

Stock Code: 001872/201872

Stock Name: CM Port Group/CM Port Group B

Announcement No. 2024-023

CHINA MERCHANTS PORT GROUP CO., LTD.

ANNUAL REPORT 2023 (SUMMARY)

Part I Important Notes

This Summary is based on the full Annual Report of China Merchants Port Group Co., Ltd. (hereinafter referred to as the “Company”). In order for a full understanding of the Company’s operating results, financial position and future development plans, investors should carefully read the aforesaid full text on the media designated by the China Securities Regulatory Commission (the “CSRC”).

This Summary is prepared in both Chinese and English. Should there be any discrepancy between the two versions, the Chinese version shall prevail.

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

Independent auditor’s modified opinion:

Applicable Not applicable

Board-approved final cash and/or stock dividend plan for the Reporting Period:

Applicable Not applicable

Bonus issue from capital reserves:

Yes No

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

Board-approved final cash and/or stock dividend plan for preferred shareholders for the Reporting Period :

Applicable Not applicable

Please refer to the full Annual Report for the definitions of the abbreviations mentioned in this Summary.

Part II Key Corporate Information

1. Stock Profile

Stock name	CM Port Group/ CM Port Group B	Stock code	001872/ 201872
Stock exchange for stock listing	Shenzhen Stock Exchange		
Contact information	Board Secretary	Securities Representative	
Name	Li Yubin	Hu Jingjing	
Address	24/F, China Merchants Port Plaza, 1 Gongye 3rd Road, Zhaoshang Street, Nanshan, Shenzhen, PRC	24/F, China Merchants Port Plaza, 1 Gongye 3rd Road, Zhaoshang Street, Nanshan, Shenzhen, PRC	
Fax	+86 755 26886666	+86 755 26886666	
Tel.	+86 755 26828888	+86 755 26828888	
Email address	Cmpir@cmhk.com	Cmpir@cmhk.com	

2. Main business of the Company during the Reporting Period

(1) Principal Activities of the Company during the Reporting Period

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

The major port business includes containers and bulk cargo handling and warehousing services. The Company has established a comprehensive port network across the hub locations along coastal China, and the terminals which the Company invested in or 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. In terms of port investment, the Company puts emphasis on its presence in global major hub locations, gateway ports and regions with huge market potential, rapid economic growth and promising development, in order to capture investment opportunities in ports, logistics and related infrastructure and further improve the global port network.

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

In terms of the smart technology business, the Company utilizes cutting-edge digital technology to fully leverage its advantages of big data and rich application scenarios, drives its industrial digitalization and digital industrialization, and provides customers with premium port services through smart port solutions, an open platform for smart ports and smart port technology operations.

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

The main business segments of the Company are as follows:

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

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

(2) Development stage and cyclical characteristic of the industry in which the Company operates and its industry position during the Reporting Period

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

3. Key Financial Information

(1) Key Financial Information of the Past Three Years

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

Yes No

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

Unit: RMB

	2023	2022		2023-over-2022 change	2021	
		Before	Restated	Restated	Before	Restated
Operating revenue (RMB)	15,750,475,780.22	16,230,489,127.55	16,230,489,127.55	-2.96%	15,283,808,174.60	15,283,808,174.60
Net profit attributable to the listed company's shareholders (RMB)	3,571,800,762.16	3,337,446,222.82	3,338,693,816.70	6.98%	2,685,829,204.07	2,685,752,918.53
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	3,339,226,783.73	3,345,170,153.81	3,365,017,880.33	-0.77%	2,355,700,274.23	2,373,623,431.15
Net cash generated from/used in operating activities (RMB)	6,579,606,635.17	6,920,377,390.35	6,920,377,390.35	-4.92%	6,510,326,570.48	6,510,326,570.48
Basic earnings per share (RMB/share)	1.43	1.61	1.61	-11.18%	1.40	1.40
Diluted earnings per share (RMB/share)	1.43	1.61	1.61	-11.18%	1.40	1.40
Weighted average return on equity (%)	6.35%	7.54%	7.54%	-1.19%	6.99%	6.99%
	31 December 2023	31 December 2022		Change of 31 December 2023 over 31 December 2022 (%)	31 December 2021	
		Before	Restated	Restated	Before	Restated
Total assets (RMB)	198,557,296,667.26	197,525,530,887.76	197,587,102,447.31	0.49%	175,984,101,168.66	176,040,600,182.21
Equity attributable	58,847,592,947.55	54,267,143,304.02	54,291,425,886.65	8.39%	39,801,188,662.13	39,822,241,022.30

e to the listed company's shareholders (RMB)						
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(2) Key Financial Information by Quarter

