中遠海運控股股份有限公司
COSCO SHIPPING Holdings Co., Ltd.

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1919)

2024
ANNUAL REPORT

Important notice

The board of directors (the "**Board**"), the supervisory committee (the "**Supervisory Committee**"), the directors (the "**Directors**"), the supervisors (the "**Supervisors**") and senior management of COSCO SHIPPING Holdings Co., Ltd. (the "**Company**" or "**COSCO SHIPPING Holdings**", together with its subsidiaries, the "**Group**") declare that there is no false information, misleading statements or material omissions in this annual report, and collectively and individually accept full responsibility for the truthfulness, accuracy and completeness of the information contained herein.

Mr. CHEN Yangfan was unable to attend the Board meeting held on 21 March 2025 in person due to business arrangements, and entrusted Mr. WAN Min, chairman of the Board, to vote on his behalf at the meeting. Save as disclosed above, all Directors of the Company attended the aforementioned meeting.

ShineWing Certified Public Accountants, LLP and SHINEWING (HK) CPA Limited have issued standard and unqualified auditor's reports for the Company.

Mr. WAN Min (chairman and executive Director), Mr. TAO Weidong (executive Director and general manager), Ms. ZHENG Qi (Chief Financial Officer) and Mr. XU Hongwei (head of the accounting department) declare that they confirm the truthfulness, accuracy and completeness of the financial reports in this report.

The Board proposes the payment of a final dividend of RMB1.03 per share (tax inclusive) to the shareholders of the Company (the "**Shareholder(s)**") for the year 2024, subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company.

Is there any occupancy of non-operating funds by controlling shareholders or its related parties?

No

Are there any guarantees provided to a third-party in violation of stipulated procedures?

No

Forward-looking statements

None of the forward-looking statements including future plan in this annual report constitutes a commitment by the Company to the investors. Investors are advised to be aware of the investment risks.

Material risk warning

Investors are advised to read the "Potential risks" of "Management Discussion and Analysis" as set out in this annual report carefully.

Miscellaneous

Not applicable

Contents

Company's Basic Information

I. Company's Information

Legal Chinese name	中遠海運控股股份有限公司
Legal Chinese stock short name	中遠海控
English name	COSCO SHIPPING Holdings Co., Ltd.
English stock short name	COSCO SHIP HOLD
Legal representative	WAN Min

II. Contact Persons and Methods

	Secretary to Board of Directors	**Representative of securities affairs**
Name	XIAO Junguang	ZHANG Yueming
Contact address	No. 658 Dong Da Ming Road, Shanghai, the PRC	No. 658 Dong Da Ming Road, Shanghai, the PRC
Telephone	(8621) 60298619	(8621) 60298619
Facsimile	(8621) 60298618	(8621) 60298618
E-mail	investor@coscoshipping.com	investor@coscoshipping.com

III. Basic Profile

Registered address	2nd Floor, 12 Yuanhang Business Centre, Central Boulevard and East Seven Road Junction, Tianjin Pilot Free Trade Zone (Port Free Trade Zone), Tianjin, the PRC
Postal code	300461
Place of business	No. 658 Dong Da Ming Road, Shanghai, the PRC
Postal code	200080
Company's website	http://hold.coscoshipping.com
Company's email	investor@coscoshipping.com

IV. Information Disclosure and Inspection

Designated newspapers for disclosure of the Company's information	Shanghai Securities News, China Securities Journal, Securities Times, Securities Daily
Website designated by the China Securities Regulatory Commission ("**CSRC**") for publishing the annual report	www.sse.com.cn
Place for inspection of annual report	8/F, No. 658 Dong Da Ming Road, Shanghai, the PRC

V. Information on the Company's Shares

Type of share	Place of listing	Stock short name	Stock code	Stock short name before change
A Shares	Shanghai Stock Exchange	COSCO SHIP HOLD	601919	China COSCO
H Shares	The Stock Exchange of Hong Kong Limited	COSCO SHIP HOLD	01919	China COSCO

Company's Basic Information

VI. Other Information

Domestic auditor engaged by the Company	Name:	ShineWing Certified Public Accountants, LLP
	Office address:	8/F, Block A, Fu Hua Mansion, No. 8 Chao Yang Men Bei Da Jie, Dongcheng District, Beijing, the PRC
	Name of signing auditor:	MA Yuanlan and WANG Rujie
International auditor engaged by the Company	Name	SHINEWING (HK) CPA Limited *Certified Public Accountants* *Registered Public Interest Entity Auditor*
	Office address	17/F, Chubb Tower, Windsor House 311 Gloucester Road, Causeway Bay, Hong Kong
	Name of signing auditor	Lee Shun Ming
Other information	Place of business in Hong Kong 48/F, COSCO Tower, 183 Queen's Road Central, Hong Kong Major bankers Bank of China, Agricultural Bank of China, China Merchants Bank, etc.	

Legal advisers as to Hong Kong law
Paul Hastings
Address: 22/F, Bank of China Tower, 1 Garden Road, Hong Kong

Legal advisers as to PRC law
Commerce and Finance Law Offices
Address: 6th Floor, NCI Tower, A12 Jianguomenwai Avenue, Beijing, the PRC

Domestic A share registrar and transfer office
China Securities Depository and Clearing Corporation Limited
Shanghai Branch
Address: 188 Yanggao South Road,
Pudong New District, Shanghai, the PRC

Hong Kong H share registrar and transfer office
Computershare Hong Kong Investor Services Limited
Address: 17M Floor, Hopewell Centre, 183 Queen's Road East,
Wanchai, Hong Kong

2024 Milestones of COSCO SHIPPING Holdings

01月JANUARY

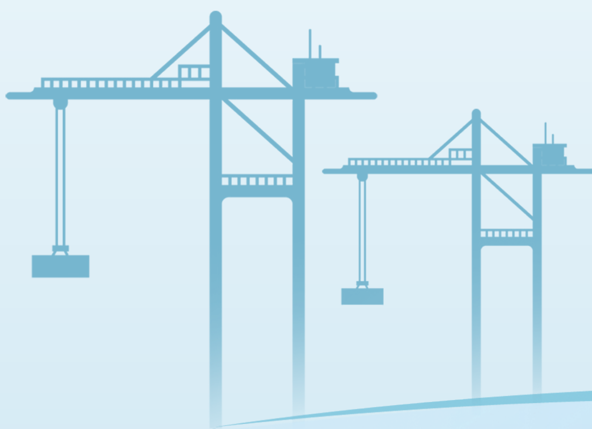
- The first delivered vessel of the new year was a 24,188 TEU eco-friendly container vessel which named as “OOCL Valencia”.
- New supply chain products such as “Customs Service” (關務通), “Land Service” (陸路通), “E-Warehousing service” (倉配通) were launched successively.
- Dalian-India Express successfully made its maiden voyage, opening up the maritime logistics channel from Northeast China to South Asia.

02月FEBRUARY

- COSCO SHIPPING Lines (Morocco) SARL officially started operation.
- COSCO SHIPPING “Cherry Express” (櫻桃快航) created a new record of reefer containers cargo volume while continuing its robust performance.
- OCEAN Alliance signed an agreement to extend the cooperation period to 2032.
- A 14,100 TEU class Latamax container vessel, the third of its series, was named as “COSCO SHIPPING URUGUAY” and delivered.

03月MARCH

- OCEAN Alliance launched DAY 8 Product for 2024, dedicated to build a more stable service product portfolio with high quality.
- Contracts for the upgrading of four existing methanol dual-fuel container ships were signed. This was the world’s first dual fuel upgrading project involving both MAN main engine and WARTSILA auxiliary engine.
- New North America East Coast to the West Coast of South America Service (NEWS) was introduced, helping customers around the world to expand their footprints in global trade.



COSCO SHIPPING Holdings

04月APRIL

COSCO SHIPPING Holdings and GSBN collaborated to issue Hi-ECO, a green blockchain based shipping product, which marked the completion of a traceable and verifiable green certificate pilot program capitalizing on blockchain technology.

05月MAY

Far East to East Coast of South America Service (ESA2/ESA) and Beijing-Tianjin-Hebei Region to East Coast of America Service (AWE2) were upgraded and optimized.

The annual general meeting was successfully held, at which resolutions including the Resolution on the 2023 Final Profit Distribution Plan of COSCO SHIPPING Holdings and the Resolution on Granting General Mandate to the Board to Repurchase A shares and H Shares were passed by a vast majority of votes.

The first "Wuhan-Xiamen-Europe" rail-sea intermodal service was launched. Compared with traditional river-sea intermodal service, rail-sea intermodal service can save as much as about one week in terms of efficiency throughout the whole voyage.

06月JUNE

Mexico Express Service successfully made its maiden voyage.

The vessel "XIN YA ZHOU" under the Company's brand successfully refueled 3,850 tons of B24 biofuel oil during its parking at Shekou Port, Shenzhen.

The Company successfully held the Global Supply Chain Partner Summit. At the summit, the Company released three new digital supply chain products, namely "Customer-Defined Services" (隨心配), "Talent Thomas" (海鐵通) and "Global Talent Pegasus" (全球易), as well as two resolutions: the export resolution in respect of automobile industry and the logistics resolution in respect of cross-border e-commerce industry.

COSCO SHIPPING Holdings

07月 JULY

- COSCO SHIPPING Lines, a subsidiary of the Company, issued the first blockchain certified Hi-ECO green shipping certificate.
- The cumulative throughput of COSCO SHIPPING Ports Abu Dhabi Terminal, a subsidiary of the Company, exceeded 5 million TEUs.
- Aided by IBOX DRY from BoxPlus, the specialized Middle East sea-rail intermodal service under COSCO SHIPPING Holdings made its first launch.

08月 AUGUST

- COSCO SHIPPING Lines, a wholly-owned subsidiary of the Company, entered into a shipbuilding contract with COSCO SHIPPING Heavy Industry (Yangzhou) in Shanghai in relation to the construction of twelve units of 14,000 TEU class Latamax high-cold plug-in methanol dual-fuel container vessels.
- The Company won several awards including the 2024 China Logistics ESG Practice Leader (2024中國物流ESG實踐領軍企業), Golden Wheel Cup (金輪盃), Excellent Case of Container Rail-Water Intermodal Transport (鐵水聯運優秀案例).

09月 SEPTEMBER

- The Company was selected as constituent of the Hang Seng Corporate Sustainability Index 2024-2025.
- COSCO SHIPPING Holdings successfully subscribed for the H-Shares IPO of Midea Group by way of cornerstone investment.

10月 OCTOBER

- The supply chain control towers product was launched at the North Bund International Shipping Forum.
- COSCO SHIPPING Lines, a subsidiary of the Company, ordered six 13,600 TEU container vessels.
- The Company opened up special trains for China-Africa sea-rail intermodal transportation of “Meizhou-Nansha-Dare” and new transportation routes from South Asia to Central Asia.
- The Company launched a new round of H-Share repurchase.
- OOCL, a subsidiary of the Company, entered into a new lease agreement with Seaspan for six 13,000 TEU container vessels.

2024 Milestones of COSCO SHIPPING Holdings

11月NOVEMBER

- The Company commenced the repurchase of A Shares.
- On 14 November, Port of Chancay in Peru opened smoothly, and the Company provided direct Chancay-Shanghai container service and launched new digital supply chain products of Chancay series simultaneously.
- COSCO SHIPPING Holdings announced to increase its equity investments in SAIC Anji Logistics.
- COSCO SHIPPING Holdings and its several overseas subsidiaries participated in the 7th China International Import Expo.
- The "Love Bicycle" Project undertaken by COSCO SHIPPING Freight was successfully launched in Cambodia.

12月DECEMBER

- The Company was newly added in a multiple of indexes for dividends, such as the CSI Dividend Index, SSE Dividend Index, SSE State-owned Enterprises Dividend Index, CSI Central State-owned Enterprises Dividend 50 Index, Central-SOEs Shareholder Return Index and CSI State-owned Enterprises Dividend Index.
- COSCO SHIPPING Lines, a subsidiary of the Company, increased its shareholdings in COSCO SHIPPING Supply Chain to 19%.
- The Company won a number of industry awards, including the Golden Bull Award "ESG Top 100" (金牛獎"ESG 百強"), the 2024 China Top 100 Global Brands Index (2024 中國出海品牌100強指數), and the Golden Quality Award (金質量獎)-ESG Award.

Chairman's Statement

Dear Shareholders and investors,

In 2024, the container shipping market saw moderate growth in cargo volumes driven by a gradual recovery of global trade. However, the ongoing turmoil in the Red Sea, the profound transformations in the structure of industry alliances and the accelerated integration of ports, shipping and trade, have collectively created a complex and volatile market environment. In face of these challenges, COSCO SHIPPING Holdings actively seized market opportunities, endeavored to promote digital supply chain and green and low-carbon transitions, ultimately delivered impressive operating performance. On behalf of the board of directors of COSCO SHIPPING Holdings, I would like to express our sincere gratitude and great respect to our Shareholders, customers, partners and all employees for their continued support!

Rewarding Shareholders by delivering outstanding operating performance

Throughout the Reporting Period, the Group, on the basis of HKFRS, recorded operating revenue of RMB233.859 billion, representing an increase of 33.29% as compared to the last year; earnings before interests and taxes (EBIT) of RMB70.145 billion, representing an increase of 91.27% as compared to the last year; net profit of RMB55.593 billion, representing an increase of 95.77% as compared to the last year; net profits attributable to equity holders of the Company of RMB49.172 billion, representing an increase of 106.09% as compared to the last year. The return on equity (ROE) was 22.63%, representing an increase of 10.83 percentage points as compared to the last year; basic earnings per share was RMB3.08, representing 108.11% growth as compared to the last year, which demonstrated that the value creation capabilities of the Company were significantly enhanced. As of the end of the Reporting Period, the gearing ratio decreased by approximately 4.69 percentage points to 42.70% as compared to the beginning of the Reporting Period, and the net cash inflow from operating activities was RMB69.313 billion, representing an increase of 206.91% as compared to the last year.

Taking into account the aforementioned outstanding performance, the Board recommended the payment of a final cash dividend for 2024 of RMB1.03 per Share (tax inclusive) to all Shareholders. Together with the interim cash dividends of RMB0.52 per Share (tax inclusive) for 2024 already distributed to the Shareholders, the total cash dividends distributed for 2024 accounted for approximately 50% of the net profit attributable to equity holders of the Company.

Meanwhile, the Group repurchased A Shares and H Shares during the Reporting Period. As of 21 March 2025, an aggregate of 92.31 million of A Shares and 208 million of H Shares had been repurchased, and the total amount paid was approximately RMB3.557 billion, striving to reward the Shareholders through effective market capitalization management.

Expanding new development layout through global channel construction

The key pathway for the Group to further strengthening its competitive edges in the global shipping network is to accelerate the development of an integrated and balanced global rail-sea intermodal network and to optimize and upgrade the structure and scale of the fleet in a steady manner.

During the Reporting Period, the Group took delivery of 12 new vessels with a combined capacity of 230,000 TEUs. They included several advanced and environmentally friendly 24,000 TEU mega vessels, 16,000 TEU Panamax vessels and 14,000 TEU Latamax vessels. As at the end of the Reporting Period, the aggregate capacity of the Group's self-operated fleet exceeded 3.3 million TEUs.

With steady growth in total fleet capacity, the Group carried out continuing efforts to increase the density of its network through active collaboration with partners. The Company operated 429 international routes, and called at 629 ports spread across approximately 145 countries and regions in the world. Additionally, by launching and upgrading new services in emerging markets, the Group's cargo volume achieved rapid growth in Central and South America, Africa and Southeast Asia.

In an ever-changing market environment, the Group and OCEAN Alliance partners have agreed to extend the collaboration until 2032, and together launched the DAY8 and DAY9 products, which ensures the stability of global supply chains with higher-frequency, wider-coverage and better-quality services and sends a positive signal of sound operation to the market.

The Group continued to deepen the integration between its operating segments, both container shipping business and port business. It attached great importance to the inauguration of the CSP Chancay Terminal in Peru, launched the fastest shipping services in both ways between the CSP Chancay Terminal and the ports in China as well as launched new digital supply chain products of Chancay series. Meanwhile, the Group integrated the move to enhance the service capability of Abu Dhabi Port into the process of deeply engaging in the construction of Hainan Free Trade Port and launched direct services between the sister ports of Yangpu Port and Abu Dhabi Port. COSCO SHIPPING Ports (a subsidiary of the Group) completed the closing for Egypt's Ain Sokhna Container Terminal, signed an investment agreement for Laem chabang Terminal and further enhanced the service capability of its ports such as Piraeus Terminal. The development of a number of integrated operational models for key hub ports takes shape, which facilitates the Group to deepen and strengthen its global presence.

Igniting fresh vitality to business ecosystem through full-chain digital-intelligent development

The Group insisted on strengthening the cohesion and co-development with external parties. Through ongoing resource inputs and digital transformation, it is committed to building a safe, resilient and efficient global supply chain system.

During the Reporting Period, the Group successfully developed and extensively used various application tools such as supply chain control towers, intelligent warehousing, intelligent trailers and intelligent customer service system, making progress in the application of supply chain visualization and intelligent customer services and accelerating the upgrade of traditional shipping services to digital supply chain products. Focusing on new business models, the Group released logistics solutions for multiple industries, including vehicle, home appliances and cross-border e-commerce. These solutions played a key role in enhancing the efficiency of the entire industry chain, which demonstrates the Group's commitment to continuously creating value for its customers.

Chairman's Statement

The Group rolled out innovative channel products such as "China's New International Land-Sea Trade Corridor + China-Europe Railway", "Trans-Caspian Multimodal Transport" and "Sea-rail Express + DIAMOND Line". Besides, the Group introduced a series of customized supply chain bundle products, including "Customer-Defined Services", "Global Talent Pegasus" and "Talent Thomas". A combination of full-chain digital supply chain products, which comprise 38 products and cover over 90 countries and regions, were developed to further support the flourishing development of global trade. In 2024, revenue from supply chain revenue other than ocean shipping amounted to RMB40.939 billion, representing 18.09% growth as compared to the last year.

As for the industry ecosystem development, the Group successfully hosted the Global Supply Chain Partner Summit and the Convention between Carriers and Ports for Ocean Alliance. Leveraging the GSBN digital platform, the Group issued over 380,000 electronic bills of lading. In addition, the Group's self-developed MY Reefer platform Smart PTI expanded coverage to Australia and various countries in Southeast Asia. Through the joint efforts of upstream and downstream partners, a more dynamic and thriving industrial chain and supply chain ecosystem were persistently expanded and strengthened.

Leading sustainable development through green and low-carbon transitions

As a shipping enterprise with a strong sense of social responsibility, the Group aligned itself with the new trends and requirements arising from green and environmentally-friendly development. It leveraged technological innovation as a driving force to lead green and low-carbon growth determinedly.

In terms of construction of its green fleets, in 2024, the Group signed an order for the construction of a total of 12 units of 14,000 TEU class methanol dual-fuel container vessels. Together with previous orders and vessel retrofit projects, the Group will have 32 units of methanol dual-fuel container vessels with a total capacity of 590,000 TEU after delivery, and the proportion of new energy vessels will be further increased. At the beginning of 2025, our first methanol dual-fuel container vessel was designated the name of COSCO Shipping Yangpu (中遠海運洋浦).

In terms of the practical use of biofuels, the Group implemented the largest domestic single – vessel biofuel refueling work to date, which further facilitated the transition of its fleet towards green shipping and the construction of "Green Shipping Corridor". Moreover, the Group issued Hi-ECO Green Shipping Certificates based on GSBN blockchain verification to more customers. This initiative further promotes green transportation practices, better meets customers' needs for environmentally friendly transport, and moves us closer to fulfilling our carbon reduction commitments under the "Well-to-WAKE" initiative.

In terms of smart and green terminal development, COSCO SHIPPING Ports (a subsidiary of the Group) made a number of achievements, including the commissioning of energy efficiency management platform at all of its controlling ports, the launch of the largest single-port distributed photovoltaic installation project CSP Guangzhou Nansha Port Terminal, and the naming of Xiamen Ocean Gate Terminal as the "Asia-Pacific Green Port" for three times. These accomplishments mark COSCO SHIPPING Ports' accelerated transformation from a green low-carbon practitioner to a leader in green shipping.

Chairman’s Statement

Leveraging capital as the link to achieve co-created value and shared success

The Group adheres to the principle of high-quality sustainable development. With an aim to strengthening core competitiveness, the Group made use of capital investment as the link to deepen the cooperation with upstream and downstream enterprises in the supply chain.

During the Reporting Period, the Group completed equity investments in Midea Group and SAIC Anji Logistics, and made strategic equity investment in Yantian Port. Additionally, COSCO SHIPPING Lines (a wholly-owned subsidiary of the Company) increased its shareholdings in COSCO SHIPPING Logistics & Supply Chain Management to 19%. The aforementioned equity cooperation has deepened the strategic collaboration between upstream and downstream enterprises in the industrial chain and supply chain, and to some extent, has helped stabilizing the Group’s overall performance. In December 2024, the Group was newly added in a multiple of indexes for dividends, such as the CSI Dividend Index, SSE Dividend Index, SSE State-owned Enterprises Dividend Index, CSI Central State-owned Enterprises Dividend 50 Index, Central-SOEs Shareholder Return Index and CSI State-owned Enterprises Dividend Index, reflecting the capital market’s recognition of its sustainable returns.

Looking ahead, the conditions in container shipping industry will remain complex and volatile. On one hand, greater influence of the global geopolitical landscape, the uncertainties in the Red Sea, and greater impacts of policies relating to trading and tariff greater impacts of geopolitical issues, will bring profound changes in global cargo flow patterns. On the other hand, the resilient global economy, the rise of emerging markets and regional economic integration will create new opportunities for container shipping market.

Against this backdrop, the Group will emphasize the approach to meeting global customers’ needs. Guided by its positioning as “a global digital supply chain operation and investment platform with a primary focus on container shipping”, the Group will take a more forward-looking and systematic approach to accelerating global and scale development. It will also expedite the development of digital supply chain and green and low-carbon transition in order to create the certainty through high-quality development to ride out uncertainties with an aim to deliver more superior services for the customers and create greater value for our shareholders.

Wan Min
Chairman of the Board

21 March 2025

Summary of Accounting Data

Results for the year ended 31 December 2024 (the "Reporting Period") prepared under the Hong Kong Financial Reporting Standards

	For the year ended 31 December 2024 RMB'000	For the year ended 31 December 2023 RMB'000 (Restated)	Change in Amount RMB'000
Revenues	**233,859,079**	175,452,975	58,406,104
Profit before income tax	**67,086,756**	33,079,791	34,006,965
Profit after income tax	**55,592,667**	28,396,817	27,195,850
Profit for the year	**55,592,667**	28,396,817	27,195,850
Profit attributable to equity holders of the Company	**49,172,465**	23,860,169	25,312,296
Basic earnings per share (RMB)	**3.08**	1.48	1.60
Final dividend per share (RMB)	**1.55**	0.74	0.81
– Interim dividend	**0.52**	0.51	0.01
– Final dividend	**1.03**	0.23	0.80
Final dividend payout ratio	**50%**	50%	–
Total assets	**497,472,214**	462,570,620	34,901,594
Total liabilities	**212,413,437**	219,219,595	(6,806,158)
Non-controlling interests	**50,390,714**	47,235,796	3,154,918
Equity attributable to equity holders of the Company	**234,668,063**	196,115,229	38,552,834
Net cash (debt) to equity ratio	**37.88%**	39.77%	Decreased by 1.89 percentage points
Gross profit margin	**28.94%**	15.73%	Increased by 13.21 percentage points

Management Discussion and Analysis

Results for the Reporting Period prepared in accordance with the Hong Kong Financial Reporting Standards

	2024 RMB'000	2023 RMB'000 (Restated)	Difference RMB'000
Revenues	**233,859,079**	175,452,975	58,406,104
Operating profit	**59,023,154**	24,650,546	34,372,608
Profit before income tax	**67,086,756**	33,079,791	34,006,965
Profit for the year	**55,592,667**	28,396,817	27,195,850
Profit attributable to equity holders of the Company	**49,172,465**	23,860,169	25,312,296
Basic earnings per share (RMB)	**3.08**	1.48	1.60

(I) Discussion and Analysis of the Board on the Operation of the Group during the Reporting Period

Operating income of the Group for the year of 2024 was RMB233,859,079,000, representing an increase of RMB58,406,104,000 or 33.29% as compared to 2023. Profit attributable to equity holders of the Company for the year of 2024 was RMB49,172,465,000, representing an increase of RMB25,312,296,000 as compared to 2023.

(II) Major Profit or Loss Items and Cashflow Analysis

1. Table of analysis for related items in the consolidated income statement and consolidated cash flow statement

Items	2024 RMB'000	2023 RMB'000 (Restated)	Difference RMB'000	Percentage change (%)
Revenues	**233,859,079**	175,452,975	58,406,104	33.29
Cost of services	**(166,175,223)**	(147,851,737)	(18,323,486)	12.39
Other income	**2,120,213**	5,143,349	(3,023,136)	(58.78)
Other expenses	**(175,488)**	(75,388)	(100,100)	132.78
Other income and expense, net	**1,944,725**	5,067,961	(3,123,236)	(61.63)
(Provision for)/reversal of impairment losses on financial assets, net	**(67,950)**	225,164	(293,114)	(130.18)
Selling, administrative and general expenses	**(10,537,477)**	(8,243,817)	(2,293,660)	27.82
Finance income	**6,297,079**	7,474,087	(1,177,008)	(15.75)
Finance costs	**(3,177,195)**	(3,735,521)	558,326	(14.95)
Share of profits less losses of				
– joint ventures	**565,522**	599,488	(33,966)	(5.67)
– associates	**4,378,196**	4,091,191	287,005	7.02
Income tax expenses	**(11,494,089)**	(4,682,974)	(6,811,115)	145.44
Net cash generated from operating activities	**69,312,919**	22,583,829	46,729,090	206.91
Net cash used in investing activities	**(26,971,632)**	(18,342,124)	(8,629,508)	47.05
Net cash used in financing activities	**(40,620,065)**	(60,029,170)	19,409,105	(32.33)

2. Revenues

Management Discussion and Analysis and descriptions below contain amounts and figures, which are in RMB unless otherwise specified.

Overview

In 2024, the revenues of the Group amounted to RMB233,859,079,000, representing an increase of RMB58,406,104,000 or 33.29% as compared to the last year.

Revenue from container shipping business

In 2024, the revenue from container shipping business amounted to RMB225,971,372,000, representing an increase of RMB57,840,372,000 or 34.40% as compared to the last year, of which COSCO SHIPPING Lines generated revenues of RMB156,059,924,000 from container shipping business, representing an increase of RMB40,011,554,000 or 34.48% as compared to the last year.

Revenue from terminal business

In 2024, revenue generated from the terminal business amounted to RMB10,809,999,000, representing an increase of RMB413,837,000 or 3.98% as compared to the last year.

Major customer

Total sales to the top five customers of the Group of 2024 amounted to RMB8,744,431,000, accounting for 3.74% of the total sales for the Reporting Period.

3. Costs

Cost analysis

Components of cost	2024 RMB'000	2023 RMB'000 (Restated)	Difference RMB'000	Percentage Change (%)
Equipment and cargo transportation costs	76,919,294	60,401,930	16,517,364	27.35
Voyage costs	37,637,766	38,419,999	(782,233)	(2.04)
Vessel costs	31,695,046	31,588,261	106,785	0.34
Other related business costs	13,662,670	12,152,093	1,510,577	12.43
Tax and surcharges	1,334,680	1,044,034	290,646	27.84
Sub-total – container shipping operating costs	161,249,456	143,606,317	17,643,139	12.29
Container terminals and related business costs	7,709,493	7,183,454	526,039	7.32
Tax and surcharges	66,120	61,165	4,955	8.10
Sub-total – container terminal operating costs	7,775,613	7,244,619	530,994	7.33
Elimination between different businesses	(2,849,846)	(2,999,199)	149,353	(4.98)
Total operating costs	166,175,223	147,851,737	18,323,486	12.39

Overview

In 2024, the operating cost of the Group amounted to RMB166,175,223,000, representing an increase of RMB18,323,486,000 or 12.39% as compared to the last year.

Container shipping business cost

In 2024, the container shipping business cost amounted to RMB161,249,456,000, representing an increase of RMB17,643,139,000 or 12.29% as compared to the last year, of which, the container shipping business cost incurred by COSCO SHIPPING Lines in 2024 amounted to RMB111,098,306,000, representing an increase of RMB11,696,427,000 or 11.77% as compared to the last year.

Terminal business cost

In 2024, the terminal business cost amounted to RMB7,775,613,000, representing an increase of RMB530,994,000 or 7.33% as compared to the last year.

4. Other profit or loss items

Other income and expense, net

In 2024, the other income and expense, net, was RMB1,944,725,000, representing a decrease of RMB3,123,236,000 as compared to the last year, of which, exchange gain net amounted to RMB612,922,000, representing a decrease of RMB1,305,864,000 as compared to the last year. There was a smaller appreciation in the value of US dollar against RMB in 2024 compared to the last year. The foreign exchange risk of the Company in 2024 was lower than that of 2023 as the Company managed the foreign exchange risk by reducing its exposure to exchange risk.

Selling, administrative and general expenses

In 2024, the selling, administrative and general expenses of the Group amounted to RMB10,537,477,000, representing an increase of RMB2,293,660,000 or 27.82% as compared to the last year.

Finance income

In 2024, the finance income of the Group amounted to RMB6,297,079,000, representing a decrease of RMB1,177,008,000 or 15.75% as compared to the last year, of which interest income amounted to RMB6,297,079,000, representing a decrease of RMB1,172,594,000 as compared to the last year, which was mainly due to a decrease in average balance of monetary funds as compared to the last year.

Finance costs

In 2024, the finance costs of the Group amounted to RMB3,177,195,000, representing a decrease of RMB558,326,000 or 14.95% as compared to the last year, which was mainly to a decrease in interest expense as a result of decreasing liabilities.

Share of profits less losses of joint ventures and associated companies

In 2024, the Group's share of profits less losses of joint ventures and associated companies in aggregate amounted to RMB4,943,718,000, representing an increase of RMB253,039,000 as compared to the last year. During the Reporting Period, the Company's investment income from Shanghai International Port (Group) Co., Ltd. and the investment income of COSCO SHIPPING Ports (a subsidiary of the Group) from its non-controlled terminals both increased as compared with the same period last year.

Income tax expenses

In 2024, the income tax expenses of the Group amounted to RMB11,494,089,000, representing an increase of RMB6,811,115,000 or 145.44% as compared to the last year.

Major suppliers

Total purchases from the top five suppliers of the Group in 2024 amounted to RMB27,677,312,000, accounting for 16.80% of the total purchases during the Reporting Period.

5. Cash flow

As of the end of 2024, the cash and cash equivalents amounted to RMB184,189,078,000, representing an increase of RMB3,023,638,000 or 1.67% from the end of last year. The cash and cash equivalents of the Group were principally denominated in RMB and US$, and the rest were denominated in EUR, HK$ and other currencies.

(1) Net cash flows from operating activities

In 2024, the net cash generated from operating activities amounted to RMB69,312,919,000, representing an increase of RMB46,729,090,000 or 206.91% as compared to that of the last year. The increase was mainly due to the increase in the operating results of container shipping business of the Group during the Reporting Period as compared to that for the same period of last year.

(2) Net cash flows from investing activities

In 2024, the net cash used in investing activities amounted to RMB26,971,632,000, representing an increase of RMB8,629,508,000 as compared to that of the last year. During the Reporting Period, there was a decrease in the cash paid for external equity investments of the Group as compared to that for the same period of last year, an increase in cash dividends received from associates and joint ventures as compared to that for the same period of last year, and an increase in cash paid for building vessels, construction of containers and construction of terminals as compared to that for the same period of last year.

(3) Net cash flows from financing activities

In 2024, the net cash used in financing activities amounted to RMB40,620,065,000, representing a decrease of RMB19,409,105,000 as compared to that for the same period of last year. During the Reporting Period, cash paid for repayment of borrowings of the Group increased as compared to that for the same period of last year, while cash paid for dividend distribution decreased as compared to that for the same period of last year.

(4) Impact of changes in exchange rate on cash and cash equivalents

The balance of cash and cash equivalents increased by RMB1,302,416,000 as of the end of 2024, which was primarily due to an increase in exchange rate of US$ against RMB during the Reporting Period.

(III) Working Capital, Financial Resources and Capital Structure

Overview

As of the end of 2024, the total assets of the Group amounted to RMB497,472,214,000, representing an increase of RMB34,901,594,000 or 7.55% as compared to the end of last year. The total liabilities amounted to RMB212,413,437,000, representing a decrease of RMB6,806,158,000 or 3.10% as compared to the end of last year.

As of the end of 2024, the total outstanding borrowings of the Group were RMB34,675,686,000. The cash and cash equivalents, net of the total outstanding borrowings, amounted to net cash of RMB149,513,392,000, representing an increase of RMB11,624,870,000 as compared to the end of last year. As of the end of 2024, the Group's net current assets were RMB83,326,274,000, representing an increase of RMB8,083,114,000 or 10.74% as compared to the end of last year. As of the end of 2024, the net cash (debt) to equity ratio was 37.88%, representing a decrease of 1.89 percentage points as compared to the end of last year. The formula for calculating the net cash (debt) to equity ratio is as follows: net cash (debt) to equity ratio = (cash and cash equivalents – total borrowings – total lease liabilities)/total equity.

The working capital and capital resources of the Group have been and will continue to be generated from the cash flows of operating activities, the proceeds from new share issuance and the debt financing from financial institutions. The cash of the Group has been and is expected to continue to be utilized for various purposes such as payment of operating costs, construction of container vessels, construction of containers, investments in terminals and repayment of loans.

Debt analysis

Categories	2024 RMB'000	2023 RMB'000
Short-term borrowings	**1,703,638**	2,417,519
Long-term borrowings	**32,972,048**	40,859,399
Total of long-term and short-term borrowings	**34,675,686**	43,276,918
Among which:		
Interest payables – Short-term borrowings	**2,840**	1,052
– Long-term borrowings	**256,516**	287,147
Total interest payable	**259,356**	288,199
Long-term borrowings were repayable as follows:		
Among which: within one year	**2,026,044**	8,118,638
in the second year	**5,646,275**	6,593,829
in the third to fifth years	**12,444,410**	13,260,597
after the fifth year	**12,855,319**	12,886,335
Total	**32,972,048**	40,859,399

Borrowings by categories

As at 31 December 2024, the Group had bank borrowings of RMB31,973,186,000 and other borrowings of RMB2,443,144,000, representing 92.90% and 7.10% of the total borrowings, respectively. Of the bank borrowings, secured borrowings amounted to RMB19,279,856,000 and unsecured borrowings amounted to RMB12,693,330,000, representing 56.02% and 36.88% of the total borrowings, respectively. Most of the borrowings of the Group bear interest at floating rate.

Borrowings by currency

As at 31 December 2024, the borrowings of the Group denominated in US$ were equivalent to RMB22,379,877,000, borrowings denominated in RMB amounted to RMB7,364,936,000, borrowings denominated in EUR were equivalent to RMB4,023,289,000, and borrowings denominated in HK$ were equivalent to RMB648,228,000, representing 65.03%, 21.40%, 11.69% and 1.88% of the total borrowings, respectively.

Secured borrowings

As at 31 December 2024, the secured borrowings of the Group totalled RMB19,279,856,000, including mortgaged borrowings and borrowings secured by both guarantees and pledges.

Company's guarantees

As at 31 December 2024, the guarantees provided among the Group's consolidated entities amounted to RMB9,367,077,000 (as at 31 December 2023: RMB10,152,029,000) and guarantees provided to an associated company amounted to RMB364,996,000 (as at 31 December 2023: RMB265,641,000).

Contingent liabilities

The Group was involved in a number of claims and litigations, including but not limited to claims and litigations on disputes arising from vessels damage, loss of cargoes, delivery delay, vessels collision during transportation, early termination of vessel lease contracts and pledge supervision business.

Based on the advice of legal counsel and/or the information available to the Group, the Directors are of the view that the amount of the claims should have no material impact on the Group's consolidated financial statements for the year ended 31 December 2024.

Foreign exchange risk

The Group operates internationally and is exposed to various foreign exchange risks arising from non-functional currencies. Foreign exchange risks are derived from future business transactions and recognized assets and liabilities. The actual foreign exchange risks faced by the Group are therefore primarily with respect to bank balances, receivable and payable balances and bank borrowings denominated in non-functional currencies. The management monitors the exposure to foreign exchange risks and will consider hedging foreign exchange risks with derivative financial instruments in a timely manner.

Capital commitments

As at 31 December 2024, the Group had a total of 43 container vessels under construction, the capital commitments for future construction of container vessels amounted to RMB42,321,931,000.

As at 31 December 2024, the Group's capital commitments for investment in terminals amounted to RMB3,496,761,000 in aggregate, of which the commitments for purchasing fixed assets amounted to RMB2,575,101,000 and the equity investment commitment of terminals amounted to RMB921,660,000.

Facilities

As at 31 December 2024, the unutilized bank loan facilities of the Group were RMB19,823,523,000. The Group pays close attention to the potential financial risks of the loan facilities, and has strengthened the monitor of liabilities and gearing ratio of its subsidiaries and has repaid bank loans in full according to the schedule.

Financing plans

The Group will consider factors including repayment of maturing debts, loan replacement and material future capital expenditures, in order to make financing arrangements in advance, enhance funding and debts management, optimize the funding utilization and control the scale of debts effectively.

(IV) Investment Analysis

Analysis of external equity investments

As of the end of 2024, the balance of the Group's investments in associated companies and joint ventures was RMB72.501 billion, representing an increase of RMB5.622 billion as compared to the end of last year.

1. Significant equity investment

   Not applicable.

2. Significant non-equity investment

   Not applicable.

3. Financial assets at fair value

Unit: '000 Currency: RMB

Type of assets	Amount at the beginning of the period	Profits or losses on fair value change for the current period	Cumulative fair value changes recorded in equity	Impairment provision for the current period	Amount purchased for the current period	Amount sold/ redeemed for the current period	Other changes	Amount at the end of the period
Financial assets at fair value through profit or loss								
– current	95,000	(3,753)	–	–	5,790	32,191	1,102	65,948
– non-current	425,460	21,202	–	–	–	–	(1,901)	444,761
Financial assets at fair value through other comprehensive income	1,918,241	–	947,263	–	2,020,621	–	30,557	4,916,682
Derivative financial assets	19,106	–	(19,106)	–	–	–	–	–
Total	**2,457,807**	**17,449**	**928,157**	**-**	**2,026,411**	**32,191**	**29,758**	**5,427,391**

Investment in securities

Unit: '000 Currency: RMB

Type of securities	Stock code	Stock abbreviation	Initial investment cost	Source of funds	Carrying amount at the beginning of the period	Profits or losses on fair value change in current period	Cumulative fair value change recorded in equity	Amount purchased for the current period	Amount of disposal for the current period	Profits or losses for the investment in the current period	Carrying amount at the end of period	Accounting classification
Stock	601228	Guangzhou Port	1,276,924	Self-owned funds	1,535,854	–	127,578	–	–	21,100	1,663,432	Financial assets at fair value through other comprehensive income ("FVOCI")
Stock	3369.HK	QHD PORT	207,681	Self-owned funds	53,791	–	27,059	–	–	3,687	82,451	FVOCI
Stock	000597	NORTHEAST PHARM	200	Self-owned funds	1,481	–	(22)	–	–	28	1,459	FVOCI
Stock	600821	NYOCOR	99	Self-owned funds	515	–	(61)	–	–	23	454	FVOCI
Stock	0300.HK	Midea Group	2,020,621	Self-owned funds	–	–	769,650	2,020,621	–	–	2,819,452	FVOCI
Stock	600837	Haitong Securities	7,017	Self-owned funds	45,629	–	8,522	–	–	633	54,151	FVOCI
Trust product	87001	Hui Xian REIT	97,178	Self-owned funds	26,959	(12,565)	–	–	–	127	14,664	Financial assets at fair value through profit or loss ("FVPL")
Bonds	127039	Beigang Convertible Bond	321,492	Self-owned funds	380,662	21,202	–	–	–	3,215	401,864	FVPL
Bonds	Multiple stock codes	Bond Investment	376,633	Self-owned funds	380,610	–	–	–	–	19,110	386,006	Financial assets at amortised cost
Stock	Multiple stock codes	Stock Investment	180,449	Self-owned funds	68,040	8,812	–	5,790	32,191	15,855	51,284	FVPL
Total	/	/	**4,488,294**	/	**2,493,541**	**17,449**	**932,726**	**2,026,411**	**32,191**	**63,778**	**5,475,217**	/

(V) Industry Operation Information

Situation of the industry of the Company

Container shipping market

In 2024, the world economy maintained moderate recovery, the global production activities improved, and active service trade supported the growth of global trade, driving up the demand for transportation in the global container shipping market. According to the data from industry institutions, the annual market demand grew by about 5%-7%. In 2024, the new vessel delivery capacity in the global container shipping market was approximately 3 million TEUs, representing a year-on-year increase of over 10%. Despite a significant growth of new vessel delivery capacity, the deviation of vessels in the Red Sea, coupled with port congestion, has absorbed some of the capacity, effectively relieving the pressure on market supply. In general, due to the tightening supply and demand and rebound in market freight rate, the prosperity of the container shipping market recovered significantly in 2024.

In recent years, digital intelligence and green and low carbon have become two major trends in industry transformation, facilitating the sustainable development of container shipping market.

The global industrial chain has shown a trend of regionalization and short-chain development. Along with this development trend, global customers have also put forward higher requirements for the security and resilience of the supply chain. In order to meet the customer needs, shipping companies have gradually extended their transportation services to both ends to build whole-process digital supply chain service capabilities.

With the increasingly stringent global green regulation, shipping companies have accelerated the transformation of green technology of vessels by actively ordering methanol and other new energy vessels, sped up green technological transformation of vessels, and built a green fuel supply chain system to promote the green and low-carbon transition and development. At the same time, shipping companies have accelerated the launch of a series of green digital supply chain products to meet the growing green demand of customers.

Terminal business

According to the statistics of the General Administration of Customs, the total value of China's imports and exports of goods reached RMB43.85 trillion in 2024, representing a year-on-year increase of 5%. Leveraging its global terminal network of high connecting efficiency and ability, COSCO SHIPPING Ports has consistently capitalized on the synergistic advantages of its dual-brand strategy with its parent company and the OCEAN Alliance, achieving a year-on-year increase of 6.1% in the total throughput to 144,032,722 TEUs, of which the total throughput of the terminals in China increased by 6.5% as compared to the last year to 109,808,199 TEUs, and that in overseas terminals increased by 4.5% as compared to the last year to 34,224,523 TEUs.

Despite there are risks of differentiation and uncertainties in the future global economic recovery, China's resilient industrial chain, policy support, and breakthroughs in emerging sectors are expected to sustain stable growth in import and export volumes, with further optimization of trade structures. Exports of new energy vehicles, lithium batteries, and photovoltaic products will continue to be major growth drivers, while trade in of high-value-added products such as high-end equipment and biopharmaceuticals will accelerate, bringing new growth momentum to the port industry.

In addition, in respect of terminal business development, the Company will focus on the following aspects: firstly, accelerating the global layout and continuously improving the service efficiency of the existing global network; secondly, strengthening the channel construction and enhancing the service capabilities of key hub ports such as CSP Wuhan Terminal, Piraeus Terminal, and CSP Abu Dhabi Terminal; thirdly, accelerating the intelligent, digital and green transformation of ports, and actively promoting the formulation of specifications and standards for the application of unmanned vessels, supervision and port energy saving and emission reduction, so as to strengthen the competitive advantages of China's ports in the field of innovation; fourthly, focusing on regions and markets where dual-brands and OCEAN Alliance are expanding their capacity, and investing in or acquiring global resources across the industry chain to provide supply chain node support for COSCO SHIPPING Group's high-quality global channel development.

Situation of the business of the Company

Container shipping business

1. Main business

COSCO SHIPPING Holdings mainly manages its international and domestic container transportation services and related business through COSCO SHIPPING Lines, its wholly-owned subsidiary, and OOIL, its indirectly-controlled subsidiary. Leveraging on its container transportation network with global operations and integrated services, the Company actively develops global digital supply chain services to create higher value for customers and upstream and downstream partners around the world.

2. Business model

Focusing on the positioning of "a global digital supply chain operation and investment platform with a primary focus on container shipping", COSCO SHIPPING Holdings adheres to the dual-driven development of digital supply chain and green and low-carbon development. Based on the integrated operation model of "container shipping + port + related logistics", it promotes the integrated development model of "investment + construction + operation", and is committed to providing customers with global digital supply chain services.

3. Performance drivers

Since 2024, the demand in the global container shipping market has increased, and the cargo volume of the container shipping market as a whole has shown a moderate growth trend. Coupled with factors such as the escalating situation in the Red Sea region which led to a short supply of effective transportation capacity, the market freight rate has fluctuated at a relatively high level. During the Reporting Period, the average level of China Containerized Freight Index (CCFI) recorded a year-on-year increase of 65%.

In face of the complex and volatile global economic and trade situation, COSCO SHIPPING Holdings persisted in coping with the uncertainties of the external environment with the certainty of its own development, consistently adhered to the principle of "seeking progress while maintaining stability" with regard to the construction of the main container shipping lanes, and continued to "seek innovation with progress" amid the new competition in respect of digital intelligence and green and low-carbon development, constantly bolstering the resilience of its global supply chain. The Company has always upheld a "customer-centric" service concept, actively matched customers' demand for transportation, coordinated and deployed resources, made constant innovations and changes, fully discharged important role of technological innovation and digitalization in the supply chain system.

Terminal business

1. Main business

COSCO SHIPPING Holdings is mainly engaged in the loading, unloading and stockpiling of containers and bulk cargoes through COSCO SHIPPING Ports. The terminals portfolio of COSCO SHIPPING Ports covers the five major port clusters along the coast of China and the middle and lower reaches of the Yangtze River and ports in Europe, the Mediterranean, the Middle East, Southeast Asia, South America and Africa etc. As of 31 December 2024, COSCO SHIPPING Ports operated and managed 375 berths at 39 ports globally, of which 226 were for containers, with an annual handling capacity of approximately 124 million TEUs. COSCO SHIPPING Ports will continue to build a global terminal network with efficient connectivity capabilities to create value for stakeholders such as customers, partners, shareholders, employees, local communities, social organizations and international institutions, and contribute to the prosperity and development of regional and national economy and trade.

2. Business model

Terminal companies are established in the form of equity participation, equity controlling or sole proprietorship to organize the construction, marketing, production and management of related businesses for generation of operating income.

3. Performance drivers

Main performance drivers include: focusing on customer needs, expanding business volume through precision marketing, and consolidating competitive advantages by improving service levels; improving terminal operation efficiency, strengthening all-round cost control, and amplifying competitive advantages; anchoring the two major tracks of digital intelligence and green and low-carbon development, accelerating the cultivation of new quality productivity in port operations and creating a new engine for high-quality development; actively seeking investment opportunities in emerging markets, regional markets and third-country markets, and improving the comprehensive service capabilities of ports by investing in or acquiring upstream and downstream resources in the industrial chain.

Core competitiveness analysis

1. Overall scale advantages: the scale of two major business segments steadily ranked among the top in the world

COSCO SHIPPING Holdings is a key component of the core industry of COSCO SHIPPING Group, the indirect controlling Shareholder. It centralizes superior resources in both container shipping and terminal operation and management segments, and possess significant scale advantages.

In terms of container shipping business: As at the end of the Reporting Period, the Company' self-operated container fleet size reached 538 vessels with a capacity of approximately 3.32 million TEUs, keeping tier one in the industry. As at the end of the Reporting Period, the Company had a total of 43 new vessel orders with a capacity of nearly 750,000 TEUs in aggregate. Meanwhile, the Company actively followed the new trend of green development in the industry and continued to optimize the structure of its fleet by means of ordering green new energy vessels and vessel transformation.

As at the end of the Reporting Period, the Company has ordered 24 methanol dual-fuel powered container vessels, including twelve units of 24,000 TEU and twelve units of 14,000 TEU new methanol dual-fuel powered vessels; the power system upgrading of four units of 16,000 TEU container vessels under construction from single-conventional-fuel-powered to methanol dual-fuel-powered; the implementation of methanol dual-fuel engine transformation for two units of existing 13,800 TEU series container vessels and two 20,000 units of TEU series container vessels.

In terms of terminal business: the Company continued to promote the layout of global terminals and maintained its leading position in the global port operator industry. Leveraging the overall scale advantages, the Company continued to maintain the competitive advantages of service products in terms of standardization, professionalism and low cost, and improved service quality continuously to better meet the diversified transportation needs of customers.

2. Global network coverage advantages: adapting to market changes and adhering to global strategic layout

COSCO SHIPPING Holdings proactively adapted to the trend of global industrial chain transfer, continued to optimize its global layout, and expanded its advantages in resource synergy. The Company's dual-brands operated a total of 295 international services (including international feeder lines), 55 coastal services in China and 79 branch lines in Pearl River Delta and Yangtze River, and there are 629 ports of call in around 145 countries and regions in the world. Meanwhile, the Company has always adhered to a balanced globalization layout to actively expand into emerging markets, third-country markets and regional markets while strengthening alliance cooperation and steadily improving leading advantages in trunk services.

The dual-brands of the Company, as members of the Ocean Alliance, are committed to promoting the prosperity of global trade, enhancing their own scale and strength, providing a more extensive shipping network, creating more stable and high-quality route products, and making every effort to serve customers and ensure the stability of the global supply chain. On 27 February 2024, the Ocean Alliance signed relevant documents in Shanghai, extending the cooperation period between the Company and members of the Ocean Alliance for at least five years to 31 March 2032. Since the operation of the OCEAN Alliance, in face of changes in the global market situation, the Company has always maintained stable, orderly, smooth and efficient cooperation with members of the OCEAN Alliance to create a series of route products with a wide service range and high service frequency to continuously satisfy growing global trade demands of customers.

In March 2024, the Ocean Alliance launched new DAY8 route products. A total of approximately 355 vessels with a capacity of around 4.82 million TEUs have been put into operation, providing over 480 direct port-to-port services. It is committed to continuously improving service quality, optimizing product design with flexible and practical measures to cope with changes, and continuously helping to stabilize the global supply chain with more reliable and predictable services.

3. **Business model advantages: enhancing value through innovation and development**

The Company adhered to being customer demand-oriented to constantly create new business models and strengthen new drivers of development. Relying on its abundant global resources, the Company promoted the integration and efficient operation of resources in domestic and overseas, and formed whole chain services covering trunk lines, branch lines, highways, railways, customs and warehousing, which enabled the Company to provide global digital supply chain solutions for many enterprises in cross-border e-commerce, home appliances, photovoltaic, automobile and other industries. Meanwhile, the Company continued to expand the number of global products and enrich product forms. In 2024, the Company launched a total of 38 full-chain products, and the service scope continued to expand, covering more than 90 countries and regions.

4. **Business synergy advantages: achieving mutual benefits through comprehensive synergy**

Both container shipping and terminal operation and management segments of COSCO SHIPPING Holdings had significant potential for synergistic effect, which could achieve mutual integration, mutual promotion and coordinated development. The Company adhered to the coordinated development of segments. While continuing to promote the development of its fleet, the Company actively explored the global layout of terminals, and constantly strengthened the coordination of global transportation capacity and terminal resources and consolidated its competitive advantages in the transportation capacity route network and the control of key resources. By exploiting the synergistic advantages of port and shipping to its fullest, the integrated digital supply chain system that serves global customers was continuously improved, and cyclical risks were effectively mitigated, thereby promoting a sustainable and high-quality development of both segments.

In respect of container shipping segment, the Company leveraged its two container shipping service brands, namely “COSCO SHIPPING Lines” and “OOCL” to achieve complementary advantages and synergistic integration in terms of global network, logistics layout and digital technology, unleashing the synergies on an ongoing basis.

Container shipping business

(1) Shipping volume

Shipping volume of the Group (TEU)

Routes	2024	2023	Percentage of change (%)
Trans-Pacific	4,814,246	4,260,271	13.00
Asia and Europe (including the Mediterranean)	3,778,795	4,358,456	(13.30)
Asia Region (including Australia)	8,878,814	7,991,188	11.11
Other international regions (including the Atlantic)	2,892,437	2,620,626	10.37
Mainland China	5,574,981	4,324,436	28.92
Total	**25,939,273**	**23,554,977**	**10.12**

Shipping volume of COSCO SHIPPING Lines (a subsidiary of the Group) (TEU)

Routes	2024	2023	Percentage of change (%)
Trans-Pacific	2,737,472	2,370,159	15.50
Asia and Europe (including the Mediterranean)	2,358,581	2,763,710	(14.66)
Asia Region (including Australia)	5,259,843	4,620,251	13.84
Other international regions (including the Atlantic)	2,412,920	2,138,304	12.84
Mainland China	5,574,981	4,324,436	28.92
Total	**18,343,797**	**16,216,860**	**13.12**

(2) Revenue from routes

Revenue from routes by the Group (RMB'000)

Routes	2024	2023	Percentage of change (%)
Trans-Pacific	65,940,570	40,409,240	63.18
Asia and Europe (including the Mediterranean)	46,456,277	32,940,568	41.03
Asia Region (including Australia)	53,884,694	43,830,698	22.94
Other international regions (including the Atlantic)	32,896,450	25,869,260	27.16
Mainland China	12,137,048	11,433,374	6.15
Total	**211,315,039**	**154,483,140**	**36.79**

Of which revenue from routes by COSCO SHIPPING Lines (a subsidiary of the Group) (RMB'000)

Routes	2024	2023	Percentage of change (%)
Trans-Pacific	38,433,256	22,626,255	69.86
Asia and Europe (including the Mediterranean)	30,406,672	22,982,495	32.30
Asia Region (including Australia)	33,403,030	26,656,156	25.31
Other international regions (including the Atlantic)	29,502,952	21,422,615	37.72
Mainland China	12,304,110	11,603,220	6.04
Total	**144,050,020**	**105,290,741**	**36.81**

Revenue from routes by the Group (equivalent to US$'000)

Routes	2024	2023	Percentage of change (%)
Trans-Pacific	9,269,127	5,732,783	61.69
Asia and Europe (including the Mediterranean)	6,530,261	4,673,216	39.74
Asia Region (including Australia)	7,574,458	6,218,179	21.81
Other international regions (including the Atlantic)	4,624,185	3,670,023	26.00
Mainland China	1,706,079	1,622,032	5.18
Total	**29,704,110**	**21,916,233**	**35.53**

Of which revenue from routes by COSCO SHIPPING Lines (a subsidiary of the Group) (equivalent to US$'000)

Routes	2024	2023	Percentage of change (%)
Trans-Pacific	5,402,482	3,209,944	68.30
Asia and Europe (including the Mediterranean)	4,274,202	3,260,483	31.09
Asia Region (including Australia)	4,695,394	3,781,659	24.16
Other international regions (including the Atlantic)	4,147,168	3,039,186	36.46
Mainland China	1,729,562	1,646,127	5.07
Total	**20,248,808**	**14,937,399**	**35.56**

(3) Major performance indicators

Major performance indicators of the container shipping business of the Group (RMB'000)

Items	2024	2023	Difference
Revenue from container shipping business	225,971,372	168,131,000	57,840,372
Including: Supply chain revenue other than shipping fee	40,939,498	34,667,515	6,271,983
EBIT	62,999,277	28,840,571	34,158,706
EBIT margin	27.88%	17.15%	Increased by 10.73 percentage points
Net profit	50,057,735	22,416,634	27,641,101

Among which: major performance indicators of the container shipping business of COSCO SHIPPING Lines (a subsidiary of the Group) (RMB'000)

Items	2024	2023	Difference
Revenue from container shipping business	156,059,924	116,048,370	40,011,554
Including: Supply chain revenue other than shipping fee	27,321,759	21,865,238	5,456,521
EBIT	43,910,737	18,773,650	25,137,087
EBIT margin	28.14%	16.18%	Increased by 11.96 percentage points
Net profit	31,477,050	12,675,919	18,801,131

Major performance indicators of the container shipping business of the Group (equivalent to US$'000)

Items	2024	2023	Difference
Revenue from container shipping business	31,764,320	23,852,429	7,911,891
Including: Supply chain revenue other than shipping fee	5,754,779	4,918,215	836,564
Revenue per TEU from international routes (US$/TEU)	1,374.86	1,055.31	319.55
EBIT	8,855,676	4,091,558	4,764,118
Net profit	7,036,510	3,180,206	3,856,304

Among which: major performance indicators of the container shipping business of COSCO SHIPPING Lines (a subsidiary of the Group) (equivalent to US$'000)

Items	2024	2023	Difference
Revenue from container shipping business	21,937,015	16,463,564	5,473,451
Including: Supply chain revenue other than shipping fee	3,840,562	3,101,980	738,582
Revenue per TEU from international routes (US$/TEU)	1,450.35	1,117.63	332.72
EBIT	6,172,440	2,663,382	3,509,058
Net profit	4,424,663	1,798,309	2,626,354

Note 1: "Supply chain revenue other than shipping fee" refers to container shipping related supply chain revenue excluding dual-brand shipping fee revenue, which includes non-shipping fee revenue as set out in the terms of dual-brand bills of lading. To fully reflect the data for these indicators, during the Reporting Period, the Group has further optimized and adjusted the calculation by separating the revenue from non-shipping supply chain under the through rate contracts (全程包乾合約) that were previously recognized as shipping fee revenue on a rational basis, and adjusted the figures for the corresponding period of last year accordingly.

Note 2: The revenue from routes and major performance indicators above were translated into US$ at an average exchange rate of RMB7.1140:US$1 in 2024 and RMB7.0488:US$1 in 2023.

Terminal business

In 2024, the total throughput of COSCO SHIPPING Ports (a subsidiary of the Group) amounted to 144.0327 million TEUs, representing an increase of 6.06% as compared to the same period of last year, of which, the throughput of controlled terminals amounted to 32.6554 million TEUs, representing an increase of 6.15% as compared to the same period of last year; and the throughput of non-controlled terminals amounted to 111.3773 million TEUs, representing an increase of 6.03% as compared to the same period of last year.

Location of terminal	2024 (TEU)	2023 (TEU)	Percentage of change (%)
Bohai Rim Region	49,550,213	46,589,991	6.35
Yangtze River Delta Region	16,484,202	14,569,524	13.14
Southeast Coast and others	6,002,237	5,951,456	0.85
Pearl River Delta Region	28,756,347	27,932,139	2.95
Southwest Coast	9,015,200	8,022,100	12.38
Overseas	34,224,523	32,743,344	4.52
Total	144,032,722	135,808,554	6.06
Of which: Controlled terminals	32,655,388	30,762,095	6.15
Non-controlled terminals	111,377,334	105,046,459	6.03

Major acquisition and disposal of assets and equity

The Group had no major acquisition and disposal in respect of its subsidiaries, associates and joint ventures during the Reporting Period.

Other material contracts

The Group had no other material contracts during the Reporting Period.

Other significant events

1. On 28 March 2024, the 2nd meeting of the seventh session of the Board of the Company considered and approved the resolutions in relation to the reduction of the registered capital of the Company, the amendments to the Articles of Association and its appendices, i.e., the Rules of Procedures of Shareholders' General Meetings and the Rules of Procedures of the Board of Directors, as well as the amendments to the Operation Rules for Independent Directors and the operation rules for each of the Board committees. On 29 May 2024, the above resolutions in relation to the reduction of the registered capital of the Company, the amendments to the Articles of Association and its appendices, i.e., the Rules of Procedures of Shareholders' General Meetings and the Rules of Procedures of the Board of Directors were approved at the 2023 annual general meeting of the Company. The amended Articles of Association and its appendices, i.e., the Rules of Procedures of Shareholders' General Meetings and the Rules of Procedures of the Board of Directors, has taken effect upon the completion of registration with the market entity registration and management authority, and the amended Operation Rules for Independent Directors, the Rules of Procedure for the Audit Committee of the Board of Directors, the Operation Rules for the Nomination Committee of the Board of Directors, the Operation Rules for the Remuneration Committee of the Board of Directors, the Rules of Procedures of the Risk Control Committee of the Board of Directors, the Operation Rules for the Strategy Development Committee of the Board of Directors and the Articles of Association, took effect at the same time. For details, please refer to the announcement of the Company dated 28 March 2024, the circular of the Company dated 8 May 2024, the announcement of the Company dated 29 May 2024 and the overseas regulatory announcement of the Company dated 18 July 2024.

2. On 29 May 2024, COSCO (CAYMAN) Mercury Co., Ltd. ("**COSCO Mercury Buyer**") (a wholly-owned subsidiary of the Company), as the buyer, and COSCO SHIPPING Heavy Industry (Yangzhou) Co., Ltd. (揚州中遠海運重工有限公司) ("**Yangzhou Heavy Industry**") (an indirect wholly-owned subsidiary of COSCO SHIPPING), as the builder, entered into separate supplemental agreements (collectively, the "**Supplemental Agreements**") in respect of the four 16,180 TEU container vessel shipbuilding contracts for the construction of four units of 16,180 TEU container vessels at an aggregate consideration of US$620 million (collectively, the "**Original Shipbuilding Contracts**") and agreed (i) to upgrade the power system of the four units of 16,180 TEU container vessels under construction from single-conventional-fuel-powered to conventional fuel plus methanol dual-fuel-powered, with change of capacity to 16,108 TEU per vessel; (ii) to change the delivery schedule under the Original Shipbuilding Contracts from the period from June 2025 to December 2025 to the period from November 2025 to June 2026; (iii) to increase the consideration for each of the Original Shipbuilding Contracts by US$28.5 million (the "**Supplemental Consideration**") from US$155 million to US$183.5 million (equivalent to approximately HK$1,431.3 million) and increase the total consideration for the Original Shipbuilding Contracts by US$114 million from US$620 million to US$734 million (equivalent to approximately HK$5,725.2 million); and (iv) that the Supplemental Consideration and the fifth installment under the Original Shipbuilding Contracts equivalent to 10% of the contract price under the Original Shipbuilding Contracts (i.e., US$15.5 million) shall be paid by COSCO Mercury Buyer within five working days upon the signing of the respective Supplemental Agreements, and the remaining balance of the fifth installment under the Original Shipbuilding Contracts shall remain to be paid upon delivery of the vessels. For further details of the above transactions, please refer to the announcement of the Company dated 29 May 2024.

3. On 29 August 2024, COSCO Mercury Buyer, as the buyer, entered into twelve shipbuilding contracts (collectively, the "**COSCO MERCURY Shipbuilding Contracts**") on substantially the same terms with Yangzhou Heavy Industry, as the builder, for the construction of twelve units of 13,700 TEU methanol dual-fuel container vessels (the "**Vessels**") for a consideration of US$179.5 million (equivalent to approximately HK$1,400 million) for each Vessel and for an aggregate consideration of US$2,154 million (equivalent to approximately HK$16,800 million) for all twelve Vessels. COSCO SHIPPING and its associates control or are entitled to exercise control over approximately 43.92% of the total issued share capital of the Company. Therefore, COSCO SHIPPING is a controlling shareholder of the Company and a connected person of the Company. Yangzhou Heavy Industry is an indirect wholly-owned subsidiary of COSCO SHIPPING. Accordingly, Yangzhou Heavy Industry is a connected person of the Company under Chapter 14A of the Listing Rules, and the transactions contemplated under the COSCO MERCURY Shipbuilding Contracts constitute connected transactions of the Company. For further details of the above transactions, please refer to the announcement of the Company dated 29 August 2024, the circular of the Company dated 29 August 2024, and the announcement of the Company dated 13 November 2024.

4. On 6 December 2024, the Company entered into a capital increase agreement (the "**Capital Increase Agreement**") and a shareholders' agreement with SAIC Anji Logistics Co., Ltd. (上汽安吉物流股份有限公司) ("**Anji Logistics**"), Shanghai International Port (Group) Co., Ltd. (上海國際港務(集團)股份有限公司) ("**SIPG**"), SAIC Equity Investment Company Limited (上海汽車集團股權投資有限公司), and SAIC Motor Corporation Limited (上海汽車集團股份有限公司). Pursuant to the Capital Increase Agreement, the Company and SIPG has each agreed to subscribe for newly issued share capital of Anji Logistics of RMB75 million (equivalent to approximately HK$81.2392 million) by way of capital contribution of RMB1 billion (equivalent to approximately HK$1.083 billion), subject to the terms and conditions set out in the Capital Increase Agreement. SIPG directly holds approximately 20% of the total issued share capital of Shanghai PANASIA Shipping Co., Ltd. (上海泛亞航運有限公司) ("**PANASIA Shipping**"). As PANASIA Shipping is a subsidiary of the Company, SIPG constitutes a substantial shareholder of the Company's subsidiary and therefore constitutes a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the capital increase contemplated under the Capital Increase Agreement constitutes a connected transaction of the Company. For further details of the above transactions, please refer to the announcement of the Company dated 6 December 2024.

5. On 20 December 2024, COSCO SHIPPING Lines Co., Ltd. (中遠海運集裝箱運輸有限公司) ("**COSCO SHIPPING Lines**") (a wholly-owned subsidiary of the Company) and COSCO SHIPPING entered into an equity interest transfer agreement (the "**COSCO SHIPPING Logistics Supply Chain Equity Interest Transfer Agreement**"), pursuant to which COSCO SHIPPING Lines has conditionally agreed to purchase and COSCO SHIPPING has conditionally agreed to sell 12% of the equity interests in COSCO SHIPPING Logistics Supply Chain Management Co., Ltd. (中遠海運物流供應鏈有限公司) ("**COSCO SHIPPING Logistics Supply Chain**") at the consideration of RMB2,142,606,006 (equivalent to approximately HK$2,315,204,501.59). COSCO SHIPPING is a controlling shareholder of the Company and a connected person of the Company under Chapter 14A of the Listing Rules. As a result, the transactions contemplated under the COSCO SHIPPING Logistics Supply Chain Equity Interest Transfer Agreement constitute connected transactions of the Company. For further details of the above transactions, please refer to the announcement of the Company dated 20 December 2024.

6. On 24 December 2024, COSCO SHIPPING Lines (Dalian) Co., Ltd. (大連中遠海運集裝箱運輸有限公司) ("**Dalian SHIPPING Lines**") (a wholly-owned subsidiary of the Company) and COSCO SHIPPING Logistics Supply Chain entered into an equity transfer agreement (the "**Angang Auto Equity Interest Transfer Agreement**"), pursuant to which Dalian SHIPPING Lines has conditionally agreed to sell and COSCO SHIPPING Supply Chain has conditionally agreed to purchase 20.07% of the equity interests in Angang Auto Transport Co., Ltd. (鞍鋼汽車運輸有限責任公司) at the consideration of RMB82,974,841 (equivalent to approximately HK$89,696,713). COSCO SHIPPING is a controlling shareholder of the Company and COSCO SHIPPING Supply Chain is a 30%-controlled company of COSCO SHIPPING under the Listing Rules, therefore, COSCO SHIPPING Supply Chain is a connected person of the Company under Chapter 14A of the Listing Rules. As a result, transactions contemplated under the Angang Auto Equity Interest Transfer Agreement constitute connected transactions of the Company. For further details of the above transactions, please refer to the announcement of the Company dated 24 December 2024.

Dividend

The details of dividend distribution have been disclosed in Note 35 to the consolidated financial statements. On 21 March 2025, the Company convened a board meeting to consider and approve the final profit distribution plan for 2024: The Company proposed to distribute a cash dividend of RMB1.03 per share (tax inclusive) to all shareholders. In accordance with the relevant regulations of the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited, the A Shares and H Shares repurchased by the Company but not yet canceled are not entitled to dividend distribution. As of the date of this report, the Company's total share capital is 15,961,686,166 Shares, including 92,307,742 repurchased but not yet canceled A Shares and 208,070,500 repurchased but not yet canceled H Shares. Based on the total share capital minus the repurchased but not yet canceled Shares, which amounts to 15,661,307,924 Shares, the total proposed cash dividend distribution is approximately RMB16.131 billion (tax inclusive). The total cash dividend distribution for the year of 2024 (including the interim cash dividend already distributed) amounts to approximately RMB24.431 billion, representing about 50% of the net profit attributable to shareholders of the listed company for the year of 2024.

If there is a change in the number of Shares between the disclosure date of this report and the registration date of dividend distribution, the dividend per Share shall remain unchanged, with a corresponding adjustment to the total entitled amount of distribution.

The final dividend in respect of 2023 was RMB0.23 per ordinary Share (tax inclusive), with total amount of RMB3.671 billion.

The total dividend in respect of 2023 amounted to approximately RMB11.867 billion, accounting for approximately 50% of the consolidated net profit attributable to equity holders of the Company for 2023.

The final dividend in respect of 2024 is subject to approval by the Shareholders at the forthcoming annual general meeting. The final dividend in respect of 2024 will be denominated and declared in Renminbi, and payable in Renminbi to holders of A Shares of the Company and in Hong Kong dollars to holders of H Shares of the Company within two months upon approval at the annual general meeting.

The Company will disclose in due course, among other things, further details regarding the expected timetable and arrangement for closure of register of H Shareholders in respect of the proposed payment of final dividend in respect of 2024 for the purpose of ascertaining Shareholders' entitlement to the payment of final dividend in respect of 2024 by the Company.

Subsequent events

Since the end of the Reporting Period and up to the disclosure date of this report, the Group has no significant subsequent events.

Management Discussion and Analysis

DISCUSSION AND ANALYSIS OF THE BOARD CONCERNING THE FUTURE DEVELOPMENT OF THE COMPANY

(I) Industry landscape and trend

Container shipping market

Looking ahead to 2025, global trade and economic activities are expected to maintain growth resilience under the combined effects of easing global inflationary pressures and accommodative monetary policies in Europe and the United States. However, risks including frequent geopolitical tension, intensifying trade frictions, and rising policy uncertainties may lead to some unpredictability over the expansion of global trade. The global container shipping market demand is still projected to achieve growth in 2025, albeit at a moderate pace. Emerging markets, regional markets, and third-country markets are anticipated to sustain relatively strong growth momentum. On the other hand, the evolving alliance landscape in the global shipping industry is expected to trigger comprehensive escalation of competition in 2025, particularly in two strategic arenas: digitalized supply chains and green and low-carbon development initiatives. Concurrently, global trade patterns are transitioning from the traditional "Just in Time" and "cost-driven" models toward strategies emphasizing supply chain resilience and diversified "risk management" approaches.

Terminal business market

Despite increasingly complex external environments and growing uncertainties, China's exports will continue to demonstrate resilience and vitality, leveraging advantages such as comprehensive product categories, flexible transformation of growth drivers, and diversified, stable market strategies. On the import front, China's vast market size and multi-tiered demand structure harbor immense potential. More importantly, China remains committed to proactively expanding imports, sharing development opportunities with the world and injecting fresh momentum into the port industry.

The Company remains focused on its core port operations while driving innovation to expand its comprehensive logistics services. Adhering to the concept of "customer-centric", the Company continues to build a highly efficient and interconnected global terminal network, accelerating the advancement of global resource allocation. Aligned with COSCO SHIPPING Group's integrated "shipping + ports + logistics" development strategy and driven by the needs of customers, the Company optimizes global resource allocation, deepens opportunities in emerging markets, regional markets, and third-country markets. By investing in or acquiring critical resources across the global industrial chain, the Company establishes comprehensive competitive advantages across the entire chain, and dedicates itself to delivering efficient and seamless port logistics supply chain solutions for its clients.

(II) Development strategy of the Company

COSCO SHIPPING Holdings positions itself as a "global digital supply chain operation and investment platform with container shipping at its core", driving sustained growth in its two core business segments – global container shipping and global container port operations. Leveraging two container shipping companies, one container terminal operation and management company, and dual-listed platforms, the Company is actively building an integrated "container shipping + ports + related logistics" supply chain operation system and refining its "investment + construction + operation" holistic development model, aiming to establish itself as a world-class digital supply chain enterprise anchored in container shipping.

For the container shipping segment, the Company adheres to its integrated "container shipping + ports + related logistics" operation model and is driven by the needs of customers to accelerate globalization and scale expansion, continuously increasing market share while strengthening its core shipping business and competitiveness. It remains steadfast in advancing digital intelligence and green and low-carbon initiatives, developing integrated full-chain products and services for customers, global supply chain ecosystems for partners, and internal digitalized intelligent operation platforms. By upholding elevated standards and implementing pragmatic measures, the Company commits to high-quality growth, striving to build a world-class global shipping technology enterprise.

For the terminal operation and management segment, the Company focuses on its core responsibilities, deepens innovation-driven value creation and harnesses the dual engines of “global deployment” and “lean operations” to pioneer new frontiers in “integration, digital intelligence, and green transformation”. By leveraging the certainty of high-quality development to counter external uncertainties, it will continuously optimize resource allocation, accelerate innovation-driven upgrades, and improve operational efficiency, global competitiveness, and brand influence.

(III) Operation plan

Container shipping business

The Company is committed to optimizing its global layout, accelerating the scaled development of its dual-brand fleet and container assets, and maintaining its position in the first tier in the industry while achieving fleet stability, fleet renewal, green and low-carbon transition, cost efficiency, and high-quality development. The dual-brand fleet focuses on consolidating East-West services, expanding emerging market services, and developing regional market services. Concurrently, the Company is accelerating capacity deployment across key segments, including North America, Europe, the Atlantic, Latin America, Africa, the Middle East, South Asia, and the domestic trade market. In January 2025, the Ocean Alliance, to which the dual-brand fleets belong, launched its DAY9 services product. With a collaborative capacity exceeding 5 million TEU (including an estimated 40% green energy-powered vessels), the DAY9 services product provides 41 East-West services and over 520 direct port-to-port services, maintaining leading position in scale and service frequency.

The Company actively advances digital operations and builds a digital ecosystem across the supply chain. In the era of digitalization, it continues to strengthen its role as a technological innovator, prioritizing digital intelligence and green and low-carbon initiatives to drive integrated technological and industrial advancements. Leveraging cutting-edge technologies such as big data and AI, the Company is enhancing its freight rate and slot management platforms, optimizing intelligent container dispatching systems, promoting AI-powered customer service platforms and accelerating the full deployment of smart reefer container IoT devices.

In regard to accelerating green and low-carbon transition, the Company proactively aligns with global sustainability trends, and implements forward-looking strategies to keep front-runner status in industry-wide green development. Key measures include renewing and greening its fleet, optimizing fleet structure, and conducting practical pilot projects for energy efficiency and emission reduction and vessel retrofitting to ensure compliance with international and domestic regulations to fulfill its corporate responsibility. Additionally, the Company is exploring the establishment of green methanol and other renewable fuel supply chains to provide a strong support for the Company’s green and low-carbon transformation and development.

Terminal business

The Company will continue to take global layout as its core development strategy, persistently promoting the service efficiency of its existing global network while accelerating investment deployments in emerging markets, regional markets, and third-country markets. Focusing on key regions and markets targeted by the dual-brand fleet and Ocean Alliance’s new capacity expansions, the Company will secure supply chain node resources through investments or acquisitions of global upstream and downstream industrial chain assets, bolstering COSCO SHIPPING Group’s high-quality global corridor development.

Guided by lean operations as its core management philosophy, the Company will adopt diversified strategies to drive high-quality development. Under the new landscape of shipping alliances, it will strengthen competitive advantages through improving service quality and precision marketing. Key tactics include strengthening corridor infrastructure, elevating the service capabilities of critical hubs such as CSP Wuhan Terminal, Piraeus Terminal, and CSP Abu Dhabi Terminal, and continuing to position COSCO SHIPPING Ports Chancay PERU S.A. ("CSP Chancay Terminal") as South America's premier smart green port. By empowering lean management with technological innovation, the Company aims to reduce costs, improve operational efficiency, and enhance customer satisfaction.

Anchored in the dual strategic tracks of "digital intelligence" and "green and low-carbon transition", the Company will encourage the cultivation of new quality productivity in port operations. Driven by digital intelligence, it will advance smart port development and build a digitally interconnected ecosystem across the supply chain. Efforts include optimizing full-process automation in terminal operations, integrating AI and other innovative technologies into operational scenarios, through which the businesses can expand from traditional cargo handling to integrated logistics services. In green initiatives, the Company will develop low-carbon ports, expand clean energy adoption, and facilitate energy structure transformation. By actively participating in green fuel supply chain development and creating full-chain green products, the Company aims to set industry benchmarks for sustainability and build new competitive advantages.

(IV) Possible Risks

Risks of Political Policies

1. ***Description and analysis of the risks:***

   Changes in policies and regulations resulting from uncertainties or events such as changes in the global geopolitical landscape, changes in the internal political ecology of important countries or regions and conflicts between countries may have potential impacts on the achievement of globalization goals of liner companies.

2. ***Strategies for addressing the risks:***

   (1) To strengthen the dynamic management and normalized analysis and judgment capabilities of geopolitical risks.

   (2) To focus on important regions, countries or specific industries, key customers and major projects, and position and build high-quality brands of the Company.

   (3) To strengthen the country risk assessment mechanism in the decision-making process of material operation and investment.

Risks of changes in the international trade pattern

1. ***Description and analysis of the risks:***

   Affected by the slowdown in global trade growth, the rise of regional trade agreements, the rapid development of the digital economy and the restructuring of supply chains, the international trade pattern is undergoing profound and drastic changes, which will directly affect the shipping industry and liner companies.

2. Strategies for addressing the risks:

(1) To explore the establishment of a whole-process marketing mechanism covering customer information, leads, business opportunities, needs and proposals.

(2) To refine and optimize industrial chain operation, establish a regular and dynamic review and research mechanism and promote the implementation of industrial supply chain solutions.

Risks of Economic Volatility

1. Description and analysis of the risks:

Affected by factors such as changes in geopolitical relationships and global trade landscape, ongoing restructuring of global supply chains, changes in inflation and debt levels in key economies and individual regional conflicts, it may lead to weak cargo demand in the regions or upstream industries where the Company operates.

2. Strategies for addressing the risks:

(1) To establish a sound mechanism for the tracking and research of macroeconomic information on a regular basis, and strengthen the collection and analysis of market-related information.

(2) To improve product competitiveness and leading ability of industrial ecology.

(3) To strengthen the management and control of operating costs and enhance the anti-cyclical ability.

Significant Events

I. If there is an earning forecast as regard to the assets or projects of the Company and the Reporting Period remains in the earning prediction period, the Company will give an explanation as to the achievement of the original forecast as regard to the assets or projects and the relevant reasons

Not applicable.

II. Material Litigation and Arbitration

There was no material litigation and arbitration during this year.

III. Material Contracts and Performance Thereof

Not applicable.

(I) Guarantees

Unit: Yuan Currency: RMB

External guarantees provided by the Company (excluding guarantees provided for its subsidiaries)													
Guarantor	Relationship of the Guarantor with the Company	Beneficiary	Amount of the guarantee	Date of guarantee (Date of agreement)	Commencement date of guarantee	End date of guarantee	Type of guarantee	Collateral (if any)	Whether the guarantee is discharged	Whether the guarantee is overdue	Amount of overdue guarantee	Counter guarantee	Whether it is a connected party guarantee	Connected relationship
COSCO SHIPPING Ports (Antwerp) NV	Holding subsidiary	Antwerp Gateway NV	364,996,450.00	15 June 2020	15 June 2020	29 June 2040	General guarantee	We are interested in equity interest of the beneficiary	No	No	-	Yes	Yes	Associates
Total amount of guarantees provided during the Reporting Period (excluding guarantees provided for subsidiaries)														99,355,490.00
Total outstanding guarantee amount as at the end of the Reporting Period (A) (excluding guarantees provided for subsidiaries)														364,996,450.00
Guarantees provided by the Company and its subsidiaries for its subsidiaries														
Total amount of the guarantees provided to subsidiaries during the Reporting Period														-784,951,856.97
Total outstanding guarantee amount of the guarantees provided to subsidiaries as at the end of the Reporting Period (B)														9,367,077,029.81
Total amount of the guarantees provided by the Company (including guarantees for subsidiaries)														
Total amount of guarantees (A+B)														9,732,073,479.81
Total amount of guarantees as a percentage to the net assets of the Company (%)														3.41
Of which:														
Amount of guarantees provided to shareholders, ultimate controller and its connected parties (C)														0.00
Amount of guarantees directly or indirectly provided for liability of parties with a gearing ratio exceeding 70% (D)														8,518,554,354.81
The portion of total amount of guarantee in excess of 50% of the net assets (E)														0.00
Total amount of the above three categories of guarantees (C+D+E)														8,518,554,354.81
Explanation on outstanding guarantees which may cause several and joint liability														Nil
Explanation on guarantees														Nil

(II) Other material contracts

Not applicable.

Significant Events

IV. Other Significant Events

For other significant events, please refer to the section headed “Connected Transactions” on pages 126 to 129.

V. Fulfillment of Social Responsibilities

Social Responsibility

COSCO SHIPPING Holdings takes the initiative to assume social responsibilities and achieve synergetic development between the Company and the society. The Group actively implements the sustainable procurement strategy and strives to build a “resilient” supply chain. The Group actively responds to the national rural revitalization strategy, pays attention to hot issues of social development, and leverages its professional and resource advantages to carry out charity and public welfare activities, so as to contribute to building a more prosperous and harmonious society.

COSCO SHIPPING Holdings is committed to establishing long-term and stable cooperative relationships with suppliers to further promote the green development of the supply chain. The Group gives priority to purchasing from green and low-carbon suppliers, and requires suppliers to sign anti-commercial bribery commitments to continuously improve the sustainable performance of suppliers.

COSCO SHIPPING Holdings is committed to the joint construction and development of communities, and actively participates in community services at home and abroad through diversified activities and platforms, covering charitable donations, public welfare activities, flood control and disaster relief, joint construction of communities and other aspects. COSCO SHIPPING Holdings has deeply rooted its corporate mission and sense of responsibility in its heart, and has been delivering positive energy through practical actions to contribute to the prosperity of communities.

COSCO SHIPPING Holdings continues to fulfill the obligations of the United Nations Global Compact comprehensively by fulfilling various undertakings in the Global Compact, especially the principles in various areas, including environmental protection, labor, human rights and anti-corruption. The Company actively fulfills its corporate social responsibilities, shares social values and continues extend its empathy and care. While continuously expanding its business and developing itself, the Company always focuses on improving the supply chain management system and building a sustainable industrial chain to drive suppliers to achieve common economic prosperity. The Company always regards the construction of public undertakings as an important responsibility of the enterprise, and has carried out long-term actions in public welfare and rural revitalization to promote social well-being. Meanwhile, the Company focuses on industry cooperation, mutual assistance in enterprise operations, and promotes regional economic development. Relying on its solid business foundation and transportation capabilities, the Group continues to solve the difficulties in daily operation for small and medium-sized enterprises in need, and provides assistance services to enterprises in need internationally and domestically.

Details of consolidation and expansion of the results of the poverty alleviation, rural revitalization and other work

Poverty alleviation and rural revitalization projects	Amount/content	Description
Total charity giving	RMB35.2805 million	These include the targeted assistance areas of COSCO SHIPPING and the targeted assistance villages in the provinces and cities where the holding company is located.
Of which: funds	RMB23.055 million	COSCO SHIPPING Lines and COSCO SHIPPING Ports donated RMB20 million to the COSCO SHIPPING Charity Foundation; COSCO SHIPPING Lines actively carried out independent assistance, and allocated a total of RMB2.83 million throughout the year, which were used for targeted assistance projects of Anhua County and Yuanling County in Hunan, Yongde County in Yunnan, and Luolong County in Tibet, respectively; COSCO SHIPPING Ports allocated RMB225,000 for independent assistance projects throughout the year, which were used for education assistance projects of Yongde County in Yunnan.
Total value of materials	RMB12.2255 million	COSCO SHIPPING Lines organized employees to donate clothing and school supplies worth approximately RMB2 million to poor farmers, herdsmen and students in Luolong County, Tibet; COSCO SHIPPING Lines and COSCO SHIPPING Ports purchased agricultural and sideline products worth RMB10,225,500 from the targeted assistance areas.
Number of people benefited (person)	Around 20,561	
Forms of assistance (such as industrial poverty alleviation, employment poverty alleviation, education poverty alleviation, etc.)	Project assistance, education assistance, consumption assistance	Support the rural revitalization of targeted/designated assistance areas through various forms

During the Reporting Period, taking into account the actual conditions of the targeted assistance areas of Luolong County in Tibet, Yongde County in Yunnan, and Anhua County and Yuanling County in Hunan, COSCO SHIPPING Holdings made use of its own industry advantages, formulated assistance plans based on in-depth investigation and research, and actively implemented poverty alleviation and rural revitalization projects. The Company ensured the timely availability of investment and assistance funds, continued to consolidate and expand the results of poverty alleviation, and made positive contributions to the economic and social development of the corresponding regions.

COSCO SHIPPING Holdings has always adhered to the spirit of China's rural revitalization, and actively developed the sea-rail transportation business by leveraging on its advantages in transportation business to build a three-dimensional transportation network in the central and western regions. In the future, the Group will speed up the construction of ancillary logistics resources along the routes, continuously improve the radiation capabilities of the channel logistics hubs as well as the capabilities for digital, green and low-carbon development, so as to reduce the integrated logistics costs, enhance the logistics efficiency and resilience and make new contributions to promoting the high-quality development of the western regions and building a modern economic system. The Group also actively assumes social responsibilities, continuously increases the support for rural industries, strengthens the construction of logistics channels, and is committed to innovating the cooperation model between central enterprises and local governments to deepen rural revitalization work. It has carried out a series of targeted assistance and consumption assistance work to comprehensively promote high-quality development of rural areas.

Environmental Responsibility

Whether environmental protection-related mechanism has been established	Yes
Investment in environmental protection during the Reporting Period	RMB18,560 million

Significant Events

(1) Relevant information conducive to ecological protection, pollution prevention and performance of environmental responsibilities

Upholding a strong sense of social responsibility, COSCO SHIPPING Holdings actively responds to global climate actions, implements climate change risk management, and actively promotes the shipping industry to move towards green and low-carbon development through diversified practices and explorations such as green fleet and green port construction. At the same time, COSCO SHIPPING Holdings is committed to protecting the marine ecology, conducting business activities in accordance with the principle of minimizing environmental footprint, strengthening green operation and management, and realizing the coexistence of corporate development and environmental protection.

Green development is the foundation of high-quality development. COSCO SHIPPING Holdings has integrated green and low-carbon transformation practices into the entire process of high-quality development. In business operations, we adhere to the concept of "energy saving, low carbon and green development", and continue to explore new ways of carbon reduction. In the container shipping business, the Group has built a green fleet by promoting the transformation of ship fuel, the design of ship energy efficiency improvement and the transformation of ship facilities and equipment; in the terminal business, the Group is committed to the construction of low-carbon ports, continuously increasing the use of green electricity in ports, improving the efficiency of energy use in ports, and building green ports.

The international shipping industry is accelerating its green transformation and the use of green energy has become an irresistible general trend. We continue to explore ways to use new and clean energy to replace traditional fossil fuels. We carry out strategic deployment of green energy applications in the design of new vessels and the upgrading of existing vessels, with a view to steadily increasing the proportion of new and clean energy powered vessels in our shipping capacity, accelerating the green and low-carbon transformation of the fleet, meeting the requirements of IMO2023, and creating a climate-friendly shipping enterprise.

As a pioneer in green shipping, COSCO SHIPPING Holdings actively explored the large-scale application of biofuels on vessels, and gradually built a green energy system with low-carbon fuels as the core through technical verification and operational practice. During the Reporting Period, the Company implemented the green shipping strategy with practical actions through multiple B24 marine biofuel oil bunkering and trial voyages, and accelerated the transformation of the enterprise towards a low-carbon, environmentally friendly and sustainable direction. At the same time, COSCO SHIPPING Holdings actively promoted the standardized use of new energy and clean energy throughout the industry. COSCO SHIPPING Lines, a wholly-owned subsidiary of the Company, has participated as the drafting unit in the formulation of a number of group standards related to the use of marine biofuels, including the group standard of the Marine Biofuel Oil-Procedures for Transfer of Bunkers to Vessels《船用生物燃料油水上加注規程》and the group standard of the Guidelines for Ships Using Marine Biofuels Oil《船用生物燃料油使用指南》, and the relevant standards were officially released in August 2024.

(II) Measures and effects adopted to reduce carbon emissions during the Reporting Period

Whether carbon reduction measures have been taken	Yes
Types of carbon reduction measures (such as the use of clean energy to generate electricity, the use of carbon reduction technologies in the production process, the development and production of new products that contribute to carbon reduction, etc.)	Carbon reduction technologies, research and development and production of new products that help reduce carbon emissions, etc.

COSCO SHIPPING Holdings actively adopted the design of ship energy efficiency improvement and the upgrade and transformation of existing ships to accelerate the green and low-carbon transformation of the fleet. In respect of new vessels, COSCO SHIPPING Holdings followed the design scheme of ship energy efficiency improvement and adopted advanced energy-saving and emission-reduction technologies, to ensure that the ship energy efficiency design index covered the indicator requirements of International Maritime Organization's Energy Efficiency Design Index Phase III (IMO EEDI PHASE III). As of the end of the Reporting Period, all new vessels of COSCO SHIPPING Lines met the indicator requirements of IMO EEDI PHASE III.

As a major player in the international shipping industry, the Group has continuously improved the monitoring level of marine fuel oil, implemented marine fuel oil conservation measures, and improved the efficiency of fuel oil use. COSCO SHIPPING Lines strictly monitors the marine fuel oil consumption in accordance with the Management Measures for Energy Conservation and Emission Reduction 《節能減排管理辦法》, and actively cooperates with all relevant departments to carry out fuel conservation and carbon reduction in the shipping process.

In order to increase the proportion of voyages where vessels travel at economical speed and reduce unnecessary carbon emissions, COSCO SHIPPING Lines has formulated a vessel deceleration plan, which puts forward requirements on the shipping speed of all transportation vessels to avoid fuel consumption caused by unreasonable acceleration of vessels; at the same time, it continues to strengthen the coordination with key ports, terminals and shipowners to improve the operating efficiency of the fleet in ports, arrange shipping schedules in a scientific and reasonable manner, avoid ineffective delays in voyages, and reduce vessels' excessive fuel consumption caused by prolonged stay in ports and accelerated rushing; it also advocates the use of shore power for the fleet during the dry-docking period to further improve the overall energy efficiency.

In order to further strengthen the management of marine fuel oil consumption, COSCO SHIPPING Lines has established a rigorous vessel dynamics monitoring system (COVRS), and has optimized the marine fuel oil consumption model. Combined with the actual operation conditions of vessels, COSCO SHIPPING Lines has strengthened the capability of measuring and calculating routes adapted to vessels, optimized the selection of routes, improved the punctuality rate of routes, and achieved efficient fuel-saving management of vessels. Based on the data provided by the COVRS system, COSCO SHIPPING Lines follows the whole process of management and inspection of budget (pre-control) - operation monitoring (in-process monitoring) - fuel cost analysis (post-inspection, etc.), implements a 24-hour dynamic monitoring of fuel consumption of vessels, and intensifies the monitoring of abnormal fuel consumption of vessels by conducting in-flight fuel measurement inspections for vessels.

In order to facilitate the development of green and low-carbon shipping, the Group actively promoted the construction of shore power facilities and the connection and use of shore power for vessels, so as to ensure the normal operation of power reception facilities when vessels are at berth. Shore power for vessels supplies power to vessels with shore-based power while vessels are at berth, thereby reducing pollution emissions of vessels when they are berthed at ports and terminals, which is of great significance in promoting the development of green shipping. COSCO SHIPPING Holdings actively responded to the Action Plan for Demonstration and Promotion of the Use of Shore Power on International Container Shipping Services and Cruise Ships at Berth (2023-2025) (《關於示範推進國際航線集裝箱船舶和郵輪靠港使用岸電行動方案(2023-2025年)》), further improved the shore power management, use and maintenance systems and operation procedures, and increased the configuration rate of vessel shore power reception facilities and the vessel shore power connection rate. Before the vessels are at berth, COSCO SHIPPING Lines strengthens communication with the agents and the ports to ensure that the shore power for vessels at berth "should be connected to the largest extent possible".

The Company will continue to strengthen the innovation and influence of the GSBN platform, and accelerate the R&D and application of electronic bills of lading, electronic insurance policies and green products based on blockchain technology. The Company continues to promote the upgrade of green shipping product Hi ECO, develop healthy and environmentally friendly full-chain solutions, help customers book climate-friendly shipping, and make joint efforts for the realization of green and sustainable development.

Changes in Equity and Shareholders' Information

I. Changes in equity

During the Reporting Period, the Company implemented the stock option incentive plan, under which 3,301,933 A shares without sales restrictions of the Company were newly added by the incentive participants through exercise of their own stock options. For details, please refer to the Company's overseas regulatory announcements dated 2 April 2024, 2 July 2024, 11 October 2024 and 2 January 2025.

According to the consideration and approval at the 27th meeting of the sixth session of the Board of the Company, it was agreed that the Company shall implement the Share Repurchase Plan of COSCO SHIPPING Holdings for the purpose of safeguarding the Company's value and shareholders' interests, and share repurchase shall be carried out in compliance with laws and regulations and under the framework of the general mandate for the repurchase approved by the 2022 Annual General Meeting, 2023 First A Share Class Meeting and 2023 First H Share Class Meeting. As of 29 February 2024, the Company has completed the cancellation of all 214,999,924 A shares and H shares of the Company's ordinary shares repurchased by the Company through a centralized bidding transaction in the secondary market. Among which, the Company completed the cancellation of 113,533,000 repurchased H ordinary shares on 29 February 2024 during the Reporting Period.

II. Shareholder and actual controller

(I) Total number of Shareholders:

Total number of ordinary Shareholders as at the end of the Reporting Period	352,181
Total number of ordinary Shareholders as at 28 February 2025	371,686

Changes in Equity and Shareholders' Information

(II) Shareholdings of the top 10 Shareholders and top 10 Shareholders of tradable Shares (or Shareholders not subject to selling restrictions) as at the end of the Reporting Period

		Shareholdings of the Top 10 Shareholders (excluding shares lent through securities lending and refinancing)					
					Shares pledged, marked or frozen		
Name of Shareholder (In full)	Increase/ decrease during the Reporting Period	Number of shares held at the end of the period	Percentage (%)	Number of shares subject to selling restrictions	Status of shares	Number	Nature of shareholders
China Ocean Shipping Company Limited		5,924,873,037	37.12	0	None		State-owned legal person
HKSCC Nominees Limited	-112,938,546	3,189,821,196	19.99	0	None		Foreign legal person
Shanghai Automotive Industry Corporation (Group) (上海汽車工業(集團)有限公司)		804,700,000	5.04	0	None		State-owned legal person
China COSCO SHIPPING Corporation Limited		704,746,860	4.42	0	None		State-owned legal person
Hong Kong Securities Clearing Company Limited	69,159,895	389,620,204	2.44	0	None		Foreign legal person
China Securities Finance Corporation Limited (中國證券金融股份有限公司)		373,927,475	2.34	0	None		State-owned legal person
China Reform Investment Co., Ltd. (國新投資有限公司)	-240,033,847	230,454,271	1.44	0	None		State-owned legal person
Industrial and Commercial Bank of China-SSE 50 ETF (中國工商銀行－上證50交易型開放式指數證券投資基金)	46,130,143	119,861,710	0.75	0	None		Other
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 ETF (中國工商銀行股份有限公司－華泰柏瑞滬深300交易型開放式指數證券投資基金)	62,509,067	110,189,617	0.69	0	None		Other
China Construction Bank Corporation – E Fund CSI 300 ETF (中國建設銀行股份有限公司－易方達滬深300交易型開放式指數發起式證券投資基金)	58,246,920	75,988,195	0.48	0	None		Other

Changes in Equity and Shareholders' Information

Shareholdings of Top 10 Shareholders not subject to selling restrictions			
	Number of tradable shares held and not subject to selling	Type and number of shares	
Name of Shareholder	restrictions	Type	Number
China Ocean Shipping Company Limited	5,924,873,037	RMB-denominated ordinary Shares	5,924,873,037
HKSCC Nominees Limited	3,189,821,196	Overseas listed foreign Shares	3,189,821,196
Shanghai Automotive Industry Corporation (Group) (上海汽車工業(集團)有限公司)	804,700,000	RMB-denominated ordinary Shares	804,700,000
China COSCO SHIPPING Corporation Limited	704,746,860	RMB-denominated ordinary Shares	704,746,860
Hong Kong Securities Clearing Company Limited	389,620,204	RMB-denominated ordinary Shares	389,620,204
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	373,927,475	RMB-denominated ordinary Shares	373,927,475
China Reform Investment Co., Ltd. (國新投資有限公司)	230,454,271	RMB-denominated ordinary Shares	230,454,271
Industrial and Commercial Bank of China-SSE 50 ETF (中國工商銀行－上證 50 交易型開放式指數證券投資基金)	119,861,710	RMB-denominated ordinary Shares	119,861,710
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 ETF (中國工商銀行股份有限公司－華泰柏瑞滬深 300 交易型開放式指數證券投資基金)	110,189,617	RMB-denominated ordinary Shares	110,189,617
China Construction Bank Corporation – E Fund CSI 300 ETF (中國建設銀行股份有限公司－易方達滬深 300 交易型開放式指數發起式證券投資基金)	75,988,195	RMB-denominated ordinary Shares	75,988,195
Explanations on the special repurchase accounts among the top 10 Shareholders	None		
Explanations on the voting rights entrusted by or to or waived by the aforesaid Shareholders	–		
Explanations to the connected relationship or parties acting in concert among the aforesaid Shareholders	China Ocean Shipping Company Limited is a wholly-owned subsidiary of China COSCO SHIPPING Corporation Limited. Others are unknown.		
Description of preferential shareholders with restoration of voting rights and their shareholdings	Not applicable		

Note: As at the end of the Reporting Period, COSCO SHIPPING directly held 704,746,860 A Shares of the Company, indirectly held 5,924,873,037 A Shares of the Company through its wholly-owned subsidiary, China Ocean Shipping Company Limited, indirectly held 221,672,000 H Shares of the Company through its wholly-owned subsidiary, Peaktrade Investments Limited, and indirectly held 158,328,000 H Shares of the Company through its wholly-owned subsidiary, COSCO SHIPPING (Hong Kong) Co., Limited. Therefore, COSCO SHIPPING directly and indirectly held a total of 7,009,619,897 Shares of the Company, representing approximately 43.92% of the Company's total share capital as at 31 December 2024.

Changes in Equity and Shareholders' Information

Shares lent by top 10 Shareholders through securities lending and refinancing business

Unit: Shares

	Shares lent by top 10 Shareholders through securities lending and refinancing business							
	Shares held in ordinary accounts and credit accounts at the beginning of the period		Shares lent through securities lending and refinancing business and not yet returned at the beginning of the period		Shares held in ordinary accounts and credit accounts at the end of the period		Shares lent through securities lending and refinancing business and not yet returned at the end of the period	
Name of Shareholder (In full)	Total number	Percentage (%)	Total number	Percentage (%)	Total number	Percentage (%)	Total number	Percentage (%)
Industrial and Commercial Bank of China-SSE 50 ETF (中國工商銀行－上證50交易型開放式指數證券投資基金)	73,731,567	0.46	4,536,200	0.028	119,861,710	0.75	0	–
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 ETF (中國工商銀行股份有限公司－華泰柏瑞滬深300交易型開放式指數證券投資基金)	47,680,550	0.30	167,400	0.001	110,189,617	0.69	0	–
China Construction Bank Corporation – E Fund CSI 300 ETF (中國建設銀行股份有限公司－易方達滬深300交易型開放式指數發起式證券投資基金)	17,741,275	0.11	173,200	0.001	75,988,195	0.48	0	–

Notes:

1. The percentage at the beginning of the Reporting Period represents the number at the beginning of the period/the total share capital at the beginning of the period, and the total share capital as at 29 December 2023 was 16,071,057,752 Shares.

2. The percentage at the end of the Reporting Period represents the number at the end of the period/the total share capital at the end of the period, and the total share capital as at 31 December 2024 was 15,960,826,685 Shares.

III. Controlling Shareholder and actual controller

(I) Specific description of controlling shareholder

1 Legal person

Details of controlling shareholder:

Name	China Ocean Shipping Company Limited
Person in charge or legal representative	WAN Min
Date of establishment	22 October 1983
Principal business	International freight; ancillary business in international maritime transportation; providing booking, chartering and time chartering services for domestic and foreign cargo owners; leasing, construction and trading of ships and containers, and their maintenance and spare parts manufacturing business; ship escrowing business; domestic and foreign shipping business-related ship materials, spare parts, communications services; management of enterprises engaged in shipping, cargo agency and seafarer assignment business. (Market players shall select operating items and operate autonomously according to law; international freight, ancillary business in international maritime transportation and items that shall be approved according to law can be operated upon approval by relevant departments; the enterprise shall not engage in business activities prohibited by the industrial policies and restricted items of this country and city.)
Control and shareholdings in other domestic or overseas listed companies during the Reporting Period	Controlling shareholdings: COSCO SHIPPING Ports (01199.HK) 71.55%; OOIL (00316.HK) 71.07%; Piraeus Port Authority S.A. (PPA.GA) 67.00%; COSCO SHIPPING International (Singapore) (F83.SG) 53.35%; COSCO SHIPPING Specialized Carriers (600428.SH) 51.42%; Major shareholdings: Qingdao Port (601298.SH, 06198.HK) 19.79%; SIPG (600018.SH) 15.62%; Beibu Gulf Port (000582.SZ) 9.86%; Guangzhou Port (601228.SH) 6.50%; China Merchants Bank (600036.SH, 03968.HK) 6.46%; China Merchants Securities (600999.SH, 06099.HK) 6.26%.
Others	None

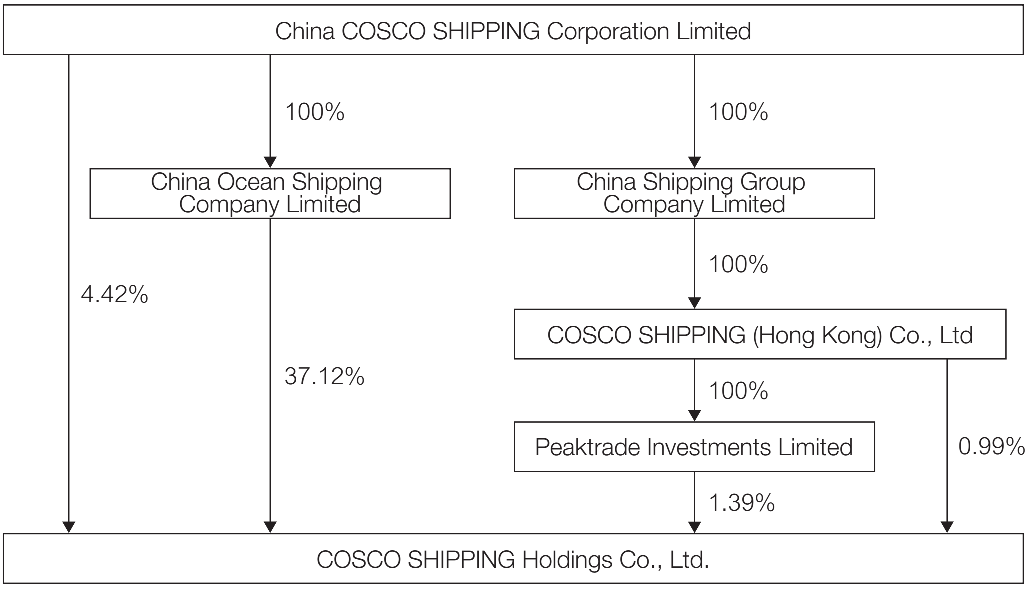
Changes in Equity and Shareholders' Information

Details of indirect controlling shareholder:

Name	China COSCO SHIPPING Corporation Limited ("**COSCO SHIPPING**")
Person in charge or legal representative	WAN Min
Date of establishment	5 February 2016
Principal business	International freight, ancillary business in international maritime transportation; import and export of goods and technology; agent of international freight by sea, road, and air; rental of self-owned ship; ship, container, steel sales; marine engineering equipment design; terminal and port investment; communications equipment sales, information and technical services; warehousing (except dangerous chemicals); technology development related to shipping, spare parts, technology transfer, technical advice, technical services, equity investment funds. (Business activities can only be operated after being approved by the relevant departments in accordance with the law)
Control and shareholdings in other domestic or overseas listed companies during the Reporting Period	Controlling shareholdings: COSCO SHIPPING International (Hong Kong) (00517.HK) 71.71%; COSCO SHIPPING Ports (01199.HK) 71.55%; OOIL (00316.HK) 71.07%; Piraeus Port Authority S.A. (PPA.GA) 67.00%; Hainan Strait Shipping (002320.SZ) 58.98%; COSCO SHIPPING International (Singapore) (F83.SG) 53.35%; COSCO SHIPPING Specialized Carriers (600428.SH) 51.89%; COSCO SHIPPING Technology (002401.SZ) 48.96%; COSCO SHIPPING Energy Transportation (600026.SH, 01138.HK) 46.37%; COSCO SHIPPING Development (601866.SH, 02866.HK) 45.85%. Major shareholdings: Qilu Expressway (01576.HK) 30.00%; Qingdao Port (601298.SH, 06198.HK) 21.27%; SIPG (600018.SH) 15.62%; CHINA BOHAI BANK (09668.HK) 11.12%; China Merchants Securities (600999.SH, 06099.HK) 10.02%; China Merchants Bank (600036.SH, 03968.HK) 9.97%; Beibu Gulf Port (000582.SZ) 9.86%; SRCB (601825.SH) 8.29%; Guangzhou Port (601228.SH) 6.50%; Rizhao Port Jurong (06117.HK) 6.38%; SAIC (600104.SH) 5.87%.
Others	None

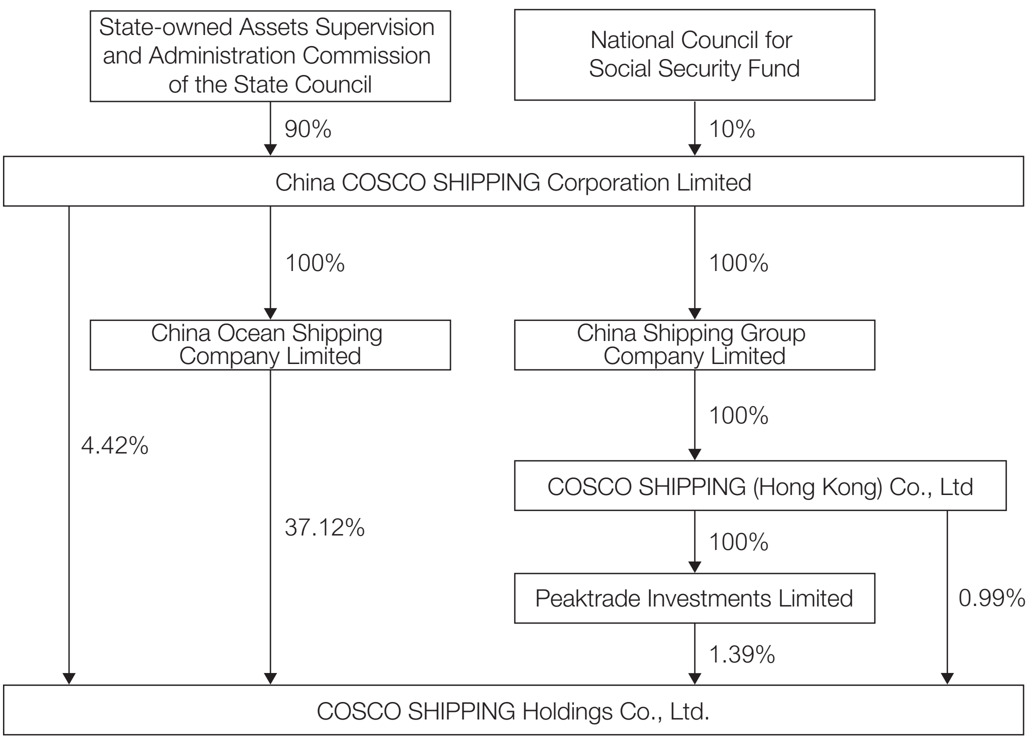
Changes in Equity and Shareholders' Information

2 The relationship of the property and control between the Company and controlling shareholders



(II) Specific description of actual controller

1 The relationship of the property and control between the Company and the actual controller



Corporate Bonds

I. Overview of corporate bonds

Not applicable.

II. Use of proceeds raised from the public issuance of the Company's bonds

Not applicable.

Mr. WAN Min (萬敏)[1]

Mr. WAN, aged 56, is currently the chairman of the board and the secretary of the party committee of China COSCO SHIPPING Corporation Limited, the chairman of the Board and an executive Director of the Company and the chairman of the board and an executive director of Orient Overseas (International) Limited (a controlled subsidiary of the Company and a company listed on the Stock Exchange (stock code: 316)). He has served as the general manager and the deputy secretary of the party committee of COSCO Container Lines Co., Ltd. (currently known as COSCO SHIPPING Lines Co., Ltd.), the deputy general manager and a member of the party committee of China Ocean Shipping (Group) Company (currently known as China Ocean Shipping Company Limited), a director, the president and the deputy secretary of the party committee of China COSCO SHIPPING Corporation Limited, the chairman of the Board and a non-executive Director of the Company, and the chairman of the board of China Tourism Group Co., Ltd.. Mr. WAN has over 30 years of experience in corporate management and has extensive experience of operation management in shipping and tourism industries. He served as the chairman of the board and the secretary of the party committee of China COSCO SHIPPING Corporation Limited since October 2021. Mr. WAN graduated from Shanghai Maritime College (currently known as Shanghai Maritime University) majoring in transportation management and engineering, obtained a master's degree in business administration from Shanghai Jiao Tong University, and is an engineer.

Mr. CHEN Yangfan (陳揚帆)[1]

Mr. CHEN (formerly known as YANG Fan), aged 49, is currently the vice Chairman and an executive Director of the Company, an executive director and the chief executive officer of Orient Overseas (International) Limited (a controlled subsidiary of the Company and a company listed on the Stock Exchange (stock code: 316)). He has served as the general manager of the international business center, the deputy general manager of the group customer center, the general manager of the product innovation department and the general manager of the internet business operation department of the Shanghai branch of China United Network Communications Limited (a company listed on the Shanghai Stock Exchange (stock code: 600050)), a manager of the first division and the third division of the product innovation department, the deputy general manager and the general manager of the product innovation department, the general manager of the information security department, the general manager of the internet operation department, the general manager of the industrial internet product center, the senior vice president of the government and enterprise customer business group at the headquarter of China United Network Communications Group Co., Ltd., the party secretary and the general manager of the Guizhou branch of China United Network Communications Limited, and the deputy general manager and a party committee member of China COSCO SHIPPING Corporation Limited, and he is currently the deputy secretary of the party committee and a director of China Electronics Corporation Limited. Mr. CHEN has 26 years of experience in informatization and enterprise management, with extensive experience in informatization, internet and digital operation management. Mr. CHEN graduated from the University of Essex in the United Kingdom with a master's degree in telecommunications and information systems and is an engineer.

Directors, Supervisors and Senior Management

Mr. TAO Weidong (陶衛東)[2]

Mr. TAO, aged 54, is currently the employee representative director of China COSCO SHIPPING Corporation Limited and an executive Director and the general manager of the Company, the chairman of the board and the party secretary of COSCO SHIPPING Lines Co., Ltd., an executive director of Orient Overseas (International) Limited (a company listed on the Stock Exchange (stock code: 316)), and the chairman of the board, chairman of the executive committee and chief executive officer of Orient Overseas Container Line Limited. He has served as the manager of the container transportation department and the manager of the agency department of COSCO Cosfim Co. Ltd., the assistant general manager and deputy general manager of COSCO (Shenzhen) International Freight Co., Ltd. (currently known as COSCO SHIPPING Lines (Shenzhen) Co., Ltd.), the deputy general manager of Americas trade division of COSCO Container Lines Co., Ltd. (currently known as COSCO SHIPPING Lines Co., Ltd.), the deputy general manager of COSCO (Southern China) International Freight Co., Ltd. (currently known as COSCO SHIPPING Lines (Southern China) Co., Ltd.), the general manager of COSCO (Shanghai) International Freight Co., Ltd. (currently known as COSCO SHIPPING Lines (Shanghai) Co., Ltd.), the general manager of COSCO SHIPPING Lines (Shanghai) Co., Ltd., the general manager of COSCO SHIPPING International Freight Co., Ltd., the deputy general manager of COSCO SHIPPING Lines Co., Ltd., and the general manager of the operating management division of China COSCO SHIPPING Corporation Limited. During the period from October 2022 to June 2023, he served as a director of Shanghai International Port (Group) Co., Ltd. (a company listed on the Shanghai Stock Exchange (stock code: 600018)). Mr. TAO has nearly 30 years of experience in corporate management and extensive experience in shipping and logistics operation and management. Mr. TAO graduated from Shanghai Maritime College (currently known as Shanghai Maritime University), majoring in water transport management, obtained a master's degree in business administration from Shanghai Maritime University, and is a senior engineer.

Mr. YANG Zhijian (楊志堅)[1, 3]

Mr. YANG, aged 60, was previously the employee representative director of China COSCO SHIPPING Corporation Limited, an executive Director, the general manager and the party secretary of the Company, the chairman of the board, and the party secretary of COSCO SHIPPING Lines Co., Ltd. (a wholly-owned subsidiary of the Company), the chairman of the board, an executive director and the party secretary of COSCO SHIPPING Ports Limited (a company listed on the Stock Exchange (stock code: 01199)), an executive director of Orient Overseas (International) Limited (a company listed on the Stock Exchange (stock code: 316)), the chairman of the board, chief executive officer and chairman of the executive committee of Orient Overseas Container Line Limited, and a director of several subsidiaries of China COSCO SHIPPING Corporation Limited. He previously held various positions including the head of ocean transportation division of Shanghai Ocean Shipping Company Limited (currently known as Shanghai Ocean Shipping Co., Ltd.), the head of planning and cooperation office under the corporate planning division and deputy general manager of marketing department of COSCO Container Lines Co., Ltd. (currently known as COSCO SHIPPING Lines Co., Ltd.), the deputy general manager of Hong Kong Ming Wah Shipping Co., Ltd., the general manager of the trade service division and the general manager of the Asia-Pacific trade division of COSCO Container Lines Co., Ltd. (currently known as COSCO SHIPPING Lines Co., Ltd.), the general manager and deputy party secretary of Shanghai PANASIA Shipping Co., Ltd., assistant to the general manager and deputy general manager of COSCO Logistics Co., Ltd. (currently known as COSCO SHIPPING Logistics Co., Ltd.), the deputy general manager, general manager and deputy party secretary of COSCO SHIPPING Bulk Co., Ltd. Mr. YANG has over 30 years of experience in the maritime industry and has extensive experience in container shipping, logistics and bulk shipping. Mr. YANG graduated from Shanghai Maritime University with EMBA degree and is an economist.

Mr. ZHU Tao (朱濤)[4]

Mr. ZHU, aged 52, is currently an executive Director and the deputy general manager of the Company, the chairman of the board, an executive director, a managing director, the chairman of the risk management committee, and a member of the executive committee, the nomination committee, the remuneration committee, the environmental, social and governance committee and the investment and strategic planning committee of COSCO SHIPPING Ports Limited, a controlled subsidiary of the Company and a company listed on the Stock Exchange (Stock Code: 01199). He is also a non-executive director of Qingdao Port International Co., Ltd. (a company listed on the Stock Exchange (Stock Code: 06198) and the Shanghai Stock Exchange (Stock Code: 601298)). Mr. ZHU started his career in 1995 and previously served as a deputy business manager and the business manager of the dispatching division of the liner department of COSCO Container Lines Co., Ltd. ("**COSCO Container Lines**", currently known as COSCO SHIPPING Lines Co., Ltd.), a deputy head of the business division of the coastal transportation department of COSCO Container Lines, the manager of the East and South China operating department of the Sino-Japan trade division of COSCO Container Lines, a deputy general manager and the chairman of the labour union of Shanghai PANASIA Shipping Co., Ltd., a deputy general manager of Americas trading division of COSCO Container Lines, the general manager of COSCO Container Lines (Netherlands) B.V., the supervisor of the general manager's office of COSCO Container Lines, the general manager and a deputy party secretary of Shanghai PANASIA Shipping Co., Ltd., and a deputy general manager and a member of the party committee of COSCO SHIPPING Lines Co., Ltd., etc. Mr. ZHU graduated from Shanghai Jiao Tong University with a master's degree in business administration and is an economist.

Mr. ZHANG Wei (張煒)[1, 5]

Mr. ZHANG, aged 58, was previously an executive Director, the deputy general manager, deputy secretary of the party committee of the Company, a director, the general manager and deputy party secretary of COSCO SHIPPING Lines Co., Ltd. (a wholly-owned subsidiary of the Company), the chairman and party secretary of Shanghai PANASIA Shipping Co., Ltd., a director of COSCO SHIPPING Ports Limited, a director of certain subsidiaries of the Company, and currently the chairman of COSCO SHIPPING Specialized Carriers Co., Ltd. Mr. ZHANG started his career in 1987 and served successively as the third officer (三副) and second officer (二副) of Guangzhou Ocean Shipping Company Limited (廣州遠洋運輸公司) (currently known as Guangzhou Ocean SHIPPING Co., Ltd. (廣州遠洋運輸有限公司)), the deputy manager of European services of container shipping Division II, the business manager of Customer Service division of marketing department, the assistant to the chief and the deputy chief of global sales division of marketing department of COSCO Container Lines Co., Ltd. (currently known as COSCO SHIPPING Lines Co., Ltd.), the deputy general manager of Asia-Pacific trade area, the deputy general manager of European trade area, the deputy general manager of business process & system division of COSCO Container Lines Co., Ltd. (currently known as COSCO SHIPPING Lines Co., Ltd.), the deputy general manager of Florens Container Services Company Limited (佛羅倫貨箱服務有限公司), the executive vice president of Piraeus Container Terminal S.A. (比雷埃夫斯集裝箱碼頭有限公司), the deputy general manager (in charge) and the general manager of operating management division of China COSCO SHIPPING Corporation Limited, the deputy general manager and a member of the party committee of COSCO SHIPPING Lines Co., Ltd., etc. Mr. ZHANG has more than 30 years of experience in the shipping industry and has extensive experience in container shipping marketing management, port management and operation. Mr. ZHANG holds a master's degree in business administration from Shanghai Maritime University and is an engineer.

Directors, Supervisors and Senior Management

Mr. ZHANG Feng (張峰)[6]

Mr. ZHANG, aged 52, is currently a deputy general manager and a member of the party committee of China COSCO SHIPPING Corporation Limited, and was previously an executive Director, the deputy general manager and party secretary of the Company. He held positions of the deputy manager and manager of the global sales department of marketing division, and the deputy manager and manager of the marketing department of the America trade division of COSCO Container Lines Co., Ltd. (currently known as COSCO SHIPPING Lines Co., Ltd.), the assistant president of COSCO (Los Angeles) Agency, the executive vice president of COSCO Container Lines (America) Co., Ltd., the deputy general manager, executive deputy general manager and general manager of the America trade division of COSCO Container Lines Co., Ltd., a director of New Golden Sea Shipping PTE. LTD. (a wholly-owned subsidiary of COSCO SHIPPING Lines Co., Ltd.), the vice president of COSCO SHIPPING (Southeast Asia) Co., Ltd., a director and the president of COSCO SHIPPING (North America) Co., Ltd. Mr. ZHANG has extensive experience in container shipping operation and overseas enterprise management. Mr. ZHANG graduated from Beijing Foreign Studies University majoring in French and is an economist.

Mr. YU De (余德)[1]

Mr. YU, aged 59, is currently the non-executive Director of the Company, the assistant president and the general manager of the international business department of SAIC Motor Corporation Limited (a company listed on the Shanghai Stock Exchange (stock code: 600104)) and the general manager of SAIC Motor International Co., Ltd. He served as the deputy director of automobile gear factory of Shanghai Automobile Co., Ltd. (currently known as SAIC Motor Corporation Limited), the general manager of Shanghai ZF Steering Systems Co., Ltd. (currently known as Bosch HUAYU Steering Systems Co., Ltd.) and the general manager and the party secretary of Anji AUTOMOTIVE Logistics Co., Ltd. Mr. YU has rich experience in logistics enterprise management and international operation. Mr. YU holds a master's degree in business administration from the University of Macau.

Prof. MA Si-hang Frederick (馬時亨)[1]

Prof. MA, aged 73, is currently an independent non-executive Director of the Company, a chairman and independent non-executive director of FWD Group, an independent non-executive director of HH&L Acquisition Co. (a company listed on New York Stock Exchange (stock code: HHLA)), Unicorn II Holdings Limited (privatised and delisted from the New York Stock Exchange since January 2022), BOC Hong Kong (Holdings) Limited (a company listed on the Stock Exchange (stock code: 2388 (HKD counter) and 82388 (RMB counter))) and its principal operating subsidiary Bank of China (Hong Kong) Limited. Prof. MA is an honorary professor of the Faculty of Economics and Finance at the University of Hong Kong, an honorary professor of the Faculty of Business Administration at the Chinese University of Hong Kong, an honorary advisor of the School of Accountancy at Central University of Finance and Economics, a member of the Hong Kong Special Administrative Region Chief Executive's Council of Advisers on Innovation and Strategic Development, a member of the International Advisory Council of China Investment Corporation, a member of the Global Advisory Council of Bank of America and a member of the International Advisory Council of Investcorp. Prof. MA served as a managing director of UK branch of RBC Dominion Securities Inc., a vice chairman and managing director of Kumagai Gumi (Hong Kong) Limited (currently known as Hong Kong Construction (Holdings) Limited), the managing director and head of Asia of the private banking department of Chase Bank, the AsiaPacific chief executive officer of private banking of JPMorgan Chase & Co. (a company listed on the New York Stock Exchange (stock code: JPM)), the chief financial officer and an executive director of PCCW Limited (a company listed on the Stock Exchange (stock code: 0008)), the Secretary for Financial Services and the Treasury of the Government of the Hong Kong Special Administrative Region, the Secretary for Commerce and Economic Development of the Government of the Hong Kong Special Administrative Region, the non-executive chairman of China Strategic Holdings Limited (currently known as CSC Holdings Limited) (a company listed on the Stock Exchange (stock code: 0235)), an independent non-executive director of China Resources Land Limited (a company listed on the Stock Exchange (stock code: 1109)), an independent non-executive director of Hutchison Port Holdings Limited, an external director of China Oil and Foodstuffs Corporation, an external director of China Mobile Communications Group Co., Ltd, an independent non-executive director of the Agricultural Bank of China Limited (a company listed on the Stock Exchange (stock code: 1288), Shanghai Stock Exchange (stock code: 601288), and New York Stock Exchange (stock code: ACGBY)), an independent non-executive director of Aluminum Corporation of China Limited (a company listed on the Stock Exchange (stock code: 2600) and Shanghai Stock Exchange (stock code: 601600)), the non-executive chairman of MTR Corporation Limited (a company listed on the Stock Exchange (stock code: 0066)), an independent non-executive director of Husky Energy Inc. (a company listed on Toronto Stock Exchange (stock code: HSE)), an independent non-executive director of New Frontier Corporation and Guangshen Railway Co. Ltd. (a company listed on the Stock Exchange (stock code: 525) and Shanghai Stock Exchange (stock code: 601333)), and the chairman of the Council of the Education University of Hong Kong. Prof. MA graduated with a bachelor of Arts (Honours) degree from the University of Hong Kong majoring in economics and history. He was awarded the Gold Bauhinia Star and appointed as a Non-Official Justice of the Peace of the Hong Kong Special Administrative Region.

Directors, Supervisors and Senior Management

Mr. SHEN Dou (沈抖)[1]

Mr. SHEN, aged 45, is currently an independent non-executive Director of the Company, the executive vice president of Baidu, Inc. (a company listed on the NASDAQ (stock code: BIDU) and the Stock Exchange (stock code: 9888)), the president of Baidu AI Cloud Group, and also a director of CITIC Aibank Corporation Limited, Dalian Dongruan Holding Co., Ltd., iQIYI, Inc. (a company listed on the NASDAQ (stock code: IQ)) and China United Network Communications Limited (a company listed on the Shanghai Stock Exchange (stock code: 600050)). Mr. SHEN worked at the headquarter of Microsoft Corporation (a company listed on the NASDAQ (stock code: MSFT)) and was responsible for R&D management in relation to search behaviour and semantic advertising. He subsequently founded BuzzLabs, Inc. in the United States of America, which was acquired by CityGrid Media in 2011. Mr. SHEN joined Baidu, Inc. in 2012 and served as the technical director of alliance research and development department, the senior technical director of web search department, the executive director of financial services group (FSG), and served as the executive vice president of Baidu, Inc. in May 2019 and was fully responsible for Baidu's mobile ecosystems group (MEG). Since May 2022, he has been in charge of Baidu's AI cloud group (ACG), which covers industrial solutions in smart manufacturing, energy, water, finance, and cities, as well as general cloud computing solutions. Between October 2019 and June 2022, Mr. SHEN was a director of Trip.com Group (a company listed on the NASDAQ (stock code: TCOM)). From April 2018 to September 2023, Mr. SHEN was a director of Kuaishou Technology (a company listed on the Stock Exchange (stock code: 1024)). Mr. SHEN graduated from the Hong Kong University of Science and Technology with a Ph.D. degree in computer science.

Ms. HAI Chi-yuet (奚治月)[1]

Ms. HAI, aged 70, is currently an independent non-executive Director of the Company. Ms. HAI previously served as the managing director of COSCO-HIT Terminals (Hong Kong) Limited, the managing director of Yantian International Container Terminals Limited, the chief executive officer of Hutchison Port Holdings Trust (a trust fund listed on the Singapore Exchange (stock code: NS8U, P7VU) and London Stock Exchange (stock code: NS8U)), an advisor to Hutchison Port Holdings Limited and an independent non-executive director of COSCO SHIPPING Development Co., Ltd. (a company listed on the Stock Exchange (stock code: 2866) and Shanghai Stock Exchange (stock code: 601866)). Ms. HAI also served at public service organizations, including being a member of the Election Committee for the Chief Executive of Hong Kong Special Administrative Region (Transport Subsector). She also served as a member of Hong Kong Port Development Advisory Group and the president of Shenzhen Ports Association. In 2011, Ms. HAI was awarded the title of Shenzhen Honorable Citizen. Ms. HAI has over three decades of extensive working experience in the shipping logistics industry. Ms. HAI graduated from York University, Toronto, Canada and the University of Hong Kong with a bachelor's degree in business administration and a master's degree in Buddhist studies respectively.

Mr. YANG Shicheng (楊世成)[7]

Mr. YANG, aged 60, is currently the chairman of the Supervisory Committee and a Shareholder representative Supervisor of the Company and also serves as a supervisor of COSCO SHIPPING (Dalian) Co., Ltd. (中遠海運(大連)有限公司), COSCO SHIPPING Ferry Co., Ltd. Mr. YANG had been the deputy manager of the business department of COSCO Bulk Carrier Co., Ltd. (中遠散貨運輸有限公司)(currently known as COSCO SHIPPING (Tianjin) Co., Ltd.), the director of the business division under the transportation department, the deputy general manager of the transportation department, the executive vice dean (corresponding to the level of the department principal) of the research and development center and a member of the Party Committee of China Ocean Shipping (Group) Company (currently known as China Ocean Shipping Company Limited), the general manager of COSCO (UK) Ltd., the deputy general manager and a member of the Party Committee of COSCO SHIPPING Energy Transportation Co., Ltd. (a company listed on the Stock Exchange (stock code: 1138) and the Shanghai Stock Exchange (stock code: 600026)) and the chairman and the party secretary of the Party Committee of COSCO SHIPPING Investment Dalian Co., Ltd. (中遠海運大連投資有限公司). Mr. YANG graduated from the University of Bristol in U.K, majoring in business law and holds a master's degree in laws and is a senior economist.

Mr. XU Weifeng (徐維鋒)[8]

Mr. XU, aged 53, is currently an employee representative Supervisor of the Company and the secretary of the disciplinary committee of COSCO SHIPPING Ports Limited (a company listed on the Stock Exchange (stock code: 01199)). Mr. XU previously served as the deputy director of the hearing office under disciplinary inspection and supervision division of China Ocean Shipping (Group) Company (currently known as China Ocean Shipping Company Limited) and the hearing office under supervision division of China COSCO Holdings Company Limited (the Company, currently known as COSCO SHIPPING Holdings Co., Ltd.*), the deputy director (in charge) and director of the office under disciplinary inspection and supervision division/patrol office of China Ocean Shipping (Group) Company and the office under supervision division/ patrol office of China COSCO Holdings Company Limited, the director of the petition office under operation division of the disciplinary inspection team of the party committee/supervision and audit division of China COSCO SHIPPING Corporation Limited, and the director of the petition management office under disciplinary inspection and supervision team of China COSCO SHIPPING Corporation Limited. Mr. XU graduated from the Transportation Management College of Dalian Maritime University with a bachelor's degree, majoring in water transportation management, and is an engineer.

Directors, Supervisors and Senior Management

Mr. SONG Tao (宋濤)[8]

Mr. SONG, aged 51, is currently an employee representative Supervisor of the Company and the deputy secretary of the Party Committee of Shanghai PANASIA Shipping Co., Ltd.* (上海泛亞航運有限公司) (a subsidiary of the Company). Mr. SONG had been the deputy general manager, the deputy general manager (presiding over the work) and the general manager of the internal trade department of China Shipping Container Lines Co., Ltd. (currently known as COSCO SHIPPING Development Co., Ltd. (中遠海運發展股份有限公司), a company listed on the Stock Exchange (stock code: 2866) and the Shanghai Stock Exchange (stock code: 601866)), the general manager of the domestic operation department and the director of the comprehensive division of China Shipping Container Lines Co., Ltd., the general manager and the deputy secretary of the Party Committee of Shanghai Puhai Shipping Co., Ltd.* (上海浦海航運有限公司) (a subsidiary of the Company), the party secretary and deputy general manager of Shanghai PANASIA Shipping Co., Ltd. Mr. SONG graduated from Shanghai Maritime Transportation Institute (currently known as Shanghai Maritime University) with an undergraduate degree, majoring in marine communication and navigation.

Mr. XU Donggen (徐冬根)[7]

Mr. XU, aged 63, is currently an independent Supervisor of the Company, a professor at the School of Law, a doctoral tutor, the director of the Institute of International Law, the director of the Centre for Financial Law and Policy Studies of Shanghai Jiao Tong University. Currently, he is also an independent director of Qingdao Citymedia Co., Ltd. (青島城市傳媒股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 600229)). Mr. XU is a Shanghai Labour Model. He previously served as an independent director of Power Construction Corporation of China, Ltd. (中國電力建設股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 601669)) and a lecturer professor of executive master of business administration (EMBA), master of business administration (MBA) and doctor of business administration (DBA) programmes on international finance and financial innovation, financial technology and law, international finance and law, securities investment and risk control, international business law, and overseas investment at various business schools. Mr. XU has published more than 20 textbooks and monographs in English, French and Chinese, and more than 100 academic papers. He presided over and participated in a number of national and provincial research projects. Mr. XU has more than 20 years of experience serving as an independent director of listed companies and experience practicing as a lawyer, and had participated in the planning, negotiation and project review of a large number of major international financing, capital operation, cross-border investment, mergers and acquisitions, and asset restructuring projects. Mr. XU obtained a doctorate degree in laws from the University of Fribourg in Switzerland.

Mr. SI Yuncong (司雲聰)[7]

Mr. SI, aged 60, is currently an independent Supervisor of the Company and the chairman of the board of Shenzhen SED Industry Co., Ltd. (深圳市桑達實業股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 000032)). Mr. SI previously served as the chief of the production safety department, assistant general manager and deputy factory manager of East China Electronic Tube Factory (華東電子管廠), deputy general manager and a party committee member of Nanjing Huadong Electronics Group Co., Ltd. (南京華東電子集團股份有限公司), a director and the general manager of Nanjing Huadong Electronics Information & Technology Company Limited (南京華東電子信息科技股份有限公司) (currently known as TPV Technology Co., Ltd. (冠捷電子科技股份有限公司)) (a company listed on the Shenzhen Stock Exchange (stock code: 000727)), an executive director (legal representative) and the general manager of Nanjing Hua Dong Electronics Group Co., Ltd. (南京華東電子集團有限公司), deputy general manager of IRICO Group Corporation (彩虹集團公司) (currently known as IRICO Group Corporation (彩虹集團有限公司)), the general manager of IRICO Group Corporation and the chairman of the board of IRICO Group Corporation, the chairman of the board of Xianyang China Electronics IRICO Group Holdings Co., Ltd. (咸陽中電彩虹集團控股有限公司), the vice chairman of the board of Irico Display Devices Co., Ltd. (彩虹顯示器件股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 600707)), the chairman of the board of Epilight Technology Co., Ltd. (上海藍光科技有限公司), the chairman of the board of Shanghai Hongzheng Assets Management Co., Ltd. (上海虹正資產經營有限公司), the chairman of the supervisory committee of Irico Display Devices Co., Ltd., the chairman of the board of Hefei IRICO Epilight Technology Co., Ltd. (合肥彩虹藍光科技有限公司), the chairman of the board of Irico Group New Energy Company Limited (彩虹集團新能源股份有限公司) (a company listed on the Stock Exchange (stock code: 438)) and the party secretary of Shenzhen SED Industry Co., Ltd. Mr. SI graduated from the Department of Chemical Engineering of East China Institute of Technology (currently known as Nanjing University of Science & Technology) with a bachelor's degree, majoring in environmental monitoring. He holds a doctorate degree in management and is a senior engineer.

Ms. ZHENG Qi (鄭琦)[9]

Ms. ZHENG, aged 55, previously served as the Chief Financial Officer of the Company, the chief financial officer of COSCO SHIPPING Lines Co., Ltd. (a wholly-owned subsidiary of the Company), a director of COSCO Shipping Finance Co., Ltd., a director of Shanghai PANASIA Shipping Co., Ltd., the chief financial officer of Orient Overseas (International) Limited (a company listed on the Stock Exchange (stock code: 316)), and a director, the chief financial officer, a member of the executive committee of Orient Overseas Container Line Limited, as well as a director and supervisor of certain subsidiaries of the Company. She previously served as the deputy manager, manager, deputy chief financial officer and chief financial officer of the financial department of COSCO Shanghai International Freight Co., Ltd., and as the deputy general manager and general manager of the finance department of COSCO Container Lines Co., Ltd. Ms. ZHENG holds a master's degree in business administration from Shanghai Maritime University and is a senior accountant.

Directors, Supervisors and Senior Management

Ms. YU Tao (于濤)[9]

Ms. YU, aged 51, previously served as the deputy general manager of the Company and the deputy general manager of COSCO SHIPPING Lines Co., Ltd. (a wholly-owned subsidiary of the Company). She also serves as the director and a member of the executive committee of Orient Overseas Container Line Limited (東方海外貨櫃航運有限公司) ("OOCL"), a director of COSCO SHIPPING (Piraeus) Port Co., Ltd. (中遠海運(比雷埃夫斯)港口有限公司), a director of COSCO SHIPPING Capital Insurance Co., Ltd. (中遠海運財產保險自保有限公司) and a director of several subsidiaries of the Company. Ms. YU started her career in 1993 and served successively as the deputy general manager of the Engineering Logistics Division of COSCO Logistics Co., Ltd. (中國遠洋物流有限公司), the assistant to general manager and the deputy general manager of COSCO Container Lines Co., Ltd., etc. Ms. YU holds a master's degree in business administration from Guanghua School of Management of Peking University, and is a senior economist.

Mr. XIAO Junguang (肖俊光)[9]

Mr. XIAO, aged 54, is currently the secretary to the Board and the company secretary under the Hong Kong Listing Rules and the general legal counsel and the Chief Compliance Officer of the Company, the secretary to the board, the general legal counsel and the chief compliance officer of COSCO SHIPPING Lines Co., Ltd. (a wholly-owned subsidiary of the Company), and the company secretary, legal advisor, compliance officer and the chairman of compliance committee, member of inside information committee and the risk committee of Orient Overseas (International) Limited (a company listed on the Stock Exchange (stock code: 316)). He also serves as a director and a member of the executive committee of OOCL. Mr. XIAO joined the COSCO Group in 1994 and served as the general manager of the finance department of COSCO Americas Inc. (中遠美洲公司), COSCO Americas Terminals Inc. (中遠美洲碼頭公司), the deputy general manager of the Investor Relations Division of China COSCO, the securities affairs representative of the Company, the deputy general manager of the Public Relations Department of China COSCO SHIPPING Corporation Limited. etc. Mr. XIAO holds a bachelor's degree in finance from the Capital University of Economics and Business (formerly the Beijing Institute of Finance & Trade), and a master's degree in applied finance from Macquarie University. Mr. XIAO is an associate member of The Hong Kong Chartered Governance Institute (formerly The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute.

Mr. QIAN Ming (錢明)[9]

Mr. QIAN, aged 49, is currently the deputy general manager of the Company and the deputy general manager of COSCO SHIPPING Lines Co., Ltd. (a wholly-owned subsidiary of the Company) and a director of several subsidiaries of the Company. Mr. QIAN started his career in 1998 and served successively as the business representative and the deputy general representative of China Shipping Colombo representative office (中國海運(科倫坡)代表處), the general manager of China Shipping (Indonesia) Shipping Co., Ltd. (中國海運(印尼)船務有限公司), the assistant to general manager of the first market department, the deputy general manager and the deputy general manager (in charge) of the Asia Pacific department of China Shipping Container Lines Co., Ltd. (中海集裝箱運輸股份有限公司) (currently known as COSCO SHIPPING Development Co., Ltd. (中遠海運發展股份有限公司)) (a company listed on the Stock Exchange (stock code: 2866)), the general manager of the Asia Pacific operation department of China Shipping Container Lines Co., Ltd., the general manager of the Latin America/Africa trade division of COSCO SHIPPING Lines Co., Ltd., the general manager of COSCO Tianjin International Freight Co., Ltd. (天津中遠海運集裝箱運輸有限公司), etc. Mr. QIAN graduated from Dalian Maritime University with a bachelor's degree in law, majoring in international maritime affairs.

Ms. WU Yu (吳宇)[9]

Ms. WU, aged 49, is currently the deputy general manager of the Company and currently the deputy general manager of COSCO SHIPPING Lines Co., Ltd. (a wholly-owned subsidiary of the Company) and the director and a member of the executive committee of Orient Overseas Container Line Limited, as well as the chairperson and the party secretary of the party committee of Shanghai COSCO Information and Technology Co., Ltd. (上海中遠海運資訊科技有限公司). Ms. WU started her career in 1997 and served successively as the business manager of business process & system division, deputy manager of Route Information Department, manager of planning and operation division of strategic development division, deputy general manager of business process & system division of COSCO Container Lines Co., Ltd., and the general manager of business process & system division and assistant to the general manager of COSCO SHIPPING Lines Co., Ltd. Ms. WU holds a master's degree in business administration from Fudan University and is an economist.

Mr. GE Heyue (戈和悅)[9]

Mr. GE, aged 48, is currently the deputy general manager of the Company and the deputy general manager of COSCO SHIPPING Lines Co., Ltd. (a wholly-owned subsidiary of the Company), a director of COSCO SHIPPING Logistics Co., Ltd., COSCO SHIPPING Logistics Supply Chain Co., Ltd. and Hainan Harbor and Shipping Holding Co., Ltd. (海南港航控股股份有限公司) as well as director of certain subsidiaries of the Company. Mr. GE started his career in 1999 and served successively as the deputy manager of business division of container management center of China Shipping Container Lines Co., Ltd., the deputy manager of container management center of China Shipping (North America) Holdings Co., Ltd. (中海(北美)控股有限公司), the assistant to general manager and deputy general manager of Americas department, and deputy general manager and general manager of Americas operations department of China Shipping Container Lines Co., Ltd., the deputy general manager of America trade division, general manager of network planning division, and general manager of America trade division of COSCO SHIPPING Lines Co., Ltd. Mr. GE graduated from Dalian Maritime University with a bachelor's degree in economics, majoring in business intelligence.

Directors, Supervisors and Senior Management

Mr. QIN Jiangping (秦江平)[10]

Mr. QIN, aged 58, is currently the deputy general manager of the Company, the employee representative director and a deputy general manager of COSCO SHIPPING Lines Co., Ltd. (a wholly-owned subsidiary of the Company), and the chairman of Shanghai Ocean Shipping Company Limited. Mr. QIN started his career in 1988 and served successively as a captain of Shanghai Ocean Shipping Co., Ltd., the manager of the maritime service center, crew management division and commerce division of COSCO Shanghai Manning Company Limited, a deputy manager and the manager of the crew management department of organization/human resources division of China Ocean Shipping Company Limited, the general manager of China-Japan International Ferry Co., Ltd., a deputy general manager and the general manager of Shanghai Ocean Shipping Company Limited, etc. Mr. QIN graduated from Dalian Maritime College (currently known as Dalian Maritime University) majoring in nautical science with a bachelor's degree in engineering, and is a senior captain.

Mr. YE Jianping (葉建平)[11]

Mr. YE, aged 61, was previously the deputy general manager of the Company, and is currently a director, the member of the executive committee, the chief operating officer (COO), a director of the office of chief executive officer, the corporate and human resources department, the shipping operation department, the freight and cargo dispatching centre, the fleet management department and the global and regional management department of Orient Overseas Container Line Limited and the deputy general manager of COSCO SHIPPING Lines Co., Ltd. (a wholly-owned subsidiary of the Company). Mr. YE has been a director of Orient Overseas Container Line Limited since 2018 and a member of executive committee of Orient Overseas Container Line Limited since 2015. He had served as a director of Asia-Europe Trade Department, a director of Intra-Asia Trade Department and the chief executive officer of OOCL Logistics. Mr. YE graduated from Lixin Accounting Institute (currently known as Shanghai Lixin University of Accounting and Finance) majoring in accounting and obtained a master of business administration from Oklahoma City University.

Mr. CHEN Shuai (陳帥)[11]

Mr. CHEN, aged 50, was previously the deputy general manager of the Company, the deputy general manager of COSCO SHIPPING Lines Co., Ltd. (a wholly-owned subsidiary of the Company), a director and a member of the executive committee of Orient Overseas Container Line Limited, a director of several subsidiaries of the Company, and is currently the general manager of operating management Division of China COSCO SHIPPING Corporation Limited. Mr. CHEN started his career in July 1995, had served in various positions, including the assistant to manager and the deputy manager of container shipping division I of China Shipping Container Lines Co., Ltd., the assistant to general manager of China Shipping Container Lines (Hong Kong) Co., Ltd., the general manager of America division of China Shipping Container Lines Co., Ltd., and the assistant to general manager and deputy general manager of China Shipping Container Lines Co., Ltd. Mr. CHEN graduated from Shanghai Maritime Academy majoring in marine engineering management.

Remarks:

1. On 16 November 2023, the Shareholders of the Company approved at the extraordinary general meeting (i) re-election of Mr. WAN Min as an executive Director; (ii) election of Mr. CHEN Yangfan as an executive Director; (iii) re-election of Mr. YANG Zhijian and Mr. ZHANG Wei as executive Directors; (iv) election of Mr. TAO Weidong as an executive Director; (v) election of Mr. YU De as a non-executive Director; (vi) re-election of Prof. MA Si-hang Frederick as an independent non-executive Director; (vii) election of Mr. SHEN Dou and Ms. HAI Chi-yuet as independent non-executive Directors. On the same day, the proposals were unanimously approved by the first meeting of the seventh session of the Board upon consideration, and Mr. WAN Min and Mr. CHEN Yangfan were appointed as the Chairman and vice Chairman of the seventh session of the Board, respectively. For details, please refer to the announcement of the Company dated 16 November 2023 and the overseas regulatory announcement of the same date.

2. Effective from 18 October 2024, Mr. TAO Weidong was appointed as an authorized representative of the Company under Rule 3.05 of the Listing Rules. For details, please refer to the announcement of the Company dated 18 October 2024 and the overseas regulatory announcement dated 20 October 2024.

3. Effective from 29 May 2024, Mr. YANG Zhijian voluntarily resigned as an executive Director and the general manager of the Company due to change in work arrangements. For details, please refer to the announcement of the Company dated 29 May 2024 and the overseas regulatory announcement of the same date.

4. Effective from 21 June 2024, Mr. ZHU Tao was appointed as the deputy general manager of the Company. On 13 November 2024, the Shareholders of the Company approved the appointment of Mr. ZHU Tao as an executive Director of the Company at the extraordinary general meeting. For details, please refer to the announcements of the Company dated 21 June 2024 and 13 November 2024 and the overseas regulatory announcement of the same dates. Mr. ZHU Tao has confirmed that he (i) has obtained the legal advice as referred to in Rule 3.09D of the Listing Rules on 13 November 2024, and (ii) is aware of the requirements of the Listing Rules applicable to him as a director of the listed issuer under the Listing Rules and the possible consequences of making a false statement or providing false information to the Stock Exchange.

5. Effective from 29 April 2024, Mr. ZHANG Wei voluntarily resigned as an executive Director, a deputy general manager of the Company and an authorized representative under Rule 3.05 of the Listing Rules due to change in work arrangements. For details, please refer to the announcement of the Company dated 29 April 2024 and the overseas regulatory announcement of the same date.

6. Effective from Effective from 29 April 2024, Mr. ZHANG Feng was appointed as a deputy general manager of the Company. On 29 May 2024, the Shareholders of the Company approved the appointment of Mr. ZHANG Feng as an executive Director of the Company and an authorized representative under Rule 3.05 of the Listing Rules at the annual general meeting. Mr. ZHANG Feng has confirmed that he (i) has obtained the legal advice as referred to in Rule 3.09D of the Listing Rules on 28 May 2024, and (ii) is aware of the requirements of the Listing Rules applicable to him as a director of the listed issuer under the Listing Rules and the possible consequences of making a false statement or providing false information to the Stock Exchange. Subsequently, effective from 18 October 2024, Mr. ZHANG Feng voluntarily resigned as an executive Director, a deputy general manager of the Company and an authorized representative under Rule 3.05 of the Listing Rules due to change in work arrangements. For details, please refer to the announcements of the Company dated 29 April 2024, 29 May 2024 and 18 October 2024, and the overseas regulatory announcements dated 29 April 2024, 29 May 2024 and 20 October 2024.

Directors, Supervisors and Senior Management

7. On 16 November 2023, the Shareholders of the Company approved the re-election of Mr. YANG Shicheng as a Shareholder Supervisor, and the election of Mr. XU Donggen and Mr. SI Yuncong as independent Supervisors at the extraordinary general meeting. For details, please refer to the announcement of the Company dated 16 November 2023.

8. The general meeting of the employee representatives of the Company elected Mr. XU Weifeng and Mr. SONG Tao as employee representative Supervisors of the Company, effective from the date of election of non-employee representative Supervisors at the 2023 first extraordinary general meeting of the Company (i.e. 16 November 2023). For details, please refer to the announcement of the Company dated 8 November 2023.

9. Effective from 16 November 2023, the members of senior management of the Company are: Mr. YANG Zhijian as the general manager of the Company, Mr. ZHANG Wei as the deputy general manager of the Company, Mr. YE Jianping as the deputy general manager of the Company, Mr. CHEN Shuai as the deputy general manager of the Company, Ms. YU Tao as the deputy general manager of the Company, Ms. ZHENG Qi as the chief financial officer of the Company, Mr. XIAO Junguang as the secretary to the Board, the company secretary of the Company under the Listing Rules and the general legal counsel of the Company, Mr. QIAN Ming as the deputy general manager of the Company, Ms. WU Yu as the deputy general manager of the Company, and Mr. GE Heyue as the deputy general manager of the Company. For details, please refer to the announcement of the Company dated 16 November 2023.

10. Effective from 21 June 2024, Mr. QIN Jiangping was appointed as a deputy general manager of the Company. For details, please refer to the announcement of the Company dated 21 June 2024 and the overseas regulatory announcement of the same date.

11. Effective from 21 June 2024, Mr. YE Jianping and Mr. CHEN Shuai voluntarily resigned as deputy general managers of the Company due to change in work arrangements. For details, please refer to the announcement of the Company dated 21 June 2024 and the overseas regulatory announcement of the same date.

12. This section was prepared by the Company based on the information available as of 31 December 2024.

Changes in Directors, Supervisors and Senior Management Subsequent to the Reporting Period

1. Effective from 3 April 2025, Ms. YU Tao voluntarily resigned as a deputy general manager of the Company due to change in work arrangements. On the same date, Mr. XU Feipan was appointed as a deputy general manager of the Company. For details, please refer to the announcement of the Company dated 3 April 2025 and the overseas regulatory announcement of the same date.

2. Effective from 3 April 2025, Ms. ZHENG Qi voluntarily resigned as the Chief Financial Officer of the Company due to retirement. On the same date, Mr. PAN Zhigang was appointed as the Chief Financial Officer of the Company. For details, please refer to the announcement of the Company dated 3 April 2025 and the overseas regulatory announcement of the same date.

3. Effective from 16 April 2025, Mr. CHEN Yangfan voluntarily resigned as the vice chairman, executive Director and the chairman of the Strategic Development Committee of the Board of the Company due to change in work arrangements. For details, please refer to the announcement of the Company dated 16 April 2025 and the overseas regulatory announcement of the same date.

4. On 16 April 2025, Mr. ZHANG Feng was nominated by the Board to be elected as an executive Director. The proposed appointment shall be submitted at the annual general meeting of the Company as an ordinary resolution and shall take effect upon approval by the Shareholders. For details, please refer to the announcement of the Company dated 16 April 2025 and the overseas regulatory announcement of the same date.

5. Effective from 16 April 2025, Ms. CHENG Jing (程菁) was appointed as the deputy general manager of the Company. For details, please refer to the announcement of the Company dated 16 April 2025 and the overseas regulatory announcement of the same date.

Corporate Governance Report

I. Corporate Governance

During the Reporting Period, the Company strictly complied with the requirements of laws and regulations, including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Rules for Independent Directors of Listed Companies, the Rules of Shareholders' General Meeting of Listed Companies and the Guidance for Articles of Association of Listed Companies, and constantly improved the corporate governance and the standard operating level. In light of the current actual situation of the Company, the Company has made full use of the functions of the Board and the Board committees to ensure that the functions and responsibilities of the Shareholders' general meetings, meetings of the Board and the Supervisory Committee are fully fulfilled and to protect the interests of the Shareholders and the Company.

During the Reporting Period, the Company attempted to meet the best standards of governance and strengthened internal governance by improving the corporate governance structure to promote the construction of a long-term mechanism of compliance management and standardize "the operation of the three meetings" to improve operational efficiency; establishing a communication and coordination platform to set up a mechanism for collaborated working process and operation to enhance the planning efficiency and foresight of various works; establishing the internal control system to improve the internal control policy and risk management process to clarify the main responsibility and management responsibilities to distinguish accountability and ensure the effectiveness of measures; and through improvements of on-the-job training, updates of regulatory regulations, management of equity information, regular report of information, on-site research and inspection and the functions of independent directors and intermediary institutions were fully utilized to promote the performance of duties and responsibilities of the Directors, Supervisors and senior management effectively.

During the Reporting Period, in accordance with the relevant requirements of regulations, including the Guidelines on Articles of Association of Listed Companies (《上市公司章程指引》), the Measures for the Management of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》), the Listed Companies Regulatory Guidance No. 3 – Cash Dividends Distribution of Listed Companies (Revision in 2023)(《上市公司監管指引第3號一上市公司現金分紅(2023年修訂)), the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (Revision in April 2024) (《上海證券交易所股票上市規則(2024年4 月修訂)》) issued by the China Securities Regulatory Commission and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and in light of the Company's actual situation, the Company amended the Articles of Association, and submitted the amendments to the Articles of Association and its annex to the Shareholders' general meeting for consideration and approval.

II. Model Code for Securities Transactions by Directors

Since the listing of the Company on the Main Board of the Hong Kong Stock Exchange in 2005, the Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code for securities transactions by the Directors and Supervisors of the Company. After making specific enquiries with all Directors and Supervisors, each of them has confirmed that they had complied with the required standards set out in the Model Code throughout the year ended 31 December 2024.

III. Report on the Company's compliance with the Corporate Governance Code

The Company has adopted its own corporate governance code, which incorporates all the code provisions and a majority of the recommended best practices in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The Board has reviewed the daily corporate governance of the Company according to the relevant provisions of the Corporate Governance Code set out in Appendix C1 to the Listing Rules and considered that the Company has operated according to the code provisions during the Reporting Period, and complied with the requirements of the provisions of the Corporate Governance Code, with an effort to carry out the recommended best practices.

To the knowledge of the Directors, there is no information that would reasonably indicate that the Company has not complied with the Corporate Governance Code at any time during the year ended 31 December 2024.

A. Directors

A1. Corporate Strategies, Business Models and Culture

Principle of the Code

- *The issuer should be headed by an effective Board. The Board should have the responsibility for leadership and control of the issuer and should be collectively responsible for directing and supervising the issuer's affairs to enable the success of the issuer. Directors should act objectively and make decisions that are in the best interest of the issuer.*

Corporate governance of the Company

- The Board of the Company fully represents the interests of the Shareholders and has set up development strategies of the Company within the scope of its powers as provided under the Articles of Association. The Board monitors and implements the Company's operation management, so as to achieve a steady and long-term return.

- The Directors have attended Board meetings as scheduled and have carefully reviewed materials of the meetings and actively fulfilled their responsibilities. Independent non-executive Directors regularly inspected the management of connected transactions of the Company.

Compliance procedures of the Corporate Governance Code – Code Provisions

Code Provisions	Compliance	Procedures of Corporate Governance
• The Board should formulate the issuer's objectives, values and strategies and ensure alignment with the issuer's culture. All Directors must act with integrity, lead by example, and strive to promote corporate culture. This culture should be instilled throughout the enterprise and reinforce the concepts of acting in a legal, ethical and responsible manner.	Yes	The Board of Directors guides and shapes the Company's corporate culture, which is based on the Company's objectives, strategies, values and capabilities and is rooted in legal, ethical and responsible conduct at all levels of the Group. The Company is positioned as a global digital supply chain operation and investment platform with core focus on container shipping, and is the core company that undertakes the vision of "building a world-class global integrated service ecosystem of logistics supply chain" of COSCO SHIPPING Group. The Group has always adhered to the concept of green, low-carbon, and sustainable development, and is committed to building a trinity digital supply chain service ecosystem of "container shipping + port + related logistics" covering the world, strengthening the globalization and whole-process cooperation with strategic partners, driving the deep integration of related supply chains and industrial chains, and creating personalized, customized, green and low-carbon supply chain logistics solutions for customers. The Company's corporate culture has fully incorporated the foregoing objectives, strategies and values of the Company.
• The Directors should discuss and analyse the Group's performance in the annual report, explain the basis of the issuer for long-term generation or retention of value (the business model) and implement the strategies to achieve the objectives set by the issuer.	Yes	The basis of long-term generation or retention of value by the Company and implementation of the strategies to achieve the objectives of the Company are disclosed in the Company's annual report.

A2. Corporate Governance Functions

Principle of the Code • *The Board is responsible for discharging its corporate governance responsibilities and may also delegate responsibilities to one or more committees.*
Corporate governance of the Company • The Company has clearly defined the responsibilities of the Chairman and the general manager, and the functions of the Board and the management are segregated and set out in details in the Articles of Association, the Rules of Procedures of the Board and the Operation Rules for the General Manager, to ensure a balanced distribution of rights and authority, and assure the independence of decision-making by the Board as well as the independence of the management in daily operation and management activities.

Compliance procedures of the Corporate Governance Code – Code Provisions

Code Provisions	Compliance	Procedures of Corporate Governance
• The terms of reference of the Board (or a committee performing this function) should include, at least, the responsibilities specified in the Corporate Governance Code.	Yes	The Company has established working rules and defined the powers and responsibilities of the Board.

B. Composition and Nomination of the Board

B1. Composition, Succession and Assessment of the Board

Principle of the Code • *The Board should have the appropriate skills, experience and diversity of views and perspectives as required to the issuer's business, and should ensure that each Director is able to devote sufficient time to and contribute to the issuer in accordance with his/her role and Board responsibilities. The Board shall ensure that changes in its composition will not cause undue disruption. The Board should have a balanced composition of executive and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board that can effectively exercise independent judgment. Non-executive Directors should have sufficient talent and number to enable their opinions to be influential.*
Corporate governance of the Company • As at 31 December 2024, the Board of the Company consisted of eight Directors, including four executive Directors, one non-executive Director and three independent non-executive Directors. • The independent non-executive Directors of the Company possess professional talents and experience in shipping, corporate management, finance, law, internet, digitalisation and other fields, and are able to make independent judgments, which enable the Board to make more prudent and comprehensive decisions. • There are no connections, including financial, business, family or other material relationships, between members of the Board.

Compliance procedures of the Corporate Governance Code – Code Provisions and Recommended Best Practices

Code Provisions	Compliance	Procedures of Corporate Governance
• Independent non-executive directors should be identified in all corporate communications that include the names of directors.	Yes	The Company has disclosed the names of Board members by category of Directors in all corporate communications that include the names of the Directors.
• The issuer shall maintain and provide an up-to-date list of Board members on its website and the website of the Stock Exchange (i.e. the **HKEXnews** website), specifying their roles and functions and whether they are independent non-executive directors.	Yes	The Company has published the name list and biographies of the members of the Board on the Company's website and the website of the Hong Kong Stock Exchange, specifying their roles, functions and independence.
• The Board should review the implementation and effectiveness of the issuer's board diversity policy on an annual basis.	Yes	The Board of the Company reviews the implementation and effectiveness of the board diversity policy on an annual basis based on the relevant reports of the Nomination Committee. As of the end of the Reporting Period, the seventh session of the Board of the Company comprised eight members, including three independent non-executive Directors, one of whom was a female Director, Ms. HAI Chi-yuet (independent non-executive Director). Ms. Hai also served as the chairman of the Remuneration Committee of the Board of the Company and a member of the Audit Committee of the Board of the Company. The Company conducted the 2024 annual evaluation of the Board's performance by means of a questionnaire, which included a thorough assessment of the professional qualifications of Board members. Their diverse backgrounds, gender, skills and experience (covering areas such as industry expertise, advanced manufacturing, digital transformation, port logistics and public affairs) form a complementary professional matrix that effectively ensures the scientific basis of decision-making and aligns with the Company's strategic development needs.

Code Provisions	Compliance	Procedures of Corporate Governance
• The issuer should have a mechanism in place to ensure that the Board has access to independent views and opinions and disclose such mechanism in its Corporate Governance Report. The Board should review the implementation and effectiveness of the mechanism on an annual basis.	Yes	The Company has established an effective mechanism to ensure that the Board has access to independent views and opinions. All independent non-executive Directors of the Company are financially independent from the Group bringing independent and diversified experience, competencies, skills and judgment to the Group's strategy and policies through their informed contributions. The Nomination Committee of the Company reviews the implementation and effectiveness of the above mechanism annually.
Recommended Best Practices	**Compliance**	**Procedures of Corporate Governance**
• The Board should regularly review its performance.	Yes	The Board conducts self-evaluation once a year.
• If individual proposed directors serve as directors in each other's companies or have material connections with other directors through participation in other companies or groups, but the Board still considers them to be independent, the Board should explain the reasons.	Yes	No proposed Directors of the Company serve as directors in each other's companies or have material connections with other Directors through participation in other companies or groups.

The Company strictly complies with the independence requirements for independent non-executive Directors under the Listing Rules.

Nomination Policy for Directors and Board Diversity Policy

The Company has adopted the Board Diversity Policy, and the Board understood and confirmed that diversity of Board members will be beneficial to enhance the efficiency of the Board and maintain a high standard of corporate governance, which will become one of the key factors for the sustainable development of the Company and maintenance of competitive advantages of the Company.

In order to implement the Board Diversity Policy, we have set the following measurable objectives:

1. At least one-third of the Board members shall be independent non-executive Directors;

2. At least one Director shall be female; and

3. We shall maintain a diversity in Directors' professional experience and skills, including but not limited to relevant professional backgrounds in shipping, integrated digitalization, corporate management, finance, logistics, etc.

For the year ended 31 December 2024, all measurable objectives were met: the Board comprised seven male members and one female member, including four executive Directors, one non-executive Director and three independent non-executive Directors. Additionally, Ms. HAI Chi-yuet was appointed as a member of the Nomination Committee under the Board, with effect from 3 April 2025 subsequent to the Reporting Period.

When appointing Directors, the Company considers on the overall needs of the Board and various objective conditions of the candidates comprehensively, including but not limited to gender, age, cultural and educational background, race, professional experience, skills, knowledge and term of service, and an appropriate balance would be maintained where practicable.

The board diversity policy of the Company is summarized as follows:

- the Company ensures that the Board has a balance of skills, experience and diversity of perspectives of the Board appropriate to the requirements of supporting the execution of its business strategy;

- selection of candidates will be based on a number of factors including but not limited to age, culture and educational background, race, industry experience, skills, knowledge and length of service. The appointment of the Board members should be based on meritocracy and diversity of perspectives appropriate to the Group's business and specific needs and the contribution that the selected candidates will bring to the Board; and

- the Nomination Committee will take into consideration of the board diversity policy in selecting and nominating eligible and qualified candidates to become the Board members.

For example, in line with regulatory requirements in both Shanghai and Hong Kong regarding the independence and diversity of Board members, the seventh session of the Board of the Company includes one female Director, Ms. HAI Chi-yuet (independent non-executive Director), who has over three decades of extensive working experience in the shipping logistics industry. Ms. Hai also serves as the chairman of the Remuneration Committee of the Board and a member of the Audit Committee of the Board.

Mr. CHEN Yangfan, the vice Chairman and an executive Director of the Company, has 26 years of experience in informatization and enterprise management, with extensive experience in informatization, internet and digital operation management. Mr. YU De, a non-executive Director of the Company, has rich experience in logistics enterprise management and international operation. Prof. MA Si-hang Frederick, an independent non-executive Director of the Company, previously served as the Secretary for Financial Services and the Treasury of the Government of the Hong Kong Special Administrative Region, the Secretary for Commerce and Economic Development of the Government of the Hong Kong Special Administrative Region. He has also held positions as a director and senior executive at various international financial institutions. He is an honorary professor of the Faculty of Economics and Finance at the University of Hong Kong, a honorary professor of the Faculty of Business Administration at the Chinese University of Hong Kong and an honorary advisor of the School of Accountancy at Central University of Finance and Economics. Mr. SHEN Dou, an independent non-executive Director of the Company, has over 15 years of management and product research and development experience at leading technology companies in the fields of internet information technology and artificial intelligence.

The above members of the Board of the Company are of diversified professional, educational and cultural background with extensive law and accounting knowledge, and also possess considerable experience in management of shipping related services and governance of listed companies, which enable them to provide diverse opinion for the Board on decision making.

The Company's board nomination policy is summarized as follows:

- The Board is responsible for selecting and appointing the Directors of the Company and nominating the Directors of the Company who will retire at regular intervals for election by the Shareholders of the Company, so that the Board has the necessary and appropriate skills, experience as well as diverse views and perspectives in accordance with the Company's strategic priorities and specific business needs. The Nomination Committee is responsible for evaluating and nominating candidates for approval by the Board.

- The Nomination Committee will assess whether the candidates meet the selection criteria, which should be based on the nomination policy and the board diversity policy that are appropriate to the Company's strategic priorities and specific business needs, and conducted in accordance with the formal procedures for the selection and appointment of the directors of the Company and the key management personnel of major subsidiaries of the Group. The candidate's contributions to the Board are reflected in the following:

The Nomination Committee will monitor and review the nomination policy on a regular basis to ensure that it continues to meet the Company's strategic priorities and business needs while reflecting current regulatory requirements and good corporate governance. The director candidate's contributions to the Board are reflected in the following:

– The structure, size and composition of the current Board;

– Time devoted to the Board;

– Board diversity as specified in the board diversity policy;

– Reputation and integrity;

– Board succession planning;

– The provisions of the Listing Rules; and

– Such other factors as the Board deems appropriate.

B2. Appointment, Re-election and Removal

Principle of the Code • *The appointment process for new directors should be formal, carefully considered and transparent, and the issuer should have an orderly succession plan for directors. All Directors shall be re-elected at regular intervals. The issuer must explain the reasons for the resignation or removal of any director.*
Corporate governance of the Company • The Company has set up a Nomination Committee under the Board, which will make recommendation on the appointment, re-election, removal and relevant procedures of Director candidates, and submit the same to the Board for deliberation, and the ultimate decision will be made by way of election at the general meeting of Shareholders. The resignation of the relevant Directors and the reasons for their resignation have been disclosed to the public in a timely manner.

Compliance procedures of the Corporate Governance Code – Code Provisions

Code Provisions	Compliance	Procedures of Corporate Governance
• Directors should ensure that they are able to devote sufficient time and attention to the affairs of the issuer, otherwise they should not accept the appointment.	Yes	All Directors diligently performed their duties as Directors and performed their duties conscientiously and diligently. The high attendance rate of the Directors at the Board meetings and various Board committee meetings in 2024 indicated that the Directors have devoted sufficient time to the business of the Company.
• Each Director (including Directors appointed for a specified term) shall retire from office by rotation at least once every three years.	Yes	Any Director appointed to fill a casual vacancy shall hold office upon re-election by Shareholders at a general meeting. The Articles of Association provide that Directors (including non-executive Directors) shall be elected at the general meeting for a term of three years and shall be re-elected upon expiry of the three years.
• If an independent non-executive Director has been in office for more than nine years, his/her re-appointment shall be subject to consideration and approval by the Shareholders by way of a separate resolution. The document accompanying the resolution to the Shareholders should state why the Board (or the Nomination Committee) considers that the Director is still independent and should be re-elected, including the factors considered by the Board (or the Nomination Committee), the process of making this decision and the content of the discussion.	Yes	Article 113 of Chapter 11 of the Articles of Association clearly stipulates that the term of an independent Director shall not exceed six years upon re-election. The rule is adhered to in practice and there will be re-election accordingly upon expiration of such term.

Code Provisions	Compliance	Procedures of Corporate Governance
• If all independent non-executive Directors on the Board of the issuer have served for more than nine years, the issuer shall: (a) disclose the name and term of office of each of the independent non-executive Directors in the circular to shareholders and/or explanatory statement attached with the notice of annual general meeting; and (b) appoint a new independent non-executive Director at the next annual general meeting.	Yes	Article 113 of Chapter 11 of the Articles of Association clearly stipulates that the term of an independent Director shall not exceed six years upon re-election. The rule is adhered to in practice and there will be re-election accordingly upon expiration of such term.

B3. Nomination Committee

Principle of the Code • *The Nomination Committee shall give due consideration to the principles under B.1 and B.2 in discharging its duties.*
Corporate governance of the Company • The Company has formulated the Operation Rules for the Nomination Committee, which define the terms of reference and responsibilities of the committee. In addition, the Company has disclosed the terms of reference of the committee on the Company's website and the website of the Hong Kong Stock Exchange. • During the Reporting Period, the Nomination Committee held four meetings, at which the resolutions regarding the Consideration of the Amendments to the Operation Rules for the Nomination Committee of the Board, Consideration of the Proposal on Nomination of Candidates for Executive Directors and Senior Management of COSCO SHIPPING Holdings, Consideration of the Proposal on the Composition of Special Committees of the Seventh Session of the Board of COSCO SHIPPING Holdings, Consideration of the Proposal on the Nomination of Senior Management of COSCO SHIPPING Holdings were considered and approved.

Compliance procedures of the Corporate Governance Code – Code Provisions

Code Provisions	Compliance	Procedures of Corporate Governance
• The issuer shall specify in writing the specific terms of reference of the Nomination Committee, clearly stating its powers and responsibilities. The Nomination Committee should discharge its responsibilities as stipulated in the Corporate Governance Code.	Yes	The Company has formulated the Operation Rules for the Nomination Committee, which specify its duties and responsibilities, and has also published its terms of reference on the Company's website and the website of the Hong Kong Stock Exchange.
• The Nomination Committee shall publish its terms of reference explaining its role and the authority delegated to it by the Board on the website of the Stock Exchange (i.e. the HKEXnews website) and the issuer's website.	Yes	The Company has formulated the Operation Rules for the Nomination Committee, which specifies its duties and responsibilities, and has also published its terms of reference on the Company's website and the website of the Hong Kong Stock Exchange.
• The issuer shall provide the Nomination Committee with sufficient resources to perform its duties. The Nomination Committee shall seek independent professional advice, if necessary, in discharging its duties at the issuer's expense.	Yes	The Company has actively assisted the Nomination Committee in its work to ensure that it has sufficient resources to perform its duties. For matters that require advice from professional institutions, the Company engages professional institutions to issue independent opinions at the Company's expense.

Code Provisions	Compliance	Procedures of Corporate Governance
• If the Board proposes to propose a resolution at a general meeting to appoint a person as an independent non-executive Director, the circular to shareholders and/or the explanatory statement accompanying the notice of such general meeting should specify: (a) the procedures for identifying such individual, the reasons why the Board believes that such individual should be elected and the reasons they believe that such individual is independent; (b) if the proposed candidate of independent non-executive Director will be appointed as a director for the seventh (or beyond) listed company, the reasons why the Board considers that the individual can still devote sufficient time to discharge his responsibilities as a Director; (c) the views and perspectives, skills and experience that this individual can bring to the Board; and (d) how the individual contributes to Board diversity.	Yes	On 16 November 2023, the shareholders of the Company approved the re-election of Prof. MA Si-hang Frederick as an independent non-executive Director and the election of Mr. SHEN Dou and Ms. HAI Chi-yuet as independent non-executive Directors at an extraordinary general meeting. For details, please refer to the announcement dated 25 October 2023, the circular dated 30 October 2023 and the announcement dated 16 November 2023 of the Company. The circular to shareholders accompanying the notice of general meeting published by the Company in respect of the above proposed resolution for election of independent non-executive Directors has explained: (a) the process used for identifying the individual and why the Board believes the individual should be elected and the reasons why they consider the individual to be independent; (b) the views, perspectives, skills and experience that the individual can bring to the Board; and (c) how the individual contributes to diversity of the Board. As of 31 December 2024, none of Prof. MA Si-hang Frederick, Mr. SHEN Dou and Ms. HAI Chi-yuet held directorships in seven or more listed companies.

C. Directors' Responsibilities, Delegation of Powers and Board Procedures

C1. Directors' Responsibilities

Principle of the Code • *Each Director must be aware of his/her responsibilities as a Director of the issuer, as well as the way of operation, business activities and development of the issuer. As the Board is by nature a one-piece body, non-executive Directors should have the same fiduciary responsibilities and responsibility for acting with due care and skill as executive Directors.*
Corporate governance of the Company • The Company has formulated the Rules of Procedures of the Board, the Operation Rules for Independent Directors and the operation rules of each of the Board committees to clearly set out the duties of each Director to ensure that all Directors fully understand their roles and responsibilities. • The Secretary to the Board is responsible for ensuring that all Directors have access to the latest business developments and updated statutory information of the Company.

Compliance procedures of the Corporate Governance Code – Code Provisions

Code Provisions	Compliance	Procedures of Corporate Governance
• Newly appointed Directors should receive a comprehensive, formal and tailored induction upon their appointment, and thereafter receive the necessary introduction and professional development to ensure that they have proper understanding of the operation and business of the issuer, and have full knowledge of their responsibilities under the statutes and common law, the Listing Rules, legal and other regulatory requirements and under the issuer's business and governance policies.	Yes	Upon the appointment of new Directors, the Company has provided the relevant information to the new Directors in a timely manner, and made arrangements for new Directors to receive training, including the introduction of the Company's business, Directors' responsibilities, the Company's rules and regulations, domestic and overseas laws and regulations and regulatory requirements.
• The functions of non-executive Directors should include the functions specified in the Corporate Governance Code.	Yes	Non-executive Directors shall actively participate in Board meetings and serve as members of various Board committees to check the accomplishment of the Company's business objectives and provide independent opinions regarding the decisions of the Board.
• The Board should establish written guidelines on matters relating to employees' dealings in the securities of the issuer, the content of guidelines should be no less exacting than the Model Code. The "Relevant Employee" includes any employee who, by reason of his or her position or employee relationship, may have possession of inside information about the issuer or its securities, or any such Director or employee of a subsidiary or holding company.	Yes	In accordance with the relevant requirements of the Model Code, the Company circulates a blackout period reminder to the Directors, Supervisors and the senior management of the Company within a certain period of time before the annual, semi-annual and quarterly results announcements, in order to remind the relevant personnel not to deal in the Shares of the Company within the prescribed period of time.

<table>
<tr><th>Code Provisions</th><th>Compliance</th><th>Procedures of Corporate Governance</th></tr>
<tr><td>• All directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the board remains informed and relevant. The issuer should be responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions and duties of a listed company director.</td><td>Yes</td><td>The Company has provided relevant information to its Directors regularly, and made arrangements for its Directors to receive training, including the introduction of the Company's business, Directors' responsibilities, the Company's rules and regulations, domestic and overseas laws and regulations and regulatory requirements.

All Directors have had the opportunity to attend professional training programs arranged by the Company during their term of office, and provided the Company with a record of the trainings received at the Company's expense. The Company has assisted the Directors in participating in relevant trainings organized by regulatory authorities such as the Stock Exchange and the Shanghai Stock Exchange, and has also engaged domestic and overseas lawyers and personnel from regulatory authorities to provide special trainings for Directors.

<table><tr><th></th><th>Training</th><th>Attendance</th></tr><tr><td>WAN Min</td><td>7/7</td><td>100%</td></tr><tr><td>CHEN Yangfan</td><td>7/7</td><td>100%</td></tr><tr><td>TAO Weidong</td><td>7/7</td><td>100%</td></tr><tr><td>YANG Zhijian</td><td>2/2</td><td>100%</td></tr><tr><td>ZHU Tao</td><td>2/2</td><td>100%</td></tr><tr><td>ZHANG Wei</td><td>3/3</td><td>100%</td></tr><tr><td>ZHANG Feng</td><td>5/5</td><td>100%</td></tr><tr><td>YU De</td><td>7/7</td><td>100%</td></tr><tr><td>MA Si-hang Frederick</td><td>7/7</td><td>100%</td></tr><tr><td>SHEN Dou</td><td>7/7</td><td>100%</td></tr><tr><td>HAI Chi-yuet</td><td>7/7</td><td>100%</td></tr></table></td></tr>
<tr><td>• A Director shall disclose to the issuer the number and nature of his office held in a public company or organization and other significant commitments upon acceptance of his appointment, and any subsequent changes shall be disclosed in a timely manner. In addition, the name of the public company or organization involved and the time committed to the relevant duties should also be disclosed. The Board should decide how often to make disclosures.</td><td>Yes</td><td>Each Director has provided the Company with information regarding his/her position in other companies and other significant commitments at the time of accepting his/her appointment, and shall provide update on any relevant change in a timely manner.</td></tr>
</table>

Code Provisions	Compliance	Procedures of Corporate Governance
• Independent non-executive Directors and other non-executive Directors, being members of the Board, have equal status with other Directors, should regularly attend meetings of the Board and the committees of which they are also appointed as members, and should actively participate in the affairs of the meetings, and make contributions with their skills, professional knowledge and different backgrounds and qualifications. In general, they should also attend general meetings and have a full and impartial understanding of the views of the Company's shareholders.	Yes	Independent non-executive Directors and non-executive Directors of the Company have equal status with executive Directors. All Directors make contributions with their skills, professional knowledge and different backgrounds and qualifications. In terms of Board meetings, the Chairman of the Board ensures that sufficient time is allocated for discussion and consideration of each item on the agenda and equal opportunities are given to all the Directors to speak, express their views and raise their concerns. In addition, the chairman of the meeting shall ask the Directors whether they have any objections or any questions to raise for discussion on each agenda item, ensuring that each Director can present his/her independent views on the spot. The above measures form the mechanisms which ensure independent views are available to the Board. The Board is of the view that such mechanisms ensure the Directors to have chance to speak and express their independent views, and considers that such mechanisms are effective. Each committee mainly consists of independent non-executive Directors and non-executive Director. Board committee members have the right to make decisions on matters within the terms of reference of each Board committee. These Board committees have the authority to examine particular issues and report to the Board with their recommendations where appropriate, subject to the ultimate authority of final decision-making by the Board on all matters. The Chairmen or members of the Audit Committee, the Nomination Committee, the Strategic Development Committee and the Remuneration Committee are normally available at the general meetings (where applicable) to take any relevant questions.
• Independent non-executive Directors and other non-executive Directors are required to contribute positively to the issuer in formulating strategies and policies by providing independent, constructive and informed opinions.	Yes	Each of the non-executive Directors has contributed to the formulation of the Company's strategies and policies by providing independent, constructive and informed opinions.
• The issuer should have appropriate insurance arrangements to cover legal actions that its Directors may be exposed.	Yes	The Company has purchased liability insurance for its Directors, Supervisors and senior management.

C2. Chairman and Chief Executive

Principle of the Code • *Each issuer has two major aspects in operation and management – the operation and management of the Board and the day-to-day management of the business. There must be a clear distinction between the two to ensure a balanced distribution of powers and authority so that powers will not concentrate on one person.*
Corporate governance of the Company • The Company has clearly defined the duties and responsibilities of the Chairman and the general manager. The functions of the Board and the management are segregated and set out in details in the Articles of Association, the Rules of Procedures of the Board and the Operation Rules for the General Manager to ensure a balanced distribution of powers and authority. This ensures the independence of the Board in decision-making and also ensures the independence of the management in daily operation and management activities.

Compliance procedures of the Corporate Governance Code – Code Provisions

Code Provisions	Compliance	Procedures of Corporate Governance
• The roles of Chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and chief executive officer should be clearly defined and set out in writing.	Yes	During the Reporting Period, Mr. Wan Min served as the Chairman of the Board of the Company and no chief executive officer was appointed by the Company.
• The Chairman shall ensure that all Directors at Board meetings are properly informed of current matters.	Yes	For all matters considered by the Board, sufficient information have been provided to the Board and sufficient communication has been conducted prior to the meeting, and special meetings were convened at the request of the Board to report on the relevant matters. Where necessary, the Chairman or the management of the Company would explain the proposal in details at the meeting.

Code Provisions	Compliance	Procedures of Corporate Governance
• The Chairman shall be responsible for ensuring that the Directors receive sufficient information in a timely manner, and such information must be accurate, clear, complete and reliable.	Yes	The Chairman arranged the Secretary to the Board to provide all Directors with information on the progress of major business of the Company every month, and the management of the Company would submit major performance data to the members of the Board every month, so that the Directors can obtain timely and sufficient information.
• One of the important roles of the Chairman is to lead the Board. The Chairman shall ensure that the Board functions effectively and fulfils its due responsibilities and discusses all important and appropriate matters in a timely manner. The Chairman shall be primarily responsible for determining and approving the agenda for each Board meeting and, where appropriate, taking into account any matters proposed by other Directors for inclusion in the agenda. The Chairman may delegate this responsibility to a designated Director or the Company Secretary.	Yes	The agenda of the Board meeting is approved by the Chairman after consultation with the executive Directors and the Secretary to the Board and taking into account all matters proposed by the Directors.
• The Chairman should have the primary responsibility to ensure that good corporate governance practices and procedures are in place.	Yes	The Chairman plays an important role in promoting the development of the Company's corporate governance, appoints the Secretary to the Board to formulate good corporate governance system and procedures, and supervises the management to implement various systems in good faith to ensure the standardized operations of the Company.

Corporate Governance Report

Code Provisions	Compliance	Procedures of Corporate Governance
• The Chairman should encourage all Directors to devote themselves fully to the affairs of the Board and to lead by example, ensuring that the Board acts in the best interest of the issuer. The Chairman should encourage dissenting Directors to voice their concerns, allow sufficient time for discussion on these matters, and ensure that decisions of the Board can fairly reflect the consensus of the Board.	Yes	The Chairman encourages all Directors to devote themselves fully to the affairs of the Board, facilitates the Directors to make effective contributions to the Board and to lead by example, and also directs the Board to act in the best interest of the Company.
• The Chairman shall hold a meeting with the independent non-executive Directors without the presence of other Directors at least once a year.	Yes	The Chairman had adequate face-to-face communication with the independent non-executive Directors at appropriate time before and after on-site Board meetings. In 2024, the Chairman took advantage of the opportunities of convening Board meetings to hold meetings with independent non-executive Directors for face-to-face communications and exchange, and conducted in-depth communication and discussion on relevant issues of concern with the independent non-executive Directors.

Code Provisions	Compliance	Procedures of Corporate Governance
• The Chairman shall ensure that appropriate steps are taken to maintain effective communication with shareholders and ensure that shareholders' views are communicated to the Board as a whole.	Yes	The Chairman attaches great importance to the effective communication between the Company and the Shareholders, attends and presides over the Shareholders' general meetings, and continuously promotes and improves investor relations with a view to maximizing the return to Shareholders.
• The Chairman should promote a culture of open and active discussion, facilitate the effective contributions of Directors (especially non-executive Directors) to the Board and ensure that a constructive relationship is maintained between the executive Directors and the non-executive Directors.	Yes	The Chairman values the contributions made by Directors to the Board and endeavours to maintain a constructive relationship between the executive Directors and the non-executive Directors.

C3. Management Functions

Principle of the Code

- *The issuer should have a formal pre-determined plan outlining matters specifically requiring the approval by the Board. The Board should give clear instructions to the management on matters that require prior approval of the Board before making decisions on behalf of the issuer.*

Corporate governance of the Company

- The main functions and powers of the Board include convening the general meetings of Shareholders; deciding on the Company's business plans and investment plans and establishing the Company's internal management organization; formulating the Company's annual financial budget, final accounts and profit distribution plan; formulating proposals for company merger, division and dissolution and major acquisition or disposal plans, etc., and implementing the resolutions of the general meetings of Shareholders.

- The Board may delegate some of its functions and powers to Board committees and management and identify matters that require approval by the Board.

Compliance procedures of the Corporate Governance Code – Code Provisions

Code Provisions	Compliance	Procedures of Corporate Governance
• When the Board delegates its managerial and administrative functions to the management, it must also give clear guidance on the powers of management, particularly where the management should report relevant matters to the Board and obtain approval from the Board before making any decision or entering into any commitment on behalf of the issuer.	Yes	The management is accountable to the Board, and its main duties include presiding over the operation and management of the Company, organizing the implementation of Board resolutions, carrying out investment, asset disposal and other economic activities related to the implementation of Board resolutions, and reporting to the Board. The management shall not exceed its terms of reference and resolutions of the Board in exercising its powers.
• The issuer should determine those functions reserved to the Board and those delegated to management; the issuer should also review regularly to ensure that such arrangement meets the needs of the issuer.	Yes	The Company sets out the matters required to be resolved by the Board and the functions delegated to the management in the established Rules of Procedures of the Board and Operation Rules for the General Manager.
• Directors should have a clear understanding of the delegation arrangements in place. The issuer should have a formal letter of appointment as a Director setting out the principal terms and conditions of the appointment.	Yes	Each newly appointed Director has a formal appointment letter which sets out the principal terms and conditions of such appointment.

C4. Committees of the Board

Principle of the Code • *Each committee of the Board shall be established with specific written terms of reference which clearly set out the powers and duties of the committee.*
Corporate governance of the Company • The Board of the Company has established five Board committees, including the Strategic Development Committee, the Risk Control Committee, the Audit Committee, the Remuneration Committee and the Nomination Committee. The Board thoroughly considers the professional skills and experience of each Director to select the members of each committee, so that the work of each committee can be carried out efficiently. Among them, the majority of the members of the Audit Committee, the Remuneration Committee and the Nomination Committee are independent non-executive Directors. • Each committee has clear operation rules, setting out the rights and duties of the committee and the rules of procedures of the committee.

The attendance of the meetings of Board committees (number of meetings attended in person/number of meetings to be attended)

	Strategic Development Committee	Risk Control Committee	Audit Committee	Remuneration Committee	Nomination Committee
WAN Min					
CHEN Yangfan	2/2				
YANG Zhijian*		1/1			3/3
ZHANG Wei*	1/1				
ZHANG Feng*	1/1	1/1			
TAO Weidong		2/2			4/4
YU De		2/2			
ZHU Tao					
MA Si-hang Frederick	2/2		5/5	3/3	4/4
SHEN Dou			5/5	3/3	4/4
HAI Chi-yuet			5/5	3/3	

Notes:

During the Reporting Period, the composition of the committees of the seventh session of the Board was as follows:

1. Strategic Development Committee: Mr. CHEN Yangfan (chairman), Mr. ZHANG Wei (member)*, Mr. ZHANG Feng (member)* and Prof. MA Si-hang Frederick (member);

2. Risk Control Committee: Mr. YANG Zhijian (chairman)*, Mr. ZHANG Feng (chairman)*, Mr. TAO Weidong (member; subsequently appointed as chairman) and Mr. YU De (member);

3. Audit Committee: Prof. MA Si-hang Frederick (chairman), Mr. SHEN Dou (member) and Ms. HAI Chi-yuet (member);

4. Remuneration Committee: Ms. HAI Chi-yuet (chairman), Prof. MA Si-hang Frederick (member) and Mr. SHEN Dou (member); and

5. Nomination Committee: Mr. SHEN Dou (chairman), Mr. YANG Zhijian (member)*, Mr. TAO Weidong (member) and Prof. MA Si-hang Frederick (member).

* *Ceased to serve as a Director as of the end of the Reporting Period*

Compliance procedures of the Corporate Governance Code – Code Provisions

Code Provisions	Compliance	Procedures of Corporate Governance
• Where a committee is to be set up to handle matters, the Board should provide such committee with sufficiently clear terms of reference to enable it to perform its functions properly.	Yes	The Board has five committees, including the Strategic Development Committee, the Risk Control Committee, the Audit Committee, the Remuneration Committee and the Nomination Committee, and each committee has formulated detailed operation rules and defined the terms of reference.
• The terms of reference of each committee of the Board shall require such committee to report its decisions or recommendations to the Board, unless such committee is subject to legal or regulatory restrictions that prevent such reporting (e.g. restrictions on disclosure due to regulatory requirements).	Yes	Each committee reports its decisions and recommendations to the Board after each meeting and submits matters that require Board's decision to the Board for consideration.

C5. Proceedings of the Board and Supply of and Access to Information

Principle of the Code

- *The issuer shall ensure that its directors are able to participate in the proceedings of the Board in a meaningful and effective manner. Directors should be provided with appropriate and timely information in a form and quality that enables them to make decisions with such information and to discharge their duties and responsibilities.*

Corporate governance of the Company

- The Board of the Company fully represents the interests of the Shareholders, formulates the development strategies of the Company and monitors the implementation of the operation and management of the Company within the terms of reference stipulated in the Articles of Association, so as to achieve stable long-term performance and returns.

- The Directors have attended the Board meetings on time, carefully reviewed the meeting materials, and actively performed the responsibilities of the Directors. The independent non-executive Directors also conducted regular inspections on the management of the Company's connected transactions.

Compliance procedures of the Corporate Governance Code – Code Provisions

<table>
<tr><th>Code Provisions</th><th>Compliance</th><th>Procedures of Corporate Governance</th></tr>
<tr><td>• The Board shall meet regularly and the Board meetings shall be held at least four times a year, approximately once every quarter. It is expected that each regular Board meeting will be attended by a majority of the Directors entitled to attend the meeting either in person or through electronic means of communication. Therefore, regular Board meetings shall not include the practice of obtaining Board approval by way of circulation of written resolutions.</td><td>Yes</td><td>In 2024, the Company convened a total of 12 Board meetings. The attendance rate of the Board members for the 2024 Board meetings was 100%. The details of the attendance of the Board meetings and general meetings are as follows:

<table>
<tr><th></th><th colspan="4">(No. of meetings attended/
No. of meetings to be attended)</th></tr>
<tr><th></th><th>Board meetings</th><th>Attendance</th><th>General meetings</th><th>Attendance</th></tr>
<tr><td>WAN Min</td><td>12/12</td><td>100%</td><td>2/2</td><td>100%</td></tr>
<tr><td>CHEN Yangfan</td><td>12/12</td><td>100%</td><td>2/2</td><td>100%</td></tr>
<tr><td>YANG Zhijian</td><td>2/2</td><td>100%</td><td>0/0</td><td>–</td></tr>
<tr><td>ZHU Tao</td><td>3/3</td><td>100%</td><td>0/0</td><td>–</td></tr>
<tr><td>ZHANG Wei</td><td>1/1</td><td>100%</td><td>0/0</td><td>–</td></tr>
<tr><td>ZHANG Feng</td><td>5/5</td><td>100%</td><td>0/0</td><td>–</td></tr>
<tr><td>TAO Weidong</td><td>12/12</td><td>100%</td><td>2/2</td><td>100%</td></tr>
<tr><td>YU De</td><td>12/12</td><td>100%</td><td>2/2</td><td>100%</td></tr>
<tr><td>MA Si-hang Frederick</td><td>12/12</td><td>100%</td><td>2/2</td><td>100%</td></tr>
<tr><td>SHEN Dou</td><td>12/12</td><td>100%</td><td>2/2</td><td>100%</td></tr>
<tr><td>HAI Chi-yuet</td><td>12/12</td><td>100%</td><td>2/2</td><td>100%</td></tr>
</table></td></tr>
<tr><td>• The Board should have arrangements in place to ensure that all Directors have the opportunity to put forward matters for discussion on the agenda of regular Board meetings.</td><td>Yes</td><td>A notice is given prior to the meeting to allow sufficient time for the Directors to put forward matters for discussion on the agenda of the Board meeting. All Directors have the opportunity to put forward matters for discussion on the agenda of regular Board meetings.</td></tr>
</table>

Code Provisions	Compliance	Procedures of Corporate Governance
• At least 14 days' notice should be given to convene a regular Board meeting to allow all Directors to be free to attend. For all other Board meetings, a reasonable notice should be given.	Yes	Notice of regular Board meeting was given at least 14 days before the meeting, and the notice and agenda were given within a reasonable period of time in compliance with the Articles of Association for extraordinary Board meetings.
• The secretary duly appointed for a meeting shall keep minutes of the meetings of the Board and its committees and, if reasonable notice has been given by any Director, make such minutes of meeting available for inspection at any reasonable time.	Yes	The Secretary to the Board is responsible for collating and keeping the minutes of the Board meetings, and the minutes of the Board meetings and the minutes of the Board committees and relevant materials, which are properly and permanently kept at the office of the Company as important files of the Company, are available for the Directors' inspection at any time.
• Minutes of meetings of the Board and its committees should be recorded in sufficient detail of the matters considered and decisions reached at the meetings, including any concerns raised or objections expressed by the Directors. After the conclusion of the Board meeting, the first draft and the final version of the meeting minutes shall be sent to all Directors within a reasonable period of time. The first draft is for the Directors to express their opinions, and the final version is used for their records.	Yes	The minutes of the Board meetings provide objective and detailed records of the matters considered at the meeting, the voting results and the opinions expressed by all Directors, and are confirmed by the Directors in attendance of the meetings.

Corporate Governance Report

Code Provisions	Compliance	Procedures of Corporate Governance
• The Board should agree on procedures for the directors to seek independent professional advice in appropriate circumstances upon reasonable request and at the expense of the issuer. The Board shall resolve to provide additional independent professional advice to the Directors to assist them in discharging their responsibilities to the Issuer.	Yes	For matters that require opinions from professional institutions, the Company shall engage professional institutions to issue independent opinions at the request of the Directors at the expense of the Company.
• Where a substantial shareholder or Director has a conflict of interest in a matter to be considered by the Board, the matter shall be dealt with by way of a board meeting rather than a written resolution. Independent non-executive directors who have no material interest in the transaction and their close associates should attend the relevant Board meeting.	Yes	The Company has stipulated in the Articles of Association and the Rules of Procedures of the Board the requirements on Directors to abstain from voting.
• The agenda and relevant meeting documents for regular meetings of the Board shall be sent to all Directors in a timely manner and at least three days prior to the date of the scheduled meeting of the Board or its committees (or such other time as agreed). All other meetings of the Board should also adopt the above arrangements where practicable.	Yes	Documents for all meetings of the Board and Board committees of the Company are delivered to each Director at least three days before the meeting.

Code Provisions	Compliance	Procedures of Corporate Governance
• The management has responsibility to provide the Board and its committees with adequate and timely information to enable the Directors to make decisions with such information. Information provided by the management must be complete and reliable. To fulfil his duties properly, a Director may not, in all circumstances, be able to rely purely on the information provided voluntarily by the management and he may need to make further enquiries. Where any Director requires additional information from the management (other than the information provided voluntarily by the management), he should make further enquiries where necessary. So, the Board and individual Directors should have independent access to the issuer's senior management.	Yes	The management of the Company is able to provide adequate information to the Board and its committees in a timely manner. Each Director is able to communicate with the management of the Company and obtain further information as required.
• All Directors have access to Board papers and related information. Such documents and related information shall be sufficient in form and quality to enable the Board to make informed decisions with grounds on the matters referred to the Board. Issuers must respond as promptly and fully as possible to questions raised by Directors.	Yes	The documents of the Board and the Board committees are kept by the Secretary to the Board and are available for inspection by all Directors at any time. The Company have arranged relevant personnel to give timely responses to the questions raised by the Directors.

C6. Company Secretary

Principle of the Code • *The Company Secretary plays an important role in supporting the Board, ensuring that there is a good exchange of information among Board members and the Board policies and procedures are followed. The Company Secretary is responsible for advising the Board on governance matters through the Chairman and/or the Chief Executive, and making arrangements for induction training and professional development of Directors.*
Corporate governance of the Company • Currently, the Company has appointed a Company Secretary, whose main duties are to promote improvement in the Company's governance standards, provide support to the Directors to perform their duties, and take lead in arranging for information disclosure of the Company.

Compliance procedures of the Corporate Governance Code – Code Provisions and Recommended Best Practices

Code Provisions	Compliance	Procedures of Corporate Governance
• The Company Secretary should be an employee of the issuer with knowledge of the issuer's day-to-day affairs.	Yes	The Company Secretary is an employee of the Company and is familiar with the daily affairs of the Company.
• The selection, appointment or dismissal of the Company Secretary shall be subject to approval by the Board.	Yes	The appointment of the current Company Secretary was considered and approved at the first meeting of the seventh session of the Board.
• The Company Secretary shall report to the Chairman of the Board and/or the Chief Executive.	Yes	The Company Secretary reports to the Chairman of the Board and/or the general manager.
• All Directors shall have access to the advice and services of the Company Secretary to ensure compliance with procedures of the Board and all applicable laws, rules and regulations.	Yes	The Company Secretary has established good communication channels with all Directors in order to assist the Board and the general manager to effectively perform their duties and powers in accordance with domestic and overseas laws and regulations, the Articles of Association and other relevant requirements.

D. Audit, Internal Control and Risk Management

D1. Financial Reporting

Principle of the Code • *The Board should assess the performance, position and prospects of the Company in a balanced, clear and comprehensive manner.*
Corporate governance of the Company • The Board has complied with the regulatory requirements of the Stock Exchanges in Hong Kong and Shanghai in all previous regular financial reports issued to Shareholders, and constantly improves the management's discussion and analysis, and fully discloses the Company's production and operation, finance, and project development status. At the same time, the Group has proactively increased the amount of information, including information on the Company's operating environment, development strategies and corporate culture, strengthened corporate governance reports, and makes comprehensive, objective, fair and clear presentation of the Group's operating and management status and prospects.

Compliance procedures of the Corporate Governance Code – Code Provisions and Recommended Best Practices

Code Provisