79	15,244,357,662.04

(3) Payment for dividends, profit distributions or interest

Item	Current period	Prior period
Cash paid for interest repayment	651,661,822.24	818,859,469.92
Dividends and profits paid to non-controlling shareholders of subsidiaries	378,623,401.71	572,192,997.59
Profit distributions	-	1,839,908,417.00
Total	1,030,285,223.95	3,230,960,884.51

(4) The Group has no cash and cash equivalents subject to restricted usage that are still presented as cash and cash equivalents.

(5) See Note (VIII) 1 (4) for details of cash at bank and on hand not belonging to cash and cash equivalents.

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

65. Foreign currency monetary items

Item	Foreign currency at the end of the period	Exchange rate	RMB at the end of the period
Cash and bank balances			3,280,111,258.46
Including: HKD	6,539,236.81	0.8701	5,689,789.95
USD	298,824,843.29	6.8209	2,038,254,373.60
RMB	1,182,123,049.89	1.0000	1,182,123,049.89
EUR	2,770,523.75	7.7349	21,429,724.15
AUD	6,940,398.55	4.6992	32,614,320.87
Accounts receivable			43,177,166.89
Including: USD	5,989,927.56	6.8209	40,856,696.89
EUR	300,000.00	7.7349	2,320,470.00
Other receivables			1,173,065,810.62
Including: HKD	465,938.00	0.8701	405,412.65
USD	1,927,141.68	6.8209	13,144,840.69
EUR	16,727.30	7.7349	129,383.99
RMB	1,151,832,096.51	1.0000	1,151,832,096.51
AUD	1,607,524.00	4.6992	7,554,076.78
Long-term receivables			1,420,496,939.56
Including: HKD	2,366,680.97	0.8701	2,059,249.11
USD	19,658,382.40	6.8209	134,087,860.52
EUR	29,813,048.56	7.7349	230,600,949.28
AUD	224,240,058.02	4.6992	1,053,748,880.65
Accounts payable			41,230,541.80
Including: HKD	4,516,851.12	0.8701	3,930,112.16
USD	5,394,091.38	6.8209	36,792,557.89
EUR	58,073.01	7.7349	449,188.93
RMB	58,682.82	1.0000	58,682.82
Other payables			239,943,940.87
Including: HKD	9,238,611.39	0.8701	8,038,515.77
USD	30,815,792.00	6.8209	210,191,435.65
EUR	102,570.00	7.7349	793,368.69
RMB	20,920,620.76	1.0000	20,920,620.76
Non-current liabilities due within one year			3,511,853,571.83
Including: USD	513,307,810.27	6.8209	3,501,221,243.07
RMB	10,632,328.76	1.0000	10,632,328.76
Bonds payable			6,078,267,745.10
Including: USD	597,907,570.13	6.8209	4,078,267,745.10
RMB	2,000,000,000.00	1.0000	2,000,000,000.00

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

66. Leases

(1) Lessor under operating lease

Item	Amount
I. Operating income	
Lease income	155,830,808.43
Including: Income related to variable lease payments that are not included in lease receipts	-
II. Undiscounted lease receipts received after the balance sheet date	495,908,778.75
1st year	218,136,454.76
2nd year	112,914,202.08
3rd year	68,300,395.90
4th year	26,148,613.74
5th year	12,158,111.80
Over 5 years	58,251,000.47

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

(2) Lessee

Item	Amount
Interest expenses on lease liabilities	51,775,404.22
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	26,766,919.86
Expenses on leases of low-value assets (exclusive of expenses on short-term leases of low-value assets) that are accounted for using simplified approach and included in cost of related assets or profit or loss for the period	-
Variable lease payments that are included in cost of related assets or profit or loss but not included in measurement of lease liabilities	-
Including: The portion arising from sale and leaseback transactions	-
Income from sub-lease of right-of-use assets	1,996,904.61
Total cash outflows relating to leases	177,358,269.47
Losses from sale and leaseback transactions	8,513,682.96
Cash inflows from sale and leaseback transactions	-
Cash outflows from sale and leaseback transactions	17,967,798.48
Others	-

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

66. Leases - continued

(2) Lessee - continued

Sale and leaseback transactions and basis for determination:

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

(IX) R&D EXPENDITURE

1. Disclosure by nature of expenses

Item	Current period	Prior period
Employee benefits	90,835,449.56	77,372,354.87
Direct materials and outsourced R&D	3,022,669.28	28,784,861.19
Depreciation and amortisation	2,359,581.80	2,276,229.67
Others	660,762.56	10,671,434.74
Total	96,878,463.20	119,104,880.47
Including: R&D expenditure recorded as expenses	96,037,707.66	107,131,146.55
R&D expenditure capitalised	840,755.54	11,973,733.92

(IX) R&D EXPENDITURE - continued

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

Item	01/01/2026	Increase	Decrease			30/06/2026
		Internal development costs	Recognised as intangible assets	Recognised as fixed assets	Transferred to profit or loss for the period	
Digital Petrochemical Terminal (Phase II)	13,011,725.12	78,846.28	-	-	-	13,090,571.40
Other R&D projects	21,222,874.61	761,909.26	9,881,989.75	403,618.06	-	11,699,176.06
Total	34,234,599.73	840,755.54	9,881,989.75	403,618.06	-	24,789,747.46
Including: Data resources	-	-	-	-	-	-

(X) CHANGES IN SCOPE OF CONSOLIDATION

1. Business combination not involving enterprises under common control

There is no business combination not involving enterprises under common control of the Group in the current period.

2. Business combination under common control

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

3. Reverse purchase

The Group has no reverse purchase in the current period.

4. Disposal of subsidiaries

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

5. Change in consolidation scope for other reasons

The Group has not changed the consolidation scope for other reasons in the current period.

(XI) EQUITY IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the Group - Major subsidiaries

Name of the subsidiary	Principal place of business	Place of incorporation	Nature of business	Registered capital (RMB'0000, unless otherwise specified)	Shareholding ratio of the Company (%)		Acquisition method
					Direct	Indirect	
Shenzhen Chiwan International Freight Agency Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	550.00	-	100.00	Established through investment
Chiwan Port and Shipping (Hong Kong) Co., Ltd. (hereinafter referred to as "Wharf Holdings Hong Kong ")	HK China	HK China	Investment holding	HKD 1,000,000.00	100.00	-	Established through investment
Dongguan Port Affairs	Dongguan China	Dongguan China	Logistics support services	45,000.00	-	85.00	Established through investment
Dongguan Shenchiwan Wharf Co., Ltd. (hereinafter referred to as "Dongguan Wharf")	Dongguan China	Dongguan China	Logistics support services	40,000.00	-	100.00	Established through investment
Shenzhen Chiwangang Container Co. Ltd.	Shenzhen China	Shenzhen China	Logistics support services	28,820.00	100.00	-	Business combination involving enterprises under common control
Shenzhen Chiwan Port Development Co., Ltd. (hereinafter referred to as "Shenchiwan Development")	Shenzhen China	Shenzhen China	Logistics support services	10,000.00	100.00	-	Business combination involving enterprises under common control
Chiwan Container Terminal Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	USD 95,300,000.00	51.00	24.00	Business combination involving enterprises under common control
Shenzhen Chiwan Tugboat Co., Ltd. (hereinafter referred to as "Shenchiwan Tugboat")	Shenzhen China	Shenzhen China	Logistics support services	2,400.00	-	100.00	Business combination involving enterprises under common control
Chiwan Shipping (Hong Kong) Limited (hereinafter referred to as "Chiwan Shipping")	HK China	HK China	Logistics support services	HKD 800,000.00	-	100.00	Business combination involving enterprises under common control
CM Port (Note 1)	HK China	HK China	Investment holding	HKD 48,730,938,800.00	0.37	49.30	Business combination involving enterprises under common control
China Merchants Bonded Logistics Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	70,000.00	40.00	60.00	Business combination involving enterprises under common control
China Merchants Holdings (International) Information Technology Co. Ltd. (hereinafter referred to as " CM International Tech ")	Shenzhen China	Shenzhen China	IT service	8,784.82	56.26	43.74	Business combination involving enterprises under common control
China Merchants International (China) Investment Co., Ltd.	Shenzhen China	Shenzhen China	Investment holding	USD 67,400,000.00	-	100.00	Business combination involving enterprises under common control
China Merchants International Container Terminal (Qingdao) Co., Ltd.	Qingdao China	Qingdao China	Logistics support services	USD 206,300,000.00	-	100.00	Business combination involving enterprises under common control
China Merchants Container Services Limited	HK China	HK China	Logistics support services	HKD 500,000.00	-	100.00	Business combination involving enterprises under common control
China Merchants Port (Shenzhen) Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	55,000.00	-	100.00	Business combination involving enterprises under common control
Shenzhen Haiqin Project Management Co., Ltd.	Shenzhen China	Shenzhen China	Engineering supervision service	1,000.00	-	100.00	Business combination involving enterprises under common control
Antongjie Wharf Storage Service (Shenzhen) Co., Ltd.	Shenzhen China	Shenzhen China	Preparation for the warehousing project	HKD 100,000,000.00	-	100.00	Business combination involving enterprises under common control
ASJ	Shenzhen China	Shenzhen China	Preparation for the warehousing project	HKD 520,000,000.00	-	100.00	Business combination involving enterprises under common control
China Merchants International Terminal (Qingdao) Co., Ltd.	Qingdao China	Qingdao China	Logistics support services	USD 44,000,000.00	-	90.10	Business combination involving enterprises under common control
CICT	Sri Lanka	Sri Lanka	Logistics support services	USD 150,000,100.00	-	85.00	Business combination involving enterprises under common control
Magang Godown & Wharf	Shenzhen China	Shenzhen China	Logistics support services	33,500.00	-	100.00	Business combination involving enterprises under common control
Zhangzhou China Merchants Tugboat Co., Ltd.	Zhangzhou China	Zhangzhou China	Logistics support services	1,500.00	-	100.00	Business combination involving enterprises under common control
Zhangzhou China Merchants Port Co., Ltd.	Zhangzhou China	Zhangzhou China	Logistics support services	122,700.00	-	60.00	Business combination involving enterprises under common control
Zhangzhou Investment Promotion Bureau Xiamenwan Port Affairs Co., Ltd. (hereinafter referred to as "Xiamenwan Port Affairs") (Note 2)	Zhangzhou China	Zhangzhou China	Logistics support services	44,450.00	-	31.00	Business combination involving enterprises under common control
Shekou Container Terminals Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	HKD 618,201,200.00	-	100.00	Business combination involving enterprises under common control
Shenzhen Lianyunjie Container Terminals Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	60,854.90	-	100.00	Business combination involving enterprises under common control
Anxunjie Container Terminals (Shenzhen) Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	127,600.00	-	100.00	Business combination involving enterprises under common control
Anyunjie Port Warehousing Service (Shenzhen) Co., Ltd.	Shenzhen China	Shenzhen China	Preparation for the warehousing project	6,060.00	-	100.00	Business combination involving enterprises under common control
Shenzhen Haixing	Shenzhen China	Shenzhen China	Logistics support services	53,072.92	-	67.00	Business combination involving enterprises under common control
Shenzhen Lianyongtong Terminal Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	USD 7,000,000.00	-	100.00	Business combination involving enterprises under common control
Yide Port	Foshan China	Foshan China	Logistics support services	21,600.00	51.00	-	Business combination involving enterprises under common control

(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	
Mega SCT	BVI	BVI	Investment holding	USD 120.00	-	80.00	Business combination involving enterprises under common control
Oasis King International Limited	BVI	BVI	Investment holding	USD 100.00	-	100.00	Business combination involving enterprises under common control
Lome Container Terminal S.A. (Note 3)	Republic of Togo	Republic of Togo	Logistics support services	XOF 200,000,000.00	-	100.00	Business combination involving enterprises under common control
Gainpro Resources Limited	BVI	BVI	Investment holding	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 1,145,480,000.00	-	85.00	Business combination involving enterprises under common control
Shantou port	Shantou China	Shantou China	Logistics support services	12,500.00	-	60.00	Business combination involving enterprises under common control
Shenzhen Jinyu Rongtai Investment Development Co., Ltd.	Shenzhen China	Shenzhen China	Property lease, etc.	80,000.00	-	100.00	Asset acquisition
Shenzhen Merchants Qianhaiwan Real Estate Co., Ltd.	Shenzhen China	Shenzhen China	Property lease, etc.	20,000.00	-	100.00	Asset acquisition
Juzhongzhi Investment (Shenzhen) Co., Ltd.	Shenzhen China	Shenzhen China	Investment consulting	4,000.00	-	75.00	Business combination involving enterprises under common control
Shantou Zhonglian	Shantou China	Shantou China	Logistics support services	380.00	-	62.50	Business combination not involving enterprises under common control
Shenzhen Lianda Tugboat Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	3,000.00	-	60.29	Business combination involving enterprises under common control
China Ocean Shipping Tally Zhangzhou Co., Ltd.	Zhangzhou China	Zhangzhou China	Logistics support services	200.00	-	84.00	Business combination involving enterprises under common control
China Merchants Holdings (Djibouti) FZE	Djibouti	Djibouti	Logistics support services	USD 38,140,000.00	-	100.00	Business combination involving enterprises under common control
Xinda Resources Limited	BVI	BVI	Investment holding	USD 107,620,000.00	-	77.45	Business combination involving enterprises under common control
Kong Rise Development Limited	HK China	HK China	Investment holding	USD 107,620,000.00	-	100.00	Business combination involving enterprises under common control
TCP	Brazil	Brazil	Logistics support services	BRL 68,851,600.00	-	100.00	Business combination not involving enterprises under common control
Direct Achieve Investments Limited	HK China	HK China	Investment holding	USD 814,781,300.00	-	100.00	Business combination involving enterprises under common control
Zhoushan RoRo	Zhoushan China	Zhoushan China	Logistics support services	17,307.86	51.00	-	Asset acquisition
Zhanjiang Port	Zhanjiang China	Zhanjiang China	Logistics support services	587,420.91	30.78	27.58	Business combination not involving enterprises under common control
Zhanjiang Port International Container Terminal Co., Ltd.	Zhanjiang China	Zhanjiang China	Logistics support services	60,000.00	-	80.00	Business combination not involving enterprises under common control
Zhanjiang Port Petrochemical Terminal Co., Ltd. (Note 4)	Zhanjiang China	Zhanjiang China	Logistics support services	18,000.00	-	50.00	Business combination not involving enterprises under common control
China Ocean Shipping Tally Co., Ltd., Zhanjiang	Zhanjiang China	Zhanjiang China	Logistics support services	300.00	-	84.00	Business combination not involving enterprises under common control
Zhanjiang Port Donghaidao Bulk Cargo Terminal Co., Ltd.	Zhanjiang China	Zhanjiang China	Logistics support services	5,000.00	-	100.00	Business combination not involving enterprises under common control
Zhanjiang Port Logistics	Zhanjiang China	Zhanjiang China	Logistics support services	10,000.00	-	100.00	Business combination not involving enterprises under common control
Guangdong Zhanjiang Port Longteng Shipping Co., Ltd.	Zhanjiang China	Zhanjiang China	Logistics support services	9,000.00	-	51.00	Business combination not involving enterprises under common control
Shantou Port Tugboat Service Co., Ltd.	Shantou China	Shantou China	Logistics support services	1,000.00	-	100.00	Established through investment
Sanya Merchants Port Development Co., Ltd.	Sanya China	Sanya China	Logistics support services	1,000.00	51.00	-	Established through investment
China Merchants Port Modern Logistics Technology (Shenzhen) Co., Ltd. (Original name: China Division of Malai Warehousing (Shenzhen) Co., Ltd.)	Shenzhen China	Shenzhen China	Owning China Qianhai property	HKD 1,600,000,000.00	-	100.00	Business combination involving enterprises under common control
Ports Development (Hong Kong) Limited	Hong Kong China	Hong Kong China	Investment holding	2,768,291.56	100.00	-	Established through investment
Shunkong Port	Foshan China	Foshan China	Logistics support services	43,379.95	51.00	-	Asset acquisition
South Asia Commercial and Logistic Hub Limited	Sri Lanka	Sri Lanka	Logistics support services	USD 37,140,000.00	-	70.00	Established through investment
PT Nusantara Pelabuhan Handal Tbk	Indonesia	Indonesia	Logistics support services	IDR 281,394,199,000.00	-	51.00	Business combination not involving enterprises under common control

(XI) EQUITY IN OTHER ENTITIES - continued

1. Interests in subsidiaries - continued

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

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

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

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

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

(XI) EQUITY IN OTHER ENTITIES - continued

1. Interests in subsidiaries - continued

(2) Significant non-wholly-owned subsidiaries

30 June 2026

Name of the subsidiary	Proportion of ownership interest held by the non-controlling shareholders (%)	Profit or loss attributable to non-controlling shareholders in the current period	Dividends distributed to non-controlling shareholders in the current period	Balance of non-controlling interests at the end of the period
CM Port	50.33	2,627,685,687.59	282,957,987.85	63,558,126,044.35

Year 2025

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

(XI) EQUITY IN OTHER ENTITIES - continued

1. Interests in subsidiaries - continued

(3) Major financial information of significant non-wholly-owned subsidiaries

Name of the subsidiary	30/06/2026						31/12/2025					
	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	19,062,802,810.06	136,926,534,832.20	155,989,337,642.26	27,420,452,849.44	17,626,753,912.68	45,047,206,762.12	16,951,536,855.85	137,055,044,454.74	154,006,581,310.59	23,735,547,354.21	21,470,010,459.46	45,205,557,813.67

Name of the subsidiary	Current period				Prior period			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
CM Port	6,564,651,544.80	4,494,586,093.94	4,092,322,388.41	2,756,981,672.28	6,057,106,986.04	4,239,037,402.68	5,736,186,323.65	2,357,593,864.34

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

During this period, there were no changes of the Group in ownership interests in subsidiaries without losing control over the subsidiaries.

(XI) EQUITY IN OTHER ENTITIES - continued

3. Interests in joint ventures and associates

Significant joint ventures or associates

Investee	Principal place of business	Place of registration	Nature of business	Proportion of ownership interests held by the Group (%)		Proportion of voting rights (%)	Accounting treatment of investments in associates
				Direct	Indirect		
Associate							
SIPG	Shanghai, China	Shanghai, China	Port and container terminal business	-	28.06	28.06	Equity method
Ningbo Port	Ningbo, China	Ningbo, China	Port and container terminal business	20.98	2.10	23.08	Equity method

4. Key financial information of significant associate

Item	SIPG	
	30/06/2026/ Current period	31/12/2025/ Prior period
Current assets	58,914,047,143.11	47,413,401,186.78
Including: Cash and cash equivalents	40,987,084,447.41	31,597,464,469.62
Non-current assets	179,820,590,957.86	174,322,241,805.95
Total assets	238,734,638,100.97	221,735,642,992.73
Current liabilities	26,510,159,928.28	27,825,518,945.32
Non-current liabilities	48,807,707,507.30	37,978,516,336.38
Total liabilities	75,317,867,435.58	65,804,035,281.70
Net assets	163,416,770,665.39	155,931,607,711.03
Non-controlling interests	16,789,696,042.19	14,990,095,964.43
Net assets attributable to owners of the Company	146,627,074,623.20	140,941,511,746.60
Share of net assets calculated based on the proportion of ownership interests	41,136,980,914.97	39,541,866,969.29
Adjustments		
- Goodwill	2,427,508,397.27	2,427,508,397.27
- Others	215,117,109.71	213,133,462.53
Carrying amount of equity investments in associates	43,779,606,421.95	42,182,508,829.09
Fair value of publicly quoted equity investments in associates	30,827,796,628.40	35,399,715,619.90
Operating income	21,428,784,311.86	19,569,225,716.54
Financial expenses	380,663,594.69	361,119,419.10
Income tax expenses	1,740,421,269.82	1,606,295,734.79
Net profit	9,439,013,192.47	8,744,512,925.73
Net profit attributable to owners of the company of the investee in the current period	8,519,408,311.61	8,039,559,323.21
Other comprehensive income	39,516,394.43	66,040,994.78
Total comprehensive income	9,478,529,586.90	8,810,553,920.51
Dividends received from associates in the current period	947,040,362.53	947,040,362.54

(XI) EQUITY IN OTHER ENTITIES - continued

4. Key financial information of significant associate - continued

Item	Ningbo Port	
	30/06/2026/ Current period	31/12/2025/ Prior period
Current assets	20,438,102,000.00	23,642,829,000.00
Including: Cash and cash equivalents	6,055,541,000.00	7,454,715,000.00
Non-current assets	103,909,700,000.00	99,776,714,000.00
Total assets	124,347,802,000.00	123,419,543,000.00
Current liabilities	23,184,871,000.00	24,178,804,000.00
Non-current liabilities	10,117,883,000.00	9,131,706,000.00
Total liabilities	33,302,754,000.00	33,310,510,000.00
Net assets	91,045,048,000.00	90,109,033,000.00
Non-controlling interests	9,415,011,000.00	9,361,536,000.00
Net assets attributable to owners of the Company	81,630,037,000.00	80,747,497,000.00
Share of net assets calculated based on the proportion of ownership interests	18,840,212,539.60	18,636,522,307.60
Adjustments		
- Goodwill	1,231,115,756.87	1,231,115,756.87
- Others	130,601,819.18	130,502,729.48
Carrying amount of equity investments in associates	20,201,930,115.65	19,998,140,793.95
Fair value of publicly quoted equity investments in associates	14,141,843,871.75	16,296,791,509.35
Operating income	16,873,123,000.00	14,914,506,000.00
Financial expenses	115,789,000.00	55,270,000.00
Income tax expenses	777,242,000.00	779,548,000.00
Net profit	2,818,976,000.00	2,911,104,000.00
Net profit attributable to owners of the company of the investee in the current period	2,543,494,000.00	2,597,046,000.00
Other comprehensive income	28,601,000.00	-44,008,000.00
Total comprehensive income	2,847,577,000.00	2,867,096,000.00
Dividends received from associates in the current period	404,052,682.05	484,863,218.46

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

(XI) EQUITY IN OTHER ENTITIES - continued

5. Summarized financial information of insignificant associates and joint ventures

Item	30/06/2026/ Current period	31/12/2025/ Prior period
Joint ventures:		
Total carrying amount of investments	9,339,853,330.60	9,261,898,509.63
Aggregate of following items calculated based on the proportion of ownership interest		
- Net profit	203,675,418.60	158,256,084.61
- Other comprehensive income	-5,801,348.53	1,925,795.27
- Total comprehensive income	197,874,070.07	160,181,879.88
Associates:		
Total carrying amount of investments	31,140,246,625.98	31,630,551,932.20
Aggregate of following items calculated based on the proportion of ownership interest		
- Net profit	515,505,370.36	594,163,234.98
- Other comprehensive Income	-94,527,620.28	467,648,840.32
- Total comprehensive income	420,977,750.08	1,061,812,075.30

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 period

Balance of receivables at the end of current period	-

2. Liabilities involving government grants

Item	01/01/2026	New government grants	Amount included in non-operating income	Amount included in other income	Other changes	30/06/2026	Related to assets/income
Deferred income	923,349,449.41	2,770,000.00	-	23,997,820.56	-11,462,600.00	890,659,028.85	Related to assets
Total	923,349,449.41	2,770,000.00	-	23,997,820.56	-11,462,600.00	890,659,028.85	——

(XII) GOVERNMENT GRANTS - continued

3. Government grants included in profit or loss

Item	Current period	Prior period
Business development subsidy	19,359,861.55	94,882,937.73
Earmarked funds for innovation	537,000.00	2,609,378.80
Others	6,863,984.69	990,494.36
Total	26,760,846.24	98,482,810.89

(XIII) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

The Group's major financial instruments include cash and bank balances, financial assets held for trading, bills receivable, accounts receivable, receivables under financing, other receivables, long-term receivables, other non-current financial assets, borrowings, 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 and policies

The Group's risk management objectives are to achieve a proper balance between risks and yield, minimise the adverse impacts of risks on the Group's operation performance, and maximise the benefits of the shareholders and other stakeholders. Based on these risk management objectives, the Group's basic risk management strategy is to identify and analyse the Group's exposure to various risks, establish an appropriate maximum tolerance to risk, implement risk management, and monitors regularly and effectively these exposures to ensure the risks are monitored at a certain level.

(XIII) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued

1. Risk management objectives and policies - continued

1.1 Market risk

1.1.1 Currency risk

Currency risk is the risk that losses will occur because of changes in foreign exchange rates. The Group's exposure to the currency risk is primarily associated with HKD, USD, EUR and AUD. Except for part of the purchases and sales, the Group's other principal activities are denominated and settled in RMB. As at 30 June 2026, the balances of the Group's assets and liabilities are both denominated in functional currency, except that the assets and liabilities set out below are recorded using foreign currencies. Currency risk arising from the foreign currency balance of assets and liabilities may have impact on the Group's performance.

Item	Assets		Liabilities	
	30/06/2026	31/12/2025	30/06/2026	31/12/2025
USD	2,184,835,132.56	1,468,976,988.54	7,900,518,570.67	8,042,399,763.51
RMB (Note)	2,333,955,146.40	2,370,015,182.02	2,031,611,632.34	3,315,575,001.29
AUD	1,093,962,163.65	1,032,963,749.64	-	-
EUR	256,544,523.16	245,253,754.79	1,242,557.62	1,408,212.94
HKD	8,154,451.71	35,333,835.31	415,278,855.38	456,993,404.43
Total	5,877,451,417.49	5,152,543,510.30	10,348,651,616.01	11,816,376,382.17

Note: It refers to RMB financial assets and financial liabilities held by subsidiaries with non RMB currency as functional currency.

The Group closely monitors the effects of changes in the foreign exchange rates on the Group's currency risk exposures. According to the current risk exposure and judgment on the exchange rate movements, the management considers it is unlikely that the exchange rate changes in the next year will result in significant loss to the Group.

(XIII) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued

1. Risk management objectives and policies - continued

1.1 Market risk - continued

1.1.1 Currency risk - continued

Sensitivity analysis on currency risk

The assumption for the sensitivity analysis on currency risk is that all the cash flow hedges and hedges of a net investment in a foreign operation are highly effective. On the basis of the above assumption, where all other variables are held constant, the reasonably possible changes in the foreign exchange rate may have the following effect on the profit or loss for the period and shareholders' equity: At the end of the reporting period, for the Group's various USD-denominated financial assets and financial liabilities, if the USD appreciates or depreciates by 0.5% (2025: 0.5%) against all other foreign currencies, with all other variables held constant (ceteris paribus), the Group would record a decrease or increase in profit and equity of RMB 28,578,417.19 (2025: decrease or increase in profit and equity of RMB 32,867,113.87).

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) 23 and Note (VIII) 33). The Group continuously and closely monitors the impact of interest rate changes on the Group's interest rate risk. The Group's policy is to maintain these borrowings at floating rates. Presently, the Group has no arrangement such as interest rate swaps.

(XIII) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued

1. Risk management objectives and policies - continued

1.1 Market risk - continued

1.1.2 Interest rate risk - changes in cash flows - continued

Sensitivity analysis on interest rate risk

Sensitivity analysis on interest rate risk is based on the following assumptions:

- Fluctuations of market interest rate can affect the interest income or expense of a financial instrument with floating interest rate;
- For a financial instrument at fair value with fixed interest rate, the fluctuations of market interest rate can only affect its interest income or expense;
- For a derivative financial instrument designated as hedging instrument, the fluctuations of market interest rate affect its fair value, and all interest rate hedges are expected to be highly effective;
- The changes in fair value of derivative financial instruments and other financial assets and liabilities are calculated using cash flow discounting method by applying the market interest rate at balance sheet date.

On the basis of above assumptions, where the other variables held constant, the 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	Current period		Prior period	
		Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
Short-term borrowings and long-term borrowings	1% increase	-295,327,693.40	-295,327,693.40	-288,393,208.38	-288,393,208.38
Short-term borrowings and long-term borrowings	1% decrease	295,327,693.40	295,327,693.40	288,393,208.38	288,393,208.38

(XIII) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued

1. Risk management objectives and policies - continued

1.2 Credit risk

As at 30 June 2026, the Group's maximum exposure to credit risk which may cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees issued by the Group (without considering the available collateral or other credit enhancements) is arising from cash and bank balances (Note (VIII) 1), bills receivable (Note (VIII) 3), accounts receivable (Note (VIII) 4), other receivables (Note (VIII) 7), long-term receivables (Note (VIII) 10), etc. At the balance sheet date, the carrying amounts of the Group's financial assets represent its maximum exposure to credit risk. In addition, the Group's maximum credit risk exposure to credit losses includes the amount of financial guarantee contract as disclosed in (Note (XVII) 2) "Contingencies". For financial instruments measured at fair value, the book value reflects its risk exposure, but not the maximum risk exposure, and its maximum risk exposure will change with the change of future fair value.

In order to minimise the credit risk, the Group has delegated a department responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of financial assets at each balance sheet date to ensure that adequate provision for bad debts is made for relevant financial assets. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

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

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

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

(XIII) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued

1. Risk management objectives and policies - continued

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.

The following is the maturity analysis for financial assets and financial liabilities held by the Group which is based on undiscounted remaining contractual obligations:

Item	Carrying amount	Within 1 year	1 to 5 years	Over 5 years	Total
Short-term borrowings	17,833,999,783.41	18,352,629,157.03	-	-	18,352,629,157.03
Accounts payable	731,884,896.96	731,884,896.96	-	-	731,884,896.96
Other payables	5,141,501,344.76	5,141,501,344.76	-	-	5,141,501,344.76
Non-current liabilities due within one year	10,454,909,430.19	11,270,164,019.62	-	-	11,270,164,019.62
Other current liabilities	3,165,837,420.28	3,169,127,283.29	-	-	3,169,127,283.29
Long-term borrowings	5,334,589,680.46	-	3,443,148,436.82	2,528,461,088.45	5,971,609,525.27
Bonds payable	17,078,267,745.12	-	16,299,975,372.11	1,615,873,972.60	17,915,849,344.71
Lease liabilities	1,620,470,269.87	-	731,694,950.21	2,545,443,090.11	3,277,138,040.32
Long-term payables	3,640,150,243.67	-	879,792,047.52	4,619,634,850.52	5,499,426,898.04

(XIV) DISCLOSURE OF FAIR VALUE

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

Item	Fair value as at 30/06/2026			
	Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	Total
Continuously measured at fair value	-	-	-	-
Financial assets held for trading	-	7,801,237,827.41	-	7,801,237,827.41
Investments in other equity instruments	-	-	141,766,365.15	141,766,365.15
Receivables under financing	-	-	67,563,325.20	67,563,325.20
Other non-current financial assets	-	-	28,768,810.95	28,768,810.95
Total assets continuously measured at fair value	-	7,801,237,827.41	238,098,501.30	8,039,336,328.71

(XIV) DISCLOSURE OF FAIR VALUE - continued

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

Item	Fair value as at 30/06/2026	Valuation techniques	Inputs
Financial assets held for trading	7,801,237,827.41	Cash flow discounting	Expected rate of return

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

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

Item	Fair value as at 30/06/2026	Valuation techniques	Inputs
Investments in other equity instruments	141,766,365.15	Income approach, Net asset method	Expected profit distribution, discount rate, and carrying amount
Receivables under financing	67,563,325.20	Cashflow discounting	Expected rate of return
Other non-current financial assets	28,768,810.95	Net asset method	Carrying amount

The fair value of non-listed equity instruments included in equity instruments at fair value through profit or loss or other comprehensive income is determined using the income approach and net asset method. The fair value of debt investments is determined using the valuation method of the discounted cash flow method.

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

The financial assets and liabilities not measured at fair value mainly include bills receivable, accounts receivable, other receivables, non-current assets due within one year, long-term receivables, short-term borrowings, bills payable, accounts payable, other payables, non-current liabilities due within one year, other current liabilities, lease liabilities, long-term borrowings, bonds payable and long-term payables etc.

The Group's management believes that the carrying amounts of financial assets and financial liabilities at amortised cost in the financial statements approximate their fair values.

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. Parent of the Company

Name of the Company	Related party relationship	Type of the entity	Place of registration	Nature of business	Issued share capital	Proportion of ownership interests held by the Company (%)	Proportion of voting power held by the Company (%)
Broadford	Parent	Private limited company (share limited)	Hong Kong	Investment holding	HKD 21,120,986,262	2.23	63.45 (Note)

Note: Broadford directly holds 2.23% of the Company's equity, and holds 14.94% of the Company's equity through its subsidiary China Merchants Gangtong Development (Shenzhen) Co., Ltd. For the year ended 31 December 2024, the controlling shareholder Broadford transferred its 74.66% shares of Honghui (Hong Kong) Co., Ltd. to CMHK, and CMHK entrusted the 74.66% shares of Honghui (Hong Kong) Co., Ltd. obtained from the above transfer to Broadford for management. After the completion of this share transfer and share custody, the controlling shareholder of the company will still be Broadford, The ultimate controlling shareholder of the Company is China Merchants Group Co., Ltd..

2. Subsidiaries of the Company

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

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

3. Associates and joint ventures of the Company

Details of the Company's significant joint ventures and associates are set out in Note (XI) 3.

Joint ventures or associates that have related party transactions with the Group in the current period, or formed balances of related party transactions with the Group in the prior period are as follows:

Name of joint venture or associate	Relationship with the Company
Port of Newcastle and its subsidiaries	Joint venture
Qingdao Qianwan United Container Terminal Co., Ltd. (hereinafter referred to as " Qingdao Qianwan United ") and its subsidiaries	Joint venture
Qingdao Qianwan West Port United Wharf Co., Ltd.	Joint venture
COSCO Logistics (Zhanjiang) Co., Ltd.	Joint venture
China Ocean Shipping Agency Zhanjiang Co., Ltd.	Joint venture
Hunan Xianing Inland Port Co., Ltd.	Joint venture
Qingdao Port Dongjiakou Ore Terminal Co., Ltd.	Joint venture
Euro-Asia Oceangate S.à r.l.	Joint venture
Great Horn Development Company FZCo	Associate
International Djibouti Industrial Parks Operation FZCo	Associate
PORT DE DJIBOUTI S.A.	Associate
Terminal Link SAS	Associate
Modern Terminals Ltd.	Associate
Nanshan Group and its subsidiaries	Associate
Shanggang Group and its subsidiaries	Associate
Shenzhen Baohong Technology Co., Ltd.	Associate
Tianjin Haitian Bonded Logistics Co., Ltd.	Associate
Chu Kong River Trade Terminal Co., Ltd.	Associate
Shenzhen Chiwan Industrial Development Co., Ltd and its subsidiaries	Associate
New Land-Sea Corridor Operation (Zhanjiang) Co., Ltd.	Associate
Antong Holdings Co., Ltd. (hereinafter referred to as "Antong Holdings") and its subsidiaries	Associate
Tianjin Port Container Terminal Co., Ltd.	Associate
CM Port Chuangrong (Shenzhen) Technology Co., Ltd.	Associate
Liaoning Port and its subsidiaries	Associate, controlled by the same ultimate controlling shareholder
Zhanjiang Sinotrans Chemical International Logistics Co., Ltd.	Associate, controlled by the same ultimate controlling shareholder
Lac Assal Investment Holding Company Limited	Associate, controlled by the same ultimate controlling shareholder

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

4. Other related parties of the Company

Name of other related parties	Relationship with the Company
China Merchants Port Development (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants International Shipping Agency (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans Container Transportation (Hainan) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Marine Shipping Agency Guangdong Co., Ltd.	Controlled by the same ultimate controlling shareholder
CIAO International Limited	Controlled by the same ultimate controlling shareholder
Sinotrans Container Lines Co., Ltd.	Controlled by the same ultimate controlling shareholder
Yiu Lian Dockyards (Shekou) Limited	Controlled by the same ultimate controlling shareholder
China Ocean Shipping Agency Shenzhen Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants International Cold Chain (Shenzhen) Company Limited	Controlled by the same ultimate controlling shareholder
Qingdao Sinotrans Mining Technology Co., Ltd.	Controlled by the same ultimate controlling shareholder
Qingdao Bonded Logistics Park Sinotrans Warehousing Logistics Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Marine Shipping Agency Shenzhen Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinoway Shipping Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans Shenzhen Qianhai Supply Chain Management Ltd.	Controlled by the same ultimate controlling shareholder
South China Sinotrans Supply Chain Management Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Group Finance Company Limited	Controlled by the same ultimate controlling shareholder
Shenzhen West Port Security Service Co., Ltd.	Controlled by the same ultimate controlling shareholder
Shenzhen Nanyou (Holdings) Ltd and its subsidiaries	Controlled by the same ultimate controlling shareholder
Shenzhen AVIC Security Services Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Surplus Property Management Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans (Djibouti) Bonded Logistics Co., Ltd	Controlled by the same ultimate controlling shareholder
China Merchants-Logistics Shenzhen Co., Ltd.	Controlled by the same ultimate controlling shareholder
Yiu Lian Dockyards Limited	Controlled by the same ultimate controlling shareholder
Shenzhen Merchants to Home Technology Co., Ltd.	Controlled by the same ultimate controlling shareholder
Haitong Haihui (Shanghai) Technology Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Life Insurance Company Limited	Controlled by the same ultimate controlling shareholder
China Merchants Property Management (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Zhangzhou Development Zone Electricity Supply Limited.	Controlled by the same ultimate controlling shareholder
China Merchants Investment Development Company Limited	Controlled by the same ultimate controlling shareholder
Dalian Jingang United Auto International Trade Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Finance Lease (Tianjin) Co., Ltd.	Controlled by the same ultimate controlling shareholder
Ocean Offshore 2403 Limited	Controlled by the same ultimate controlling shareholder
Sinotrans (HK) Shipping Limited	Controlled by the same ultimate controlling shareholder
Shenzhen Qianhai Shekou Free Trade Investment Development	Controlled by the same ultimate controlling shareholder
Shenzhen Shekou Xintai Real Estate Co., Ltd.	Controlled by the same ultimate controlling shareholder
EuroAsia Dockyard Enterprise and Development Limited	Controlled by the same ultimate controlling shareholder
China Merchants Commercial Property Investment (Shenzhen)	Controlled by the same ultimate controlling shareholder
CMHK	Controlled by the same ultimate controlling shareholder
Merchants Port City	Controlled by the same ultimate controlling shareholder
China Merchants New Intelligence Technology Co., Ltd.	Controlled by the same ultimate controlling shareholder
Haitong Science and Technology Innovation (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
Hong Kong Haitong Co., Ltd.	Controlled by the same ultimate controlling shareholder

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

4. Other related parties of the Company - continued

Name of other related parties	Relationship with the Company
China Merchants Port Investment Development Company Limited	Controlled by the same ultimate controlling shareholder
China Merchants Zhangzhou Development Zone Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Innovation And Technology (Hong Kong) Co., Limited	Controlled by the same ultimate controlling shareholder
ORIENTURE HOLDINGS COMPANY LIMITED	Controlled by the same ultimate controlling shareholder
China Merchants Business Management (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Controlled by the same ultimate controlling shareholder
Haitong (Shenzhen) Trade Co., Ltd.	Controlled by the same ultimate controlling shareholder
Qingdao Sinotrans Logistics 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
Qingdao Sinotrans Supply Chain Management Co., Ltd.	Controlled by the same ultimate controlling shareholder
SINOTRANS SOUTH CHINA COMPANY LIMITED	Controlled by the same 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
Khor Ambado FZCo	Significantly influenced by the ultimate controlling shareholder
Zhejiang Seaport Investment and Operation Group Co., Ltd.	Other related parts
Yihai Kerry Arawana Holdings Co., Ltd.	Other related parts

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions

(1) Rendering and receipt of services

Related party	Content of transaction	Pricing method and decision procedures of related transactions	Current period	Prior period
Rendering of services:				
Antong Holdings and its subsidiaries	Service revenue	Negotiation	96,583,541.96	89,840,767.02
COSCO Logistics (Zhanjiang) Co., Ltd.	Service revenue	Negotiation	69,504,544.83	110,228,256.70
China Ocean Shipping Agency Zhanjiang Co., Ltd.	Service revenue	Negotiation	34,934,583.59	33,337,936.41
China Merchants International Shipping Agency (Shenzhen) Co., Ltd.	Service revenue	Negotiation	23,680,432.23	10,997,593.48
Sinotrans Container Transportation (Hainan) Co., Ltd.	Service revenue	Negotiation	14,354,005.49	13,650,615.63
Guangdong Sinotrans Shipping Agency Co., Ltd.	Service revenue	Negotiation	12,895,691.34	10,306,458.66
CIAO International Limited	Service revenue	Negotiation	11,382,279.45	10,813,742.62
Hunan Xianing Inland Port Co., Ltd.	Service revenue	Negotiation	11,164,120.00	539,643.10
Sinotrans Container Lines Co., Ltd.	Service revenue	Negotiation	9,001,480.90	11,537,722.48
Qingdao Qianwan United and its subsidiaries	Service revenue	Negotiation	8,108,342.81	8,943,991.63
Yiu Lian Dockyards (Shekou) Limited	Service revenue	Negotiation	7,513,759.30	5,736,511.05
China Ocean Shipping Agency Shenzhen Co., Ltd.	Service revenue	Negotiation	4,124,575.15	4,122,229.71
China Merchants International Cold Chain (Shenzhen) Company Limited.	Service revenue	Negotiation	3,634,490.22	3,659,918.00
Liaoning Port and its subsidiaries	Service revenue	Negotiation	2,991,116.35	2,516,207.84
Qingdao Sinotrans Mining Technology Co., Ltd.	Service revenue	Negotiation	2,930,679.22	2,488,783.05
Shenzhen Baohong Technology Co., Ltd.	Service revenue	Negotiation	2,416,145.46	2,536,064.26
Qingdao Bonded Logistics Park Sinotrans Warehousing Logistics Co., Ltd.	Service revenue	Negotiation	2,406,108.88	1,920,054.18
China Marine Shipping Agency Shenzhen Co., Ltd.	Service revenue	Negotiation	2,200,101.17	1,537,548.68
Sinoway Shipping Ltd.	Service revenue	Negotiation	2,092,629.34	2,131,032.52
Sinotrans Shenzhen Qianhai Supply Chain Management Ltd.	Service revenue	Negotiation	2,037,093.74	4,434,880.36
New Land-Sea Corridor Operation (Zhanjiang) Co., Ltd.	Service revenue	Negotiation	1,707,760.09	2,236,211.88
South China COSCO Shipping Supply Chain Management Co., Ltd.	Service revenue	Negotiation	1,377,357.06	6,691,248.78
Other related parties	Service revenue	Negotiation	12,407,624.34	10,513,830.29
Port of Newcastle and its subsidiaries	Interest income	Negotiation	43,428,979.21	38,788,955.94
China Merchants Group Finance Company Limited	Interest income	Negotiation	29,008,141.25	30,809,751.96
China Merchants Bank Co., Ltd.	Interest income	Negotiation	11,984,489.73	23,563,438.34
Terminal Link SAS	Interest income	Negotiation	6,315,384.84	5,729,902.57
Tianjin Haitian Bonded Logistics Co., Ltd.	Interest income	Negotiation	490,770.41	511,219.19

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(1) Rendering and receipt of services - continued

Related party	Content of transaction	Pricing method and decision procedures of related transactions	Current period	Prior period
Receipt of services:				
Shenzhen Chiwan Industrial Development Co., Ltd and its subsidiaries	Service expenditure	Negotiation	32,486,692.51	29,247,703.24
Shenzhen West Port Security Service Co., Ltd.	Service expenditure	Negotiation	7,406,069.81	6,474,552.85
Shenzhen Nanyou (Holdings) Ltd and its subsidiaries	Service expenditure	Negotiation	6,955,090.92	18,407,462.46
Qingdao Qianwan West Port United Wharf Co., Ltd.	Service expenditure	Negotiation	6,461,606.00	6,684,470.00
Shenzhen AVIC Security Services Co., Ltd.	Service expenditure	Negotiation	5,301,507.04	-
China Merchants Surplus Property Management Co., Ltd.	Service expenditure	Negotiation	4,782,417.20	667,353.40
Sinotrans (Djibouti) Bonded Logistics Co., Ltd.	Service expenditure	Negotiation	3,397,067.82	1,154,667.94
China Merchants-Logistics Shenzhen Co., Ltd.	Service expenditure	Negotiation	2,961,573.66	2,687,110.98
Yiu Lian Dockyards Limited	Service expenditure	Negotiation	2,753,322.76	3,591,125.69
Shenzhen Merchants to Home Technology Co., Ltd.	Service expenditure	Negotiation	2,579,814.39	1,313,180.36
Haitong Haihui (Shanghai) Technology Co., Ltd	Service expenditure	Negotiation	2,374,579.29	1,131,011.50
China Merchants (Shenzhen) Power Supply Co., Ltd	Service expenditure	Negotiation	2,332,750.80	2,855,653.24
China Merchants Life Insurance Company Limited	Service expenditure	Negotiation	2,284,116.53	104,572.82
China Merchants Property Management (Shenzhen) Co., Ltd.	Service expenditure	Negotiation	2,172,472.49	2,136,619.53
China Merchants Zhangzhou Development Zone Power Supply Co., Ltd.	Service expenditure	Negotiation	2,101,691.90	2,234,982.31
COSCO Logistics (Zhanjiang) Co., Ltd.	Service expenditure	Negotiation	1,834,511.77	4,166,843.52
Liaoning Port and its subsidiaries	Service expenditure	Negotiation	1,372,896.80	2,131,847.37
Other related parties	Service expenditure	Negotiation	15,888,875.79	24,546,052.63
China Merchants Bank Co., Ltd.	Purchase of structured deposits	Negotiation	6,375,000,000.00	7,400,000,000.00
China Merchants Bank Co., Ltd.	Interest expense	Negotiation	29,023,480.60	31,819,776.01
China Merchants Group Finance Company Limited	Interest expense	Negotiation	13,216,435.49	17,363,440.78
Ocean Offshore 2403 Limited	Interest expense	Negotiation	4,282,060.37	1,777,492.82
China Merchants Finance Lease (Tianjin) Co., Ltd.	Interest expense	Negotiation	4,291,694.04	1,543,321.18

(2) Leases with related parties

The Group as the lessor:

Name of the lessee	Type of leased assets	Pricing method and decision procedures of related transactions	Lease income recognised in the current period	Lease income recognised in the prior period
Qingdao Qianwan West Port United Wharf Co., Ltd.	Port and terminal facilities	Negotiation	9,663,209.07	8,466,125.94
Qingdao Bonded Logistics Park Sinotrans Warehousing Logistics Co., Ltd.	Port and terminal facilities	Negotiation	2,476,780.96	2,501,982.37
Qingdao Sinotrans Mining Technology Co., Ltd.	Port and terminal facilities	Negotiation	2,129,281.53	2,375,278.56
Qingdao Sinotrans Supply Chain Management Co., Ltd.	Port and terminal facilities	Negotiation	2,040,756.45	2,379,976.01
China Traffic Import and Export Co., Ltd.	Buildings and structures	Negotiation	1,918,396.56	1,918,396.56
Qingdao Qianwan United and its subsidiaries	Buildings and structures	Negotiation	1,649,832.60	1,661,969.04
CM Port Chuangrong (Shenzhen) Technology Co., Ltd.	Port and terminal facilities	Negotiation	1,278,730.26	1,203,393.72
China Merchants Securities Co., Ltd.	Buildings and structures	Negotiation	1,271,239.08	1,214,641.35
Qingdao Sinotrans Logistics Co., Ltd.	Port and terminal facilities	Negotiation	1,238,836.84	1,238,853.33
Haitong (Shenzhen) Trade Co., Ltd.	Buildings and structures	Negotiation	1,231,266.30	1,231,266.30
Other related parties	Buildings and structures, Port and terminal facilities	Negotiation	5,215,931.15	6,200,801.32
Total	— —	— —	30,114,260.80	30,392,684.50

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions – continued

(2) Leases with related parties – continued

The Group as the lessee:

Name of the lessor	Type of leased assets	Short-term lease expenses or expenses on leases of low-value assets that are accounted for using simplified approach		Variable lease payments that are not included in the measurement of lease liabilities		Rental paid		Interest expenses on lease liabilities		Addition to right-of-use assets	
		Current period	Prior period	Current period	Prior period	Current period	Prior period	Current period	Prior period	Current period	Prior period
China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Port and terminal facilities, Land use right	459,336.00	-	-	-	21,946,569.15	16,835,592.51	686,152.85	917,751.66	19,880,296.75	-
EuroAsia Dockyard Enterprise and Development Limited	Port and terminal facilities	-	-	-	-	6,631,196.96	7,585,747.55	216,390.08	332,662.65	-	-
Shenzhen Qianhai Shekou Free Trade Investment Development Co., Ltd.	Port and terminal facilities, Land use right	7,695,904.92	7,139,140.97	-	-	8,388,536.40	3,890,831.83	-	-	-	-
China Merchants Finance Lease (Tianjin) Co., Ltd.	Port and terminal facilities	-	-	-	-	-	1,569,286.11	2,187,447.34	1,543,321.18	-	-
Nanshan Group and its subsidiaries	Buildings and structures, Port and terminal facilities, Others	61,436.70	31,258,610.94	-	-	108,138,477.12	1,126,992.96	3,343,362.33	50,922.08	11,266,324.29	294,720.92
Other related parties	Buildings and structures, Port and terminal facilities, Land use right, Mechanical equipment, Others	1,181,332.13	1,071,148.62	-	-	2,622,714.00	2,405,119.45	43,903.72	86,991.76	-	-
Total		9,398,009.75	39,468,900.53	-	-	147,727,493.63	33,413,570.41	6,477,256.32	2,931,649.33	31,146,621.04	294,720.92

(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
For the period from 1 January to 30 June 2026					
Terminal Link SAS (Note 1)	50,395,931.56	50,395,931.56	11 June 2013	2033	No
Khor Ambado FZCo (Note 3)	196,153,920.00	153,194,723.41	24 May 2019	2032	No
Terminal Link SAS (Note 2)	224,759,700.00	110,132,253.00	25 Jan 2023	2030	No
Total	471,309,551.56	313,722,907.97	——	——	——
31/12/2025					
Terminal Link SAS (Note 1)	57,247,051.41	57,247,051.41	11 June 2013	2033	No
Khor Ambado FZCo (Note 3)	202,429,440.00	158,095,856.92	24 May 2019	2032	No
Terminal Link SAS (Note 2)	231,950,400.00	113,655,696.00	25 Jan 2023	2030	No
Total	491,626,891.41	328,998,604.33	——	——	——

Note 1: In previous years, CMA CGM S.A., another shareholder of Terminal Link SAS, an associate of the Group, provided 100% guarantee for the bank loan financing and other liabilities of Terminal Link SAS. The Group makes a commitment to CMA CGM S.A. to provide guarantee for the bank loan financing and other liabilities to Terminal Link SAS in accordance with the 49% equity ratio of Terminal Link SAS held by the Group. The actual guaranteed amount is RMB 50,395,931.56 as at 30 June 2026. If any guarantee liability occurs, the Group will compensate CMA CGM S.A..

Note 2: The Group and CMA CGM S.A. provide guarantee for bank loan financing and other liabilities of the associated company Terminal Link SAS according to their shareholding ratio. The actual guarantee amount on 30 June 2026 is RMB 110,132,253.00.

Note 3: Khor Ambado FZCo is a related party of the ultimate controlling shareholder of the Group. The Group and other shareholders of Khor Ambado FZCo provide guarantees for its bank loan financing and other liabilities in proportion to their shareholding. The actual guarantee amount on 30 June 2026 is RMB 153,194,723.41.

The Group as the guaranteed party:

Guarantor	Credit line	Guaranteed amount	Commencement date	Maturity date	The guarantee has been completed or not
For the period from 1 January to 30 June 2026					
SINOTRANS SOUTH CHINA COMPANY LIMITED (Note 4)	1,079,100,000.00	395,647,672.94	26 June 2019	1 July 2034	No
31/12/2025					
SINOTRANS SOUTH CHINA COMPANY LIMITED (Note 4)	1,079,100,000.00	409,805,329.57	26 June 2019	1 July 2034	No

Note 5: Refer to Note (VIII) 32.

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(4) Borrowings and loans with related parties

Related party	Amount	Commencement date	Maturity date	Description
For the period from 1 January to 30 June 2026				
Borrowings				
China Merchants Bank Co., Ltd.	35,000,000.00	Actual borrowing date	Agreed repayment date	Short-term borrowings
China Merchants Bank Co., Ltd.	388,682,721.72	Actual borrowing date	Agreed repayment date	Long-term borrowings
China Merchants Group Finance Company Limited	126,552,728.07	Actual borrowing date	Agreed repayment date	Short-term borrowings
China Merchants Group Finance Company Limited	181,755,271.93	Actual borrowing date	Agreed repayment date	Long-term borrowings
Total	731,990,721.72	——	——	——
For the year ended 31 December 2025				
Borrowings				
China Merchants Bank Co., Ltd.	1,672,217,483.07	Actual borrowing date	Agreed repayment date	Short-term borrowings
China Merchants Bank Co., Ltd.	786,838,830.68	Actual borrowing date	Agreed repayment date	Long-term borrowings
China Merchants Group Finance Company Limited	276,992,067.79	Actual borrowing date	Agreed repayment date	Short-term borrowings
China Merchants Group Finance Company Limited	421,567,628.72	Actual borrowing date	Agreed repayment date	Long-term borrowings
Ocean Offshore 2403 Limited	135,714,720.00	Actual borrowing date	Agreed repayment date	Long-term payables
Yihai Kerry Arawana Holdings Co., Ltd.	36,658,499.40	Actual borrowing date	Agreed repayment date	Long-term payables
Total	3,329,989,229.66	——	——	——

Note 1: As at 30 June 2026, the total credit lines of the Group from the related parties China Merchants Bank Co., Ltd. and China Merchants Group Finance Company Limited are RMB 5,318,300,000.00 and RMB 10,000,000,000.00 respectively.

(5) Asset transfer from related parties

Related party	Content of transaction	Pricing method and decision procedures of related ransactions	Current period	Prior period
Zhanjiang Sinotrans Chemical International Logistics Co., Ltd.	Contribution of land use right	Valuation	-	52,122,355.00
Zhanjiang Sinotrans Chemical International Logistics Co., Ltd.	Transfer of land use right	Valuation	-	43,972,744.00
Dalian United King Port Auto Trade Co., Ltd.	Acquisition of construction in progress	Negotiation	-	2,541,946.88
Ocean Offshore 2403 Limited	Acquisition of construction in progress	Negotiation	-	1,777,492.82
Hong Kong Haitong Co., Ltd.	Acquisition of construction in progress	Negotiation	-	1,572,861.85
Dalian United King Port Auto Trade Co., Ltd.	Acquisition of fixed assets	Negotiation	512,920.36	936,637.17
Other related parties	Acquisition of construction in progress	Negotiation	124,028.29	821,594.29
Total	——	——	636,948.65	103,745,632.01

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(6) Compensation for key management personnel

Item	Current period	Prior period
Compensation for key management personnel	8,632,616.73	11,171,413.15

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

(1) Amounts due from related parties

Item	Related party	30/06/2026	31/12/2025
Cash and bank balances	China Merchants Group Finance Company Limited	3,106,325,950.09	4,733,188,415.27
	China Merchants Bank Co., Ltd.	1,492,045,441.60	1,859,504,299.96
	Total	4,598,371,391.69	6,592,692,715.23
Accounts receivable	COSCO Logistics (Zhanjiang) Co., Ltd.	57,041,331.07	20,909,052.72
	Antong Holdings and its subsidiaries	39,437,087.71	14,331,644.37
	China Merchants International Shipping Agency (Shenzhen) Co., Ltd.	5,095,831.14	754,490.90
	Sinotrans Container Transportation (Hainan) Co., Ltd.	5,081,172.74	5,490,141.47
	Yiu Lian Dockyards (Shekou) Limited	5,030,079.28	1,409,897.20
	China Marine Shipping Agency Guangdong Co., Ltd.	2,989,031.20	2,759,474.70
	Hunan Xianing Inland Port Co., Ltd.	2,808,817.00	-
	Guangdong Sinotrans Shipping Agency Co., Ltd.	2,802,293.42	715,295.63
	CIAO International Limited	2,621,648.73	17,875.65
	China Ocean Shipping Agency Shenzhen Co., Ltd.	2,164,237.65	2,038,931.07
	Great Horn Development Company FZCo	2,089,241.67	2,152,921.44
	China Merchants Investment Development Company Limited	1,705,166.04	1,220,166.04
	Sinotrans (HK) Shipping Limited	1,523,636.23	4,192,924.81
	Other related parties	9,616,325.84	13,030,301.16
	Total	140,005,899.72	69,023,117.16

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

6. Amounts due from/to related parties - continued

(1) Amounts due from related parties - continued

Item	Related party	30/06/2026	31/12/2025
Dividends receivable	Shanggang Group and its subsidiaries	947,040,362.53	326,565,642.25
	Nanshan Group and its subsidiaries	111,042,000.00	111,042,000.00
	Liaoning Port and its subsidiaries	77,667,363.38	-
	Qingdao Port Dongjiakou Ore Terminal Co., Ltd.	68,175,602.27	68,175,602.27
	Modern Terminals Ltd.	46,329,730.83	-
	Merchants Port City	35,771,044.77	35,771,044.77
	Port of Newcastle and its subsidiaries	7,554,070.64	7,264,990.21
	Tianjin Port Container Terminal Co., Ltd.	4,100,251.44	-
	Euro-Asia Oceangate S.à r.l.	-	28,485,290.83
	Total	1,297,680,425.86	577,304,570.33
Other receivables	Chu Kong River Trade Terminal Co., Ltd.	31,637,563.20	32,841,079.20
	PORT DE DJIBOUTI S.A.	24,043,672.50	24,776,520.00
	Shenzhen Qianhai Shekou Free Trade Investment Development Co., Ltd.	7,222,330.00	7,222,330.00
	Ocean Offshore 2403 Limited	6,820,900.00	7,028,800.00
	Shenzhen Nanyou (Holdings) Ltd. and its subsidiaries	3,096,051.08	3,994,120.74
	Shenzhen Shekou Xintai Real Estate Co., Ltd.	2,062,727.31	-
	International Djibouti Industrial Parks Operation FZCo	1,542,649.05	1,891,143.64
	Zhanjiang Sinotrans Chemical International Logistics Co., Ltd.	1,519,800.00	480,000.00
	EuroAsia Dockyard Enterprise and Development Limited	1,470,871.73	1,526,824.77
	China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	1,166,408.40	1,166,408.40
	New Land-Sea Corridor Operation (Zhanjiang) Co., Ltd.	1,047,683.44	-
	China Merchants Investment Development Company Limited	-	5,710,073.55
	Other related parties	3,626,040.11	3,248,165.15
	Total	85,256,696.82	89,885,465.45
Prepayments	China Merchants Life Insurance Company Limited	4,583,289.04	3,126,654.88
	Other related parties	1,382,916.08	1,095,819.45
	Total	5,966,205.12	4,222,474.33
Non-current assets due within one year	China Merchants Finance Lease (Tianjin) Co., Ltd.	539,722.23	-
	Total	539,722.23	-
Long-term receivables	Port of Newcastle and its subsidiaries	1,053,748,023.05	1,032,950,257.96
	Terminal Link SAS	364,688,809.80	239,062,457.32
	Tianjin Haitian Bonded Logistics Co., Ltd.	34,820,216.65	34,300,000.00
	Other related parties	169,062.40	539,722.23
	Total	1,453,426,111.90	1,306,852,437.51

(XV) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

6. Amounts due from/to related parties - continued

(2) Amounts due to related parties

Item	Related party	30/06/2026	31/12/2025
Short-term borrowings	China Merchants Group Finance Company Limited	147,586,363.47	191,124,984.44
	China Merchants Bank Co., Ltd.	85,049,819.46	1,093,426,099.97
	Total	232,636,182.93	1,284,551,084.41
Accounts payable	Antong Holdings and its subsidiaries	17,869,057.61	17,869,057.61
	China Merchants (Shenzhen) Power Supply Co., Ltd	8,421,450.76	7,849,882.40
	Shenzhen Chiwan Industrial Development Co., Ltd and its subsidiaries	6,137,235.50	5,883,063.90
	COSCO Logistics (Zhanjiang) Co., Ltd.	4,923,533.03	3,959,010.47
	EuroAsia Dockyard Enterprise and Development Limited	2,037,890.07	2,275,716.26
	China Merchants-Logistics Shenzhen Co., Ltd.	1,843,929.91	1,106,421.35
	Yiu Lian Dockyards Limited	1,548,087.05	2,304,412.28
	China Merchants New Intelligence Technology Co., Ltd.	1,336,037.74	770,000.00
	Qingdao Qianwan West Port United Wharf Co., Ltd.	1,231,334.13	1,709,239.56
	Shenzhen West Port Security Service Co., Ltd.	1,194,984.43	1,227,570.98
	Sinotrans (Djibouti) Bonded Logistics Co., Ltd	1,147,077.57	1,325,308.71
	Haitong Science and Technology Innovation (Shenzhen) Co., Ltd.	1,146,800.00	-
	China Merchants Surplus Property Management Co., Ltd.	1,121,670.20	781,081.57
	Haitong Haihui (Shanghai) Technology Co., Ltd.	1,098,656.05	531,836.99
	Other related parties	8,074,814.15	23,103,625.56
	Total	59,132,558.20	70,696,227.64
Advance payments received	Qingdao Qianwan United and its subsidiaries	1,600,791.48	-
	Other related parties	525,777.15	641,753.44
	Total	2,126,568.63	641,753.44
Contract liabilities	Antong Holdings and its subsidiaries	7,114,832.00	-
	COSCO Logistics (Zhanjiang) Co., Ltd.	1,115,883.52	872,941.52
	CIAO International Limited	-	1,500,000.00
	Other related parties	2,918,067.29	1,036,672.25
	Total	11,148,782.81	3,409,613.77
Dividends payable	China Merchants Port Investment Development Company Limited	917,770,269.75	-
	Zhejiang Seaport Investment and Operation Group Co., Ltd.	460,790,920.06	-
	China Merchants Gangtong Development (Shenzhen) Co., Ltd.	296,331,522.00	-
	China Merchants Zhangzhou Development Zone Co., Ltd.	105,526,928.23	105,526,928.23
	Broadford	44,196,052.19	-
	Yiu Lian Dockyards Limited	22,924,685.89	22,924,685.89
	CHINA MERCHANTS INNOVATION AND TECHNOLOGY (HONG KONG) CO., LIMITED	10,043,234.80	-
	ORIENTURE HOLDINGS COMPANY LIMITED	1,276,466.04	-
	Total	1,858,860,078.96	128,451,614.12

(XV) **RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** - continued

6. **Amounts due from/to related parties** - continued

(2) Amounts due to related parties - continued

Item	Related party	30/06/2026	31/12/2025
Other payables	CMHK	309,403,306.46	309,403,432.24
	Lac Assal Investment Holding Company Limited	77,587,700.91	79,952,643.76
	Antong Holdings and its subsidiaries	6,340,341.84	6,340,341.84
	China Merchants Property Management (Shenzhen) Co., Ltd.	4,619,688.25	236,514.12
	Liaoning Port and its subsidiaries	3,008,819.39	4,050,509.93
	CIAO International Limited	2,999,920.00	2,999,920.00
	China Merchants Business Management (Shenzhen) Co., Ltd.	2,350,000.02	750,000.00
	Terminal Link SAS	1,850,339.64	1,906,737.71
	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	1,819,960.50	3,465,204.79
	Shenzhen Baohong Technology Co., Ltd.	1,024,705.18	965,979.58
	China Ocean Shipping Agency Zhanjiang Co., Ltd.	1,000,000.00	1,000,000.00
	Nanshan Group and its subsidiaries	-	4,667,248.90
	Other related parties	11,832,588.65	9,807,619.84
	Total	423,837,370.84	425,546,152.71
Other current liabilities	China Merchants Investment Development Company Limited	12,922,678.94	12,922,678.94
	Liaoning Port and its subsidiaries	224,040.00	943,076.91
	China Merchants Bank Co., Ltd.	218,283.15	755,883.15
	Other related parties	-	596,666.67
	Total	13,365,002.09	15,218,305.67
Non-current liabilities due within one year	China Merchants Bank Co., Ltd.	434,651,261.00	251,962,126.24
	China Merchants Group Finance Company Limited	152,377,073.92	307,767,555.63
	China Merchants Finance Lease (Tianjin) Co., Ltd.	114,138,449.00	-
	Nanshan Group and its subsidiaries	64,452,363.79	126,190,230.53
	Ocean Offshore 2403 Limited	27,283,600.00	28,115,200.00
	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	22,365,571.23	32,080,134.08
	EuroAsia Dockyard Enterprise and Development Limited	7,078,965.46	-
	Other related parties	682,813.71	1,581,487.09
	Total	823,030,098.11	747,696,733.57
Long-term borrowings	China Merchants Bank Co., Ltd.	1,021,878,859.76	968,696,138.04
	China Merchants Group Finance Company Limited	849,086,791.77	725,208,087.03
	Total	1,870,965,651.53	1,693,904,225.07
Lease liabilities	Nanshan Group and its subsidiaries	233,677,140.25	253,660,100.77
	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	10,158,894.41	-
	China Merchants International Cold Chain (Shenzhen) Company Limited	-	276,491.76
	Total	243,836,034.66	253,936,592.53
Long-term payables	Ocean Offshore 2403 Limited	83,466,305.41	99,961,134.57
	Yihai Kerry Arawana Holdings Co., Ltd.	36,682,429.26	36,658,499.40
	China Merchants Finance Lease (Tianjin) Co., Ltd.	-	109,846,754.96
	Total	120,148,734.67	246,466,388.93

(XVI) SHARE-BASED PAYMENTS

1. Equity instruments

Type of targets granted	Granted in the current period		Exercised in the current period		Unlocked in the current period		Lapsed in the current period	
	Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount
Management	-	-	306,100.00	1,000,570.00	-	-	-	-

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

Type of targets granted	Outstanding stock option at the end of current period	
	Range of exercise prices	Remaining term of contract
Management	RMB 12.51 to RMB 14.76	7 months

2. Equity-settled share-based payments

The method used to determine the fair value of equity instruments at the grant date	The cost of granted stock options was estimated using the Black Scholes Model.
The basis for determining the number of exercisable equity instruments	At each balance sheet date in the vesting period, the best estimate was made and the estimated number of exercisable equity instruments was modified according to the latest changes in the number of employees who can exercise the rights and other subsequent information.
Reasons for the significant difference between the estimates of the current period and the estimates of prior year	Nothing
The aggregate amount of equity-settled share-based payments that is included in capital reserve	-

Pursuant to the *Official Reply on the Implementation of the Stock Option Incentive Plan of China Merchants Port Group Co., Ltd.* by State-owned Assets Supervision and Administration Commission of the State Council (No. 748 [2019], SASAC), which was deliberated and approved by the 1st Extraordinary General Meeting of the Company in 2020 on 3 February 2020, the Company implemented a stock option plan with effect from 3 February 2020 to grant 238 incentive recipients 17,198,000 stock options with an exercise price of RMB17.80 per share. With a lockup period of 24 months from the grant date, the stock options are exercisable upon expiry of the 24-month lockup period in the premise that the vesting conditions are satisfied. The stock options are exercisable in three batches, specifically, 40% for the first batch (after 24 months but within 36 months subsequent to the grant date), 30% for the second batch (after 36 months but within 48 months subsequent to the grant date) and the remaining 30% for the third batch (after 48 months but within 84 months subsequent to the grant date). Each stock option entitles the holder to subscribe for one ordinary share of the Company.

(XVI) SHARE-BASED PAYMENTS - continued

2. Equity-settled share-based payments - continued

On 5 March 2021, the granting of stock option (reserved portion) under stock option inventive plan (phase I) was completed. The reserved portion of stock option targets to total 3 persons, granting 530,000 shares of stock option with exercise price of RMB15.09 per share. The grant date is 29 January 2021. With a lockup period of 24 months from the grant date, the stock options are exercisable upon expiry of the 24-month lockup period in the premise that the vesting conditions are satisfied. The stock options are exercisable in two batches, specifically, 50% for the first batch (after 24 months but within 36 months subsequent to the grant date), and the remaining 50% for the second batch (after 36 months but within 72 months subsequent to the grant date). Each stock option entitles the holder to subscribe for one ordinary share of the Company.

According to *Article 32 of Stock Option Incentive Plan*, since the grant date of the stock option, if the Company distributes dividends prior to the exercise of the option, the exercise price shall be adjusted accordingly. Therefore, the Company uniformly adjusted the exercise price from RMB17.80 per share to 17.34 per share in respect of the first batch of stock option granted under the stock option incentive plan (phase I) on 30 January 2021; the Company uniformly adjusted the exercise price from RMB 17.34 per share to 16.96 per share in respect of the first batch of stock option granted under the stock option incentive plan (phase I), and the exercise price of the reserved portion of stock option from RMB 15.09 per share to 14.71 per share on 29 January 2022; the Company uniformly adjusted the exercise price from RMB 16.96 per share to 16.53 per share in respect of the first batch of stock option granted under the stock option incentive plan (phase I), and the exercise price of the reserved portion of stock option from RMB 14.71 per share to 14.28 per share on 20 January 2023. Company uniformly adjusted the exercise price from RMB 16.53 per share to 16.08 per share in respect of the first batch of stock option granted under the stock option incentive plan (phase I), and the exercise price of the reserved portion of stock option from RMB 14.28 per share to 13.83 per share on 16 January 2024. Company uniformly adjusted the exercise price from RMB 16.08 per share to 15.50 per share in respect of the first batch of stock option granted under the stock option incentive plan (phase I), and the exercise price of the reserved portion of stock option from RMB 13.83 per share to 13.25 per share on 31 August 2024. The Company uniformly adjusted the exercise price from RMB 15.50 per share to 14.76 per share in respect of the first batch of stock option granted under the stock option incentive plan (phase I), and the exercise price of the reserved portion of stock option from RMB 13.25 per share to 12.51 per share on 31 August 2025.

(XVI) SHARE-BASED PAYMENTS - continued

2. Equity-settled share-based payments - continued

As at the date on which the financial statements are issued, 192 incentive targets who can exercise the rights for the third vesting period of the stock option (1st batch) under the stock option incentive plan (phase I) included: (1) 187 incentive targets who met the designated grades in the performance assessment, holding 100% of the stock option (totalling 3,408,900 shares) for the third vesting period of the stock option (1st batch) under the stock option incentive plan (phase I) of the Company and satisfying the criteria of exercise; and (2) 5 incentive targets who met the designated grades in the performance assessment, holding 80% of the stock option (totalling 60,480 shares) for the third vesting period of the stock option (1st batch) under the stock option incentive plan (phase I) of the Company and satisfying the criteria of exercise. The second vesting period of the stock option (reserved portion) under the stock option incentive plan (phase I) targets to total 3 persons who can exercise the rights. The 3 incentive targets have met the designated grades in the performance assessment, and 100% of stock option for the second vesting period of the stock option (reserved portion) under the stock option incentive plan (phase I) of the Company held by them have satisfied the criteria of exercise, granting 265,000 shares of exercisable stock option for the second vesting period of the stock option (reserved portion) under the stock option incentive plan (phase I).

3. Share-based payment expenses in the current period

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

(XVII) COMMITMENTS AND CONTINGENCIES

1. Significant commitments

Item	30/06/2026	31/12/2025
Commitments that have been entered into but have not been recognised in the financial statements		
- Commitment to acquire and construct long-term assets	2,402,854,706.24	3,381,159,873.68
- Commitment to make contributions to the investees	2,395,620,868.68	2,469,326,880.09
Total	4,798,475,574.92	5,850,486,753.77

(XVII) COMMITMENTS AND CONTINGENCIES - continued

2. Contingencies

Item	30/06/2026	31/12/2025
Contingent liabilities brought by external litigations (Note 1)	1,013,026,896.65	963,662,048.81
Guarantee for borrowings of related parties (Note 2)	210,773,530.37	222,911,237.19
Total	1,223,800,427.02	1,186,573,286.00

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 period end. The amount involved in the pending litigation is RMB 930,669,107.85. At the same time, for the pending litigation existing before the Group's acquisition of TCP, the counter compensation agreement in favour of the Group will be executed by the original TCP shareholders who sell shares. According to the counter compensation agreement, the original TCP shareholders need to compensate the Group for contingent liabilities, and the amount of compensation should not exceed the predetermined amount and the specified period. According to the latest estimates of the management of the Company, the above pending litigation is unlikely to lead to the outflow of economic benefits from the enterprise. Therefore, the Group has not recognised the estimated liabilities for the contingent liabilities caused by the above pending litigation.

Note 2: As at 30 June 2026, the guarantees provided by the Group for related parties are detailed in Note (XV) 5.

Except for the above-mentioned contingencies, As at 30 June 2026, the Group had no other major guarantees and other contingencies that need to be explained.

(XVIII) EVENTS AFTER THE BALANCE SHEET

According to the profit distribution plan for the half year of 2026 passed at the 2nd meeting of the 12th Board held by the Company on 27 August 2026, the Company distributed cash dividends of RMB 2.00 (including tax) for every 10 shares based on 2,482,148,285 shares held in the repurchase special account deducted from the total share capital as of 26 August 2026, totalling RMB 496,429,657.00. The above-mentioned profit distribution plan is yet to be reviewed and approved by the shareholders' meeting.

(XIX) OTHER SIGNIFICANT EVENTS

1. Segment reporting

(1) Basis for determining reporting segments and accounting policies

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

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

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

Ports operation

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

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.

(XIX) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

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

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

Other operations

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

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

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

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

The revenue from a major customer of ports operation amounts to RMB 1,247,783,399.80, representing 13.94% (from 1 January to 30 June 2025: 15.46%).

(XIX) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Financial information of reporting segments

Segment financial information for the period from 1 January to 30 June 2026 is as follows:

Item	Ports operation						Bonded logistics operation	Others	Unallocated amount	Total
	Mainland China, Hong Kong and Taiwan				Other locations	Sub-total				
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Others						
Operating income	3,557,969,364.25	111,365.05	13,639,927.27	1,491,273,842.16	3,478,143,751.05	8,541,138,249.78	323,836,096.08	83,487,701.33	-	8,948,462,047.19
Operating costs	1,837,174,300.83	3,864,728.41	6,661,149.32	1,243,478,004.93	1,372,247,163.21	4,463,425,346.70	193,565,327.98	95,301,032.48	-	4,752,291,707.16
Segment operating profit ("-" for losses)	1,720,795,063.42	-3,753,363.36	6,978,777.95	247,795,837.23	2,105,896,587.84	4,077,712,903.08	130,270,768.10	-11,813,331.15	-	4,196,170,340.03
Taxes and surcharges	18,979,426.24	540,395.46	784,008.41	25,714,673.05	137,948,766.25	183,967,269.41	13,126,403.16	12,179,762.35	87,301.32	209,360,736.24
Administrative expense	222,252,609.10	1,540,544.18	5,541,622.36	165,763,764.24	157,067,958.50	552,166,498.38	20,114,298.63	532,924.78	191,132,262.28	763,945,984.07
R&D expenses	86,419,036.19	-	-	9,618,671.47	-	96,037,707.66	-	-	-	96,037,707.66
Financial expenses	17,616,316.34	3,203,947.72	-2,805,388.07	22,538,925.83	14,588,320.80	55,142,122.62	8,291,016.88	-938,406.13	639,899,472.54	702,394,205.91
Other income	37,373,119.41	582,897.00	3,323.06	13,650,327.45	-	51,609,666.92	487,366.84	193,009.80	-	52,290,043.56
Investment income ("-" for losses)	46,881,587.52	2,979,229,665.93	151,244,683.93	28,256,323.57	488,523,552.89	3,694,135,813.84	97,813,832.31	-59,570,429.87	17,786,134.86	3,750,165,351.14
Including: Investment income from associates and joint ventures	12,912,826.13	2,979,229,665.93	151,244,683.93	28,256,323.57	488,523,552.89	3,660,167,052.45	97,813,832.31	-59,570,429.87	-	3,698,410,454.89
Gains from changes in fair value ("-" for losses)	22,367,539.75	-	-	-	-	22,367,539.75	-	-	2,083,287.67	24,450,827.42
Reversal of/(Losses on) credit impairment	-912,167.33	-	-	2,533,513.47	-4,668,110.36	-3,046,764.22	54,182.84	-	-	-2,992,581.38
Impairment losses ("-" for losses)	-	-	-	-	-	-	-	-	-	-
Gains from asset disposals ("-" for losses)	-3,704,994.05	-	-	4,447,552.73	-	742,558.68	-119,384.19	-	-	623,174.49
Operating profit ("-" for losses)	1,477,532,760.85	2,970,774,312.21	154,706,542.24	73,047,519.86	2,280,146,984.82	6,956,208,119.98	186,975,047.23	-82,965,032.22	-811,249,613.61	6,248,968,521.38

(XIX) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Financial information of reporting segments - continued

Segment financial information for the period from 1 January to 30 June 2026 is as follows: - continued

Item	Ports operation						Bonded logistics operation	Others	Unallocated amount	Total
	Mainland China, Hong Kong and Taiwan				Other locations	Sub-total				
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Others						
Non-operating income	2,650,493.92	-	-	2,994,502.10	2,835,237.47	8,480,233.49	10,095.13	30,267.31	2,640,233.23	11,160,829.16
Non-operating expenses	1,671,625.50	-	-	1,641,437.71	7,060,209.27	10,373,272.48	19,619.92	-	-	10,392,892.40
Total profit ("-" for losses)	1,478,511,629.27	2,970,774,312.21	154,706,542.24	74,400,584.25	2,275,922,013.02	6,954,315,080.99	186,965,522.44	-82,934,764.91	-808,609,380.38	6,249,736,458.14
Income tax expenses	308,014,974.27	99,470,776.13	22,569,808.25	18,834,554.54	429,596,506.03	878,486,619.22	17,526,463.61	-19,115,570.52	-471,271.96	876,426,240.35
Net profit ("-" for losses)	1,170,496,655.00	2,871,303,536.08	132,136,733.99	55,566,029.71	1,846,325,506.99	6,075,828,461.77	169,439,058.83	-63,819,194.39	-808,138,108.42	5,373,310,217.79
Segment assets	28,078,254,551.08	66,622,511,883.78	9,185,386,206.29	27,137,123,200.24	41,863,547,219.15	172,886,823,060.54	4,632,363,189.95	15,937,040,670.70	14,176,521,081.46	207,632,748,002.65
Total assets in the financial statements										207,632,748,002.65
Segment liabilities	7,706,235,967.18	1,612,137,994.14	177,651,556.34	6,522,859,528.23	7,059,603,294.25	23,078,488,340.14	482,959,220.30	376,339,986.15	50,503,338,214.23	74,441,125,760.82
Total liabilities in the financial statements										74,441,125,760.82
Supplementary information:										
Depreciation and amortization	570,881,971.42	3,064,735.91	478,559.34	433,693,979.65	522,327,586.69	1,530,446,833.01	47,350,837.86	61,795,553.72	17,887,402.05	1,657,480,626.64
Interest income	17,290,435.16	21,536.55	157,112.31	5,887,883.53	86,922,070.51	110,279,038.06	467,592.06	220,092.77	64,825,972.90	175,792,695.79
Interest expense	43,940,052.58	5,661,993.99	-	27,530,330.57	180,861,389.86	257,993,767.00	7,224,143.59	2,983,195.88	632,237,741.96	900,438,848.43
Investment income from long-term equity investments under equity method	12,912,826.13	2,979,229,665.93	151,244,683.93	28,256,323.57	488,523,552.89	3,660,167,052.45	97,813,832.31	-59,570,429.87	-	3,698,410,454.89
Long-term equity investments under equity method	1,638,098,065.55	63,981,536,537.60	8,967,212,454.79	1,711,651,686.10	12,407,650,851.21	88,706,149,595.25	1,810,110,877.02	13,945,376,021.91	-	104,461,636,494.18
Non-current assets other than long-term equity investments	18,889,421,426.15	383,806,357.65	12,895,515.87	20,380,905,644.74	24,418,270,977.24	64,085,299,921.65	2,488,035,528.27	3,097,592,669.48	521,570,148.60	70,192,498,268.00

(XIX) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Financial information of reporting segments - continued

Segment financial information for the period from 1 January to 30 June 2025 is as follows:

Item	Ports operation						Bonded logistics operation	Others	Unallocated amount	Total
	Mainland China, Hong Kong and Taiwan				Other locations	Sub-total				
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Others						
Operating income	3,519,011,226.80	137,755.21	13,986,156.15	1,504,339,421.37	3,040,042,023.22	8,077,516,582.75	305,195,700.04	85,779,093.29	-	8,468,491,376.08
Operating costs	1,776,103,190.68	4,251,608.20	6,844,764.09	1,278,654,685.09	1,246,331,683.03	4,312,185,931.09	175,659,536.14	108,418,625.27	-	4,596,264,092.50
Segment operating profit ("-" for losses)	1,742,908,036.12	-4,113,852.99	7,141,392.06	225,684,736.28	1,793,710,340.19	3,765,330,651.66	129,536,163.90	-22,639,531.98	-	3,872,227,283.58
Taxes and surcharges	17,442,155.96	540,767.29	802,751.38	24,536,380.63	107,439,669.29	150,761,724.55	13,201,806.86	12,127,437.32	124,187.76	176,215,156.49
Administrative expense	188,686,909.49	2,049,151.10	4,386,966.47	179,692,735.64	162,792,311.25	537,608,073.95	21,269,978.32	557,559.24	199,637,497.93	759,073,109.44
R&D expenses	87,599,302.90	-	-	9,601,570.86	-	97,200,873.76	-	-	9,930,272.79	107,131,146.55
Financial expenses	11,765,190.14	-6,792,779.77	-302,546.17	29,787,830.36	31,834,271.55	66,291,966.11	19,346,593.18	1,387,004.79	749,546,422.50	836,571,986.58
Other income	109,044,715.55	612,956.50	27,504.03	14,871,263.19	-	124,556,439.27	471,126.18	134,990.58	-	125,162,556.03
Investment income ("-" for losses)	44,936,641.43	2,852,058,858.18	144,794,869.01	25,160,853.01	420,512,592.25	3,487,463,813.88	86,442,141.06	71,470,297.69	7,459,080.74	3,652,835,333.37
Including: Investment income from associates and joint ventures	14,317,096.32	2,852,058,858.18	144,794,869.01	16,910,357.54	420,512,592.25	3,448,593,773.30	86,442,141.06	71,470,297.69	-	3,606,506,212.05
Gains from changes in fair value ("-" for losses)	20,435,994.54	-	-	-	-	20,435,994.54	-	-	599,452.06	21,035,446.60
Losses on credit impairment("-" for losses)	-1,082,814.66	-	-	-267,318.34	6,043,934.77	4,693,801.77	-	-	-	4,693,801.77
Impairment losses ("-" for losses)	1,621.20	-	-	-	-	1,621.20	-	-	-	1,621.20
Gains from asset disposals ("-" for losses)	155,798.25	-	-	6,123,427.04	436,493.97	6,715,719.26	-26,864.57	-	-	6,688,854.69
Operating profit ("-" for losses)	1,610,906,433.94	2,852,760,823.07	147,076,593.42	27,954,443.69	1,918,637,109.09	6,557,335,403.21	162,604,188.21	34,893,754.94	-951,179,848.18	5,803,653,498.18

(XIX) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Financial information of reporting segments - continued

Segment financial information for the period from 1 January to 30 June 2025 is as follows: - continued

Item	Ports operation						Bonded logistics operation	Others	Unallocated amount	Total
	Mainland China, Hong Kong and Taiwan				Other locations	Sub-total				
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Others						
Non-operating income	3,105,946.98	-	-	3,363,354.49	6,420,131.97	12,889,433.44	795,708.46	55,846.13	3,831,005.96	17,571,993.99
Non-operating expenses	669,964.79	-	-	2,162,237.60	9,920,328.30	12,752,530.69	36,000.00	324.74	444.40	12,789,299.83
Total profit (“-” for losses)	1,613,342,416.13	2,852,760,823.07	147,076,593.42	29,155,560.58	1,915,136,912.76	6,557,472,305.96	163,363,896.67	34,949,276.33	-947,349,286.62	5,808,436,192.34
Income tax expenses	312,664,239.11	100,224,893.12	14,055,305.66	3,610,305.52	270,138,271.25	700,693,014.66	14,845,642.55	12,223,552.71	646,599.40	728,408,809.32
Net profit (“-” for losses)	1,300,678,177.02	2,752,535,929.95	133,021,287.76	25,545,255.06	1,644,998,641.51	5,856,779,291.30	148,518,254.12	22,725,723.62	-947,995,886.02	5,080,027,383.02
Segment assets	27,457,115,682.01	63,388,170,894.22	9,227,896,192.70	26,401,352,335.52	43,415,116,836.52	169,889,651,940.97	4,460,588,751.28	17,462,132,059.68	11,331,680,409.22	203,144,053,161.15
Total assets in the financial statements										203,144,053,161.15
Segment liabilities	7,821,323,407.22	1,505,698,679.47	154,366,674.60	7,111,488,954.53	6,687,551,490.41	23,280,429,206.23	503,670,780.37	406,188,893.23	48,366,091,767.09	72,556,380,646.92
Total liabilities in the financial statements										72,556,380,646.92
Supplementary information:										
Depreciation and amortisation	545,355,993.29	3,058,262.56	479,621.58	445,311,243.17	497,330,751.34	1,491,535,871.94	47,469,967.92	66,549,567.10	18,165,325.83	1,623,720,732.79
Interest income	21,198,875.55	108,734.73	101,094.80	5,545,923.02	82,917,894.26	109,872,522.36	377,103.06	739,935.23	89,799,133.17	200,788,693.82
Interest expense	34,185,481.96	3,609,959.66	-	35,164,581.41	176,627,472.00	249,587,495.03	17,770,104.89	4,068,318.83	744,377,039.67	1,015,802,958.42
Investment income from long-term equity investments under equity method	14,317,096.32	2,852,058,858.18	144,794,869.01	16,910,357.54	420,512,592.25	3,448,593,773.30	86,442,141.06	71,470,297.69	-	3,606,506,212.05
Long-term equity investments under equity method	1,776,764,425.47	60,549,776,968.18	9,103,163,477.77	1,690,650,980.21	12,887,806,822.91	86,008,162,674.54	1,847,134,007.44	13,920,076,699.98	-	101,775,373,381.96
Non-current assets other than long-term equity investments	19,398,049,772.13	389,968,844.81	13,853,058.22	19,579,109,524.24	26,280,047,117.92	65,661,028,317.32	2,347,236,475.39	3,263,212,028.52	911,225,359.35	72,182,702,180.58

(XIX) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(3) Degree of reliance on major customers

The total operating income derived from the top five customers of the Group is RMB 2,475,690,583.55, accounting for 27.67% of the Group's operating income.

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

1. Other receivables

1.1 Summary of other receivables

Item	30/06/2026	31/12/2025
Dividends receivable	175,455,861.95	148,813,646.87
Other receivables	874,742,222.74	1,027,288,388.73
Total	1,050,198,084.69	1,176,102,035.60

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

1. **Other receivables** - continued

1.2 Dividends receivable

(1) Dividends receivable listed by aging

Investee	30/06/2026	31/12/2025	Reason for outstanding	Impaired or not and the determination basis
Dividend receivable aged less than 1 year	26,642,215.08	707,086.83	——	——
Including: China Merchants Bonded Logistics Co., Ltd.	19,927,755.65	-	——	No
China Merchants Port Holdings	6,714,459.43	-	——	No
Chiwan Shipping (Hong Kong) Limited	-	707,086.83	——	No
Dividend receivable aged more than 1 year	148,813,646.87	148,106,560.04	——	——
Including: Wharf Holdings Hong Kong	147,680,363.88	147,680,363.88	Lack of funds	No
Chiwan Shipping (Hong Kong) Limited	916,882.99	209,796.16	Lack of funds	No
Others	216,400.00	216,400.00	Lack of funds	No
Sub-total	175,455,861.95	148,813,646.87	——	——
Less: Provision for bad debts	-	-	——	——
Total	175,455,861.95	148,813,646.87	——	——

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

1. **Other receivables** - continued

1.3 Other receivables

(1) Aging analysis of other receivables

Item	30/06/2026			31/12/2025		
	Gross carrying amount	Proportion (%)	Provision for bad debts	Gross carrying amount	Proportion (%)	Provision for bad debts
Within 1 year (including 1 year)	874,399,007.27	99.92	-	1,023,107,397.74	99.56	-
1 to 2 years (including 2 years)	14,900.00	-	-	3,852,675.52	0.37	-
2 to 3 years (including 3 years)	-	-	-	-	-	-
More than 3 years	711,772.07	0.08	383,456.60	711,772.07	0.07	383,456.60
Total	875,125,679.34	100.00	383,456.60	1,027,671,845.33	100.00	383,456.60

(2) Disclosure of other receivables by nature

Item	30/06/2026	31/12/2025
Amounts due from related parties	856,502,800.00	1,016,519,073.17
Lease Receivable	11,410,976.16	-
Advance payments	4,418,826.07	8,755,449.49
Others	2,793,077.11	2,397,322.67
Sub-total	875,125,679.34	1,027,671,845.33
Less: Provision for bad debts	383,456.60	383,456.60
Total	874,742,222.74	1,027,288,388.73

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

1. Other receivables - continued

1.3 Other receivables - continued

(3) Provision for bad debts of other receivables

Credit rating	Closing Balance					Opening Balance					Reason for provision
	Gross carrying amount		Provision for bad debts		Net carrying amount	Gross carrying amount		Provision for bad debts		Net carrying amount	
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)		
A	874,742,222.74	99.96	-	-	874,742,222.74	1,027,288,388.73	99.96	-	-	1,027,288,388.73	——
B	-	-	-	-	-	-	-	-	-	-	——
C	-	-	-	-	-	-	-	-	-	-	——
D	383,456.60	0.04	383,456.60	100.00	-	383,456.60	0.04	383,456.60	100.00	-	Not expected to be recovered
Total	875,125,679.34	100.00	383,456.60	0.04	874,742,222.74	1,027,671,845.33	100.00	383,456.60	0.04	1,027,288,388.73	——

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

1. **Other receivables** - continued

1.3 Other receivables - continued

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

Item	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	
As at 1 January 2026	-	-	383,456.60	383,456.60
Balance of other receivables as at 1 January 2026				
- Transfer to Stage 2	-	-	-	-
- Transfer to Stage 3	-	-	-	-
- Reverse to Stage 2	-	-	-	-
- Reverse to Stage 1	-	-	-	-
Provision for the period	-	-	-	-
Reversal for the period	-	-	-	-
Transfer out due to derecognition of financial assets (including direct write-down)	-	-	-	-
Other changes	-	-	-	-
As at 30 June 2026	-	-	383,456.60	383,456.60

(5) Details of bad debt provision

Category	01/01/2026	Changes for the period					30/06/2026
		Provision	Recovery or reversal	Effect of changes in the scope of consolidation	Charge-off or write-off	Other changes	
Provision for bad debts assessed on an individual basis	383,456.60	-	-	-	-	-	383,456.60
Provision for bad debts assessed on a portfolio basis	-	-	-	-	-	-	-
Total	383,456.60	-	-	-	-	-	383,456.60

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

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

1. **Other receivables** - continued

1.3 Other receivables - continued

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

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

Name of entity	Gross carrying amount	Aging	Proportion to total other receivables (%)	Provision for credit impairment at the end of the year	Nature
Wharf Holdings Hong Kong	562,000,000.00	Within 1 year (including 1 year)	64.22	-	Loan to related parties
Dongguan Port Affairs	283,298,800.00	Within 1 year (including 1 year)	32.37	-	Loan to related parties
Shenchiwan Development	8,553,103.44	Within 1 year (including 1 year)	0.98	-	Loan to related parties and lease receivables
Shekou Container Terminal Co., Ltd.	3,227,148.00	Within 1 year (including 1 year)	0.37	-	Loan to related parties
Shenzhen Merchants Qianhaiwan Real Estate Co., Ltd.	3,057,072.72	Within 1 year (including 1 year)	0.35	-	Lease receivables to related parties
Total	860,136,124.16	——	98.29	-	——

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

2. Long-term equity investments

Investee	Investment cost	Opening Balance	Changes for the year								Closing Balance	Provision for impairment at the closing balance
			Increase	Decrease	Investment income under equity method	Other comprehensive income	Other equity movements	Cash dividends or profit declared	Provision for impairment	Others		
I. Subsidiaries												
Ports Development (Hong Kong) Limited	29,203,045,326.23	29,203,045,326.23	-	-	-	-	-	-	-	-	29,203,045,326.23	-
Zhanjiang Port	3,381,825,528.52	3,381,825,528.52	-	-	-	-	-	-	-	-	3,381,825,528.52	-
Shenchiwan Development	598,690,591.94	598,690,591.94	-	-	-	-	-	-	-	-	598,690,591.94	-
Chiwan Container Terminal Co., Ltd.	421,023,199.85	421,023,199.85	-	-	-	-	-	-	-	-	421,023,199.85	-
Shenzhen Chiwangang Container Co., Ltd.	250,920,000.00	250,920,000.00	-	-	-	-	-	-	-	-	250,920,000.00	-
Shunkong Port	240,013,200.00	240,013,200.00	-	-	-	-	-	-	-	-	240,013,200.00	-
CM Port	181,479,422.23	181,479,422.23	-	-	-	-	-	-	-	-	181,479,422.23	-
Yide Port	131,866,700.00	131,866,700.00	-	-	-	-	-	-	-	-	131,866,700.00	-
CM International Tech	130,462,575.02	130,462,575.02	-	-	-	-	-	-	-	-	130,462,575.02	-
Zhoushan RoRo	149,709,800.00	106,104,786.00	-	-	-	-	-	-	-	-	106,104,786.00	43,605,014.00
Sanya Merchants Port Development Co., Ltd.	2,040,000.00	2,040,000.00	-	-	-	-	-	-	-	-	2,040,000.00	-
Wharf Holdings Hong Kong	740,008.58	740,008.58	-	-	-	-	-	-	-	-	740,008.58	-
Sub-total	34,691,816,352.37	34,648,211,338.37	-	-	-	-	-	-	-	-	34,648,211,338.37	43,605,014.00
II. Associates												
Ningbo Port	15,820,766,202.96	18,046,950,572.29	-	-	533,668,763.86	5,930,063.24	12,941,104.65	-367,367,860.89	-	-	18,232,122,643.15	-
China Merchants Northeast Asia Development & Investment Co., Ltd.	1,000,000,000.00	1,025,117,427.95	-	-	2,201,835.63	-	-	-	-	-	1,027,319,263.58	-
Antong Holdings	757,228,291.64	897,855,498.65	-	-	38,744,881.99	-227,036.98	-	-	-	-	936,373,343.66	-
China Merchants Bonded Logistics	304,536,629.73	382,100,187.83	-	-	18,812,000.00	-	-	-36,727,755.65	-	-	364,184,432.18	-
Sub-total	17,882,531,124.33	20,352,023,686.72	-	-	593,427,481.48	5,703,026.26	12,941,104.65	-404,095,616.54	-	-	20,559,999,682.57	-
III. Joint ventures												
Yantai Port Group Laizhou Port Co., Ltd.	749,655,300.00	784,787,537.29	-	-	3,193,411.51	-	-	-8,239,802.75	-	-	779,741,146.05	-
Fujian Zhaohang Logistics Management Partnership (Limited Partnership)	450,000,000.00	679,009,149.85	-	-	24,092,166.41	-	-	-	-	-	703,101,316.26	-
Shenzhen Gangteng Internet Technology Co., Ltd.	15,000,000.00	7,811,042.22	-	-	-272,088.06	-	-	-	-	-	7,538,954.16	-
Sub-total	1,214,655,300.00	1,471,607,729.36	-	-	27,013,489.86	-	-	-8,239,802.75	-	-	1,490,381,416.47	-
Total	53,789,002,776.70	56,471,842,754.45	-	-	620,440,971.34	5,703,026.26	12,941,104.65	-412,335,419.29	-	-	56,698,592,437.41	43,605,014.00

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

3. Operating income and operating costs

Item	Current period		Prior period	
	Income	Cost	Income	Cost
Principal operation	-	-	-	-
Other operations	11,339,529.35	1,869,721.92	10,468,785.48	1,869,721.92
Total	11,339,529.35	1,869,721.92	10,468,785.48	1,869,721.92

4. Investment income

Item	Current Year	Prior Year
Income from long-term equity investments	1,086,925,164.15	1,383,081,854.35
Including: Income from long-term equity investments accounted for using the equity method	620,440,971.34	616,975,745.63
Income from long-term equity investments accounted for using the cost method	466,484,192.81	766,106,108.72
Investment income from disposal of financial assets held for trading	28,924,536.20	24,885,123.41
Total	1,115,849,700.35	1,407,966,977.76

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

In accordance with *Regulation on the Preparation of Information Disclosures by Companies Issuing Securities No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings Per Share (2010 revised)* issued by the CSRC and relevant accounting standards, the Group's weighted average return on net assets, earnings per share and diluted earnings per share for the period ended 30 June 2026 are calculated as follows:

Profit in reporting period	Weighted average return on net assets (%)	EPS	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders	4.2470%	1.1206	1.1204
Net profit attributable to ordinary shareholders after deducting non-recurring profit or loss	4.1582%	1.0971	1.0970

2. BREAKDOWN OF NON-RECURRING PROFIT OR LOSS

In accordance with the provisions of China Securities Regulatory Commission's *Explanatory Announcement No. 1 on Information Disclosure for Companies Making Public Offering - Non-recurring Profit or Loss (Revised in 2023)*, the Group's non-recurring profit and loss for the period ended 30 June 2026 is as follows:

Item	Amount	Remark
Gains or losses on disposal of non-current assets, including those charged off for which provision for impairment of assets has been made	-3,141,493.33	
Government grants recognised in profit or loss (other than grants which are closely related to the Company's normal business, in line with the national regulations, enjoyed under established standards and have a continuous impact on the Company's profit or loss)	26,760,846.24	
Income earned from lending funds to non-financial institutions and recognised in profit or loss	50,235,134.46	
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, such as employee severance expenditures.	-39,861,941.00	
Gains from transactions with unfair transaction price	-	
Net profit or loss of subsidiaries recognised as a result of business combination of enterprises under common control from the beginning of the year up to the business combination date	-	
Gains or losses arising from contingencies other than those related to normal operating business	-	
Gains or losses from changes in fair value of financial assets and financial liabilities held by non-financial enterprises, and gains or losses on disposal of financial assets and financial liabilities, other than effective hedging operations relating to the Company's normal business operations.	76,205,723.67	
Reversal of provision for accounts receivable that are tested for impairment individually	3,042,887.28	
Gains or losses on entrusted loans	-	
Gains or losses from changes in fair value of investment properties that are subsequently measured using the fair value model	-	
One-time effect of adjustments in tax laws and accounting laws and regulations on profit or loss for the period	-	
Custodian fees earned from entrusted operation	-	
Share-based payment expenses recognised once due to the cancellation or modification of equity incentive plans	-	
For cash-settled share-based payments, gains or losses arising from changes in fair value of employee benefits payable after the vesting date	-	
Other non-operating income or expenses other than above items	4,544,236.98	
Other profit or loss that meets the definition of non-recurring profit or loss	-	
Sub-total	117,785,394.30	
Income tax effects	-24,110,197.41	
Effects of non-controlling interests (after tax)	-35,506,796.57	
Total	58,168,400.32	