Unit: RMB

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

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

Yes No

4. Share Capital and Shareholder Information at the Period-End

(1) Numbers of Ordinary Shareholders and Preferred Shareholders with Resumed Voting Rights as well as Holdings of Top 10 Shareholders

Unit: share

Number of ordinary shareholders at the period-end	29,064 (17,986 A-shareholders and 11,078 B-shareholders)	Number of ordinary shareholders at the month-end prior to the disclosure of this Report	30,312 (19,389 A-shareholders and 10,923 B-shareholders)	Number of preferred shareholders with resumed voting rights at the period-end (if any)	0	Number of preferred shareholders with resumed voting rights at the month-end prior to the disclosure of this Report (if any)	0
5% or greater shareholders or top 10 shareholders							
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held at the period-end	Increase/decrease in the Reporting Period	Restricted shares held	Unrestricted shares held	Shares in pledge or frozen
CHINA MERCHANTS PORT INVESTMENT DEVELOPMENT COMPANY LIMITED	Foreign legal person	45.96%	1,148,648,648	0	0	1,148,648,648	0

ZHEJIANG PROVINCIAL SEAPORT INVESTMENT & OPERATION GROUP CO., LTD.	State-owned legal person	23.08%	576,709,537	0	576,709,537	0	0
CHINA MERCHANTS GANGTONG DEVELOPMENT (SHENZHEN) CO., LTD.	State-owned legal person	14.84%	370,878,000	0	0	370,878,000	0
SHENZHEN INFRASTRUCTURE INVESTMENT FUND-SHENZHEN INFRASTRUCTURE INVESTMENT FUND PARTNERSHIP (LIMITED PARTNERSHIP)	Fund and wealth management products	2.59%	64,850,182	0	0	64,850,182	0
BROADFORD GLOBAL LIMITED	State-owned legal person	2.21%	55,314,208	0	0	55,314,208	0
CHINA-AFRICA DEVELOPMENT FUND	State-owned legal person	1.69%	42,190,151	-21,912,413	0	42,190,151	0
CHINA LIFE INSURANCE COMPANY LIMITED-TRADITION- GENERAL INSURANCE PRODUCTS-005L - CT001 HU	Funds, wealth management products, etc.	0.19%	4,734,022	4,734,022	0	4,734,022	0
BASIC ENDOWMENT INSURANCE FUND 1006 PORTFOLIO	Funds, wealth management products, etc.	0.18%	4,556,289	4,556,289	0	4,556,289	0
HONG KONG SECURITIES CLEARING COMPANY LTD.	Foreign legal person	0.17%	4,335,761	-187,135	0	4,335,761	0
CHINA MERCHANTS SECURITIES (HK) CO., LTD.	Foreign legal person	0.11%	2,668,175	125,720	0	2,668,175	0
Strategic investors or general legal person becoming top-ten ordinary shareholders due to placing of new shares (if any)	Among the foregoing shareholders, Shenzhen Infrastructure Investment Fund-Shenzhen Infrastructure Investment Fund Partnership (Limited Partnership) subscribed for 64,850,182 shares of the Company offered in a non-public manner in 2019 for raising supporting funds at RMB17.16 per share. The subscribed shares were floated on Shenzhen Stock Exchange on 4 November 2019, and the lock-in period lasted until 4 November 2020. China-Africa Development Fund subscribed for 64,102,564 shares of the Company offered in a non-public manner in 2019 for raising supporting funds at RMB17.16 per share. The subscribed shares were floated on Shenzhen Stock Exchange on 4 November 2019, and the lock-in period lasted until 4 November 2020. Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd. subscribed for 576,709,537 shares of the Company offered in a non-public manner at RMB18.50 per share. The subscribed shares were floated on Shenzhen Stock Exchange on 12 October 2022, and the lock-in period lasts until 12 October 2025.						

Related or acting-in-concert parties among the shareholders above	Broadford Global Limited is the controlling shareholder of China Merchants Port Investment Development Company Limited and China Merchants Gangtong Development (Shenzhen) Co., Ltd. The Company does not know whether the other unrestricted shareholders are related parties or not.		
Above shareholders involved in entrusting/being entrusted and giving up voting rights	None		
Special account for share repurchases (if any) among the top 10 shareholders (see note 10)	None		
Top 10 unrestricted shareholders			
Name of shareholder	Unrestricted shares held at the period-end	Shares by type	
		Type	Shares
CHINA MERCHANTS PORT INVESTMENT DEVELOPMENT COMPANY LIMITED	1,148,648,648	RMB ordinary share	1,148,648,648
CHINA MERCHANTS GANGTONG DEVELOPMENT (SHENZHEN) CO., LTD.	370,878,000	RMB ordinary share	370,878,000
SHENZHEN INFRASTRUCTURE INVESTMENT FUND-SHENZHEN INFRASTRUCTURE INVESTMENT FUND PARTNERSHIP (LIMITED PARTNERSHIP)	64,850,182	RMB ordinary share	64,850,182
BROADFORD GLOBAL LIMITED	55,314,208	Domestically listed foreign share	55,314,208
CHINA-AFRICA DEVELOPMENT FUND	42,190,151	RMB ordinary share	42,190,151
CHINA LIFE INSURANCE COMPANY LIMITED-TRADITION-GENERAL INSURANCE PRODUCTS-005L- CT001 HU	4,734,022	RMB ordinary share	4,734,022
BASIC ENDOWMENT INSURANCE FUND 1006 PORTFOLIO	4,556,289	RMB ordinary share	4,556,289
HONG KONG SECURITIES CLEARING COMPANY LTD.	4,335,761	RMB ordinary share	4,335,761
CHINA MERCHANTS SECURITIES (HK) CO., LTD.	2,668,175	Domestically listed foreign share	2,668,175
MAI SHUQING	2,458,747	RMB ordinary share	2,458,747
Related or acting-in-concert parties among top 10 unrestricted public shareholders, as well as between top 10 unrestricted public shareholders and top 10 shareholders	Broadford Global Limited is the controlling shareholder of China Merchants Port Investment Development Company Limited and China Merchants Gangtong Development (Shenzhen) Co., Ltd. The Company does not know whether the other unrestricted shareholders are related parties or not.		
Top 10 ordinary shareholders involved in securities margin trading (if any)	At the end of the Reporting Period, the shareholder of the Company, Mai Shuqing held 2,458,747 shares through the customer credit transaction secured securities account in China Merchants Securities Co., Ltd.		

Top 10 shareholders involved in refinancing business through lending shares

Applicable Not applicable

Change in Top 10 shareholders compared with the last period

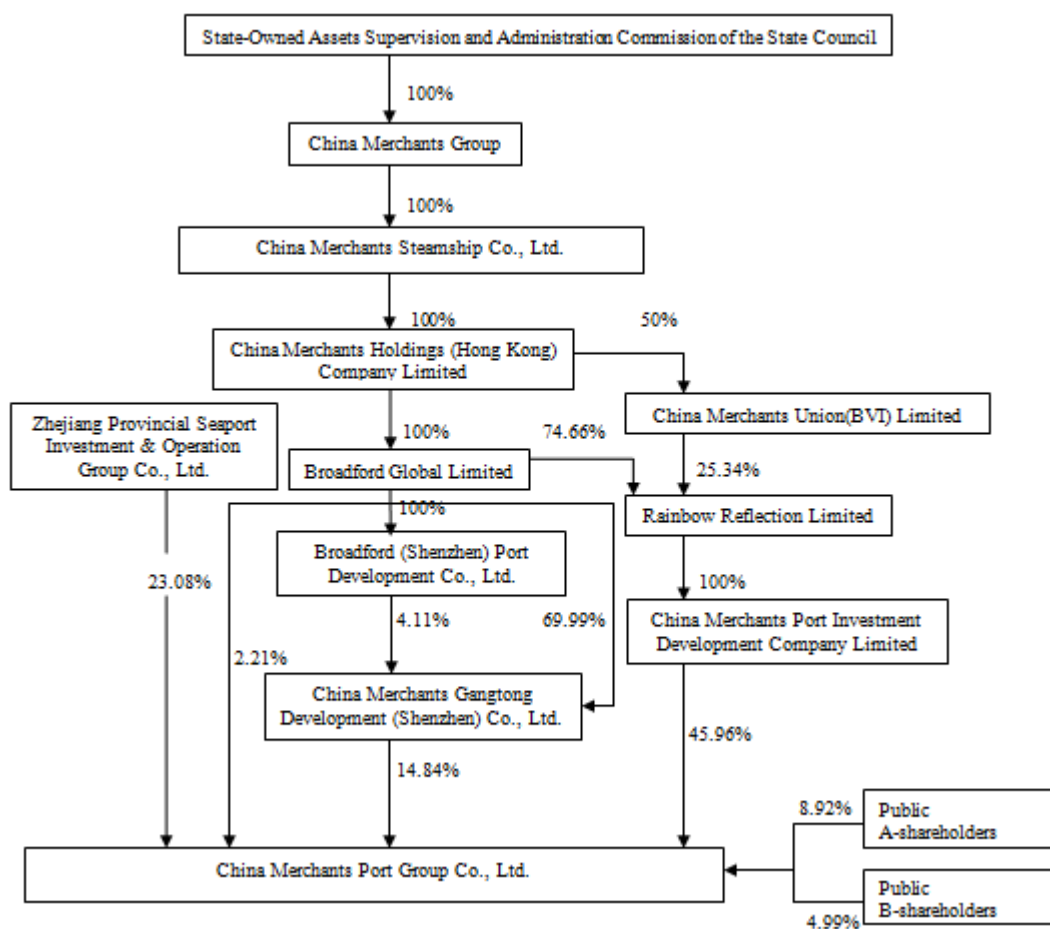
Change in Top 10 shareholders compared with last period					
Name of shareholders (full name)	Add/exit in the Reporting Period	Shares lent for refinancing and not returned yet at the period-end		Shares held by shareholders through their general accounts and credit accounts and Shares lent for refinancing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

(2) Number of Preferred Shareholders and Shareholdings of Top 10 of Them

Applicable Not applicable

No preferred shareholders in the Reporting Period.

(3) Ownership and Control Relations between the Actual Controller and the Company



5. Outstanding Bonds at the Date when this Report Was Authorized for Issue

(1) Bond Profile

Bond name	Abbr.	Bond code	Issue date	Maturity	Outstanding balance (RMB'0,000)	Interest rate
2020 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for qualified investors) (Phase I)	20 01 CMPort	149170	7 July 2020	8 July 2023	0	3.36%
2022 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for professional investors) (Phase I)	22 01 CMPort	148052	29 August 2022 to 30 August 2022	30 August 2025	300,000.00	2.69%

Bond name	Abbr.	Bond code	Issue date	Maturity	Outstanding balance (RMB'0,000)	Interest rate
2022 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for professional investors) (Phase II)	22 CMPort 02	148058	5 September 2022 to 6 September 2022	6 September 2024	300,000.00	2.45%
2022 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for professional investors) (Phase III)	22 CMPort 03	148060	8 September 2022 to 9 September 2023	The maturity date of the bonds is 9 September 2023; if the issuer exercises the redemption option, the maturity date of the bonds is 8 March 2023; if the investor exercises the resale option, the maturity date of the resale portion of the bonds is 8 March 2023.	0	1.93%
Interest payment during the Reporting Period	During the Reporting Period, interest on “22 CMPort 03” for the period from 9 September 2022 to 7 March 2023 was paid on 8 March 2023. And interest on “20 CMPort 01” for the period from 8 July 2022 to 7 July 2023 was paid on 8 July 2023.					

(2) Latest Rating and Rating Change

On 29 May 2023, China Chengxin International Credit Rating Co., Ltd. (CCXI) issued the 2023 Follow-up Rating Report (XPWHZ [2023] No. 0268). CCXI granted the corporate credit rating of AAA to the Company with a rating outlook of Stable.

During the Reporting Period, there is no rating difference in the main ratings of other bonds and debt financing instruments issued by the Company in China.

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

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

EBITDA-to-interest cover (times)	6.28	6.59	-4.70%
Debt repayment ratio (%)	100.00%	100.00%	-
Interest payment ratio (%)	100.00%	100.00%	-

Part III Significant Events

1. Implementation of business plan during the Reporting Period

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

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

(2) In terms of technological innovation, promoting digital innovation and constructing smart port. CMIT, a subsidiary of the Company, continued to increase investment in R&D of technologies, steadily implemented the critical task to implement the structural upgrade of the Container Terminal Operation System (CTOS) of Ministry of Transport, continued to optimize the proposal of autonomous driving technology, sped up the R&D and promotion of products of

comprehensive service platform of “CM ePort”, and constantly promoted management delegation of the Smart Management Platform (SMP). In 2023, significant results were made in implementing the critical task of CTOS; “CM ePort” succeeded in entirely covering the domestic master terminals controlled by the Company to provide customers with one-stop intelligent services; The construction of data base of CMPort, business process platform, data indicator platform and global monitoring center has been finished on the “SMP” platform, and was comprehensively applied into the process management and operation analysis of enterprises. The project won the first prize in the operation management category of the first State-Owned Enterprise Digital Scene Professional Competition by SASAC and the Special Award for Science and Technology Progress Award issued by the China Ports & Harbours Association in 2023.

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

(4) In terms of operation management, facilitating intelligence-driven operation and deepening lean management. By taking SMP as a starting point, the Company built a one-stop comprehensive management platform of CMPort, supporting the business analysis of all modules, namely containers, bulk cargos, logistics park, comprehensive development and intelligent technology. SMP takes digital technology as the key force and applies smart tools to drive the transformation of means, modes and concepts of the operation and management of CMPort. At present, the Company has substantially realized the classification and management of information of lifetime of assets, the standardization and online presence of major business processes. Besides, the Company also optimizes the engineering management system and strengthens lifecycle management of major projects; optimizes its profitability and constantly developed measures to enhance its quality and efficiency; optimizes and reshapes its business and financial analysis framework to strictly control the increase of cost and expenses; deepens cost control to form a normalization mechanism of cost reduction and higher efficiency. The streamline operation of the Company has achieved phased results.

(5) In terms of deepening reform, deeply implementing the “Double-Hundred Action” and stimulating Company vitality. The Company has deeply implemented the “Double-Hundred Action”. By focusing on “improving the core competitiveness of the enterprise and enhancing core functions”, the Company developed a reform implementation plan of the “Double Hundred Action” for CMPort (2023-2025) and working record, specifying the goals, tasks, timetable and road map in the next round of reform. In 2023, the Company has achieved full coverage of tenure system and

contractual management, improved the market-oriented salary distribution mechanism, strengthened the performance salary dual benchmarking, and explored the construction of a diversified and international incentive system that combines short and medium term incentives, and supplements cash and equity incentives. In May 2023, SASAC of the State Council released the special appraisal results of “Double-Hundred Enterprises” of 2022 and the Company received “Excellent” title for its outstanding achievements and remarkable reform results.

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

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

2. Operating Division, Product Category, Operating Segment or Distribution Model Contributing over 10% of Operating Revenue or Operating Profit

Unit: RMB

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

3. YoY Changes to the Scope of Consolidated Financial Statements

The Proposal on the Transfer of 45% Equity Interest in Ningbo Daxie China Merchants International Terminals Co., Ltd. by a Majority-owned Subsidiary through Public Tender was approved at the Second Extraordinary Meeting of the 10th Board of Directors of the Company in 2023 dated 20 March 2023. As such, Cyber Chic Company Limited (hereinafter referred to as “Cyber Chic”), a subsidiary of the Company, was approved to transfer its 45% equity interest in Ningbo Daxie China Merchants International Container Terminal Co., Ltd. (hereinafter referred to as “CMICT”) through public tender on the China Beijing Equity Exchange. On 20 April 2023, Cyber Chic put its 45% equity interest in CMICT to a public tender on the China Beijing Equity Exchange. On 19 May 2023, Ningbo Zhoushan Port Company Limited (hereinafter referred to as “Ningbo Zhoushan Port”) became the transferee, with a transaction price of RMB1,845 million. On 25 May 2023, CYBER CHIC and Ningbo Zhoushan Port entered into the Equity Transaction Contract. On 8 August 2023, CMICT changed its registered information with the competent industrial and commercial administration and received its new business license upon the equity transfer, with its name changed to “Ningbo Daxie Container Terminal Co., Ltd.” (hereinafter refer to as “Ningbo Daxie”). As such, the equity transfer has been completed and Cyber Chic no longer holds equity interest in Ningbo Daxie, and Ningbo Daxie is no longer a subsidiary within the scope of the Company’ s consolidated financial statements.

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

China Merchants Port Group Co., Ltd.
Board of Directors
Dated 2 April 2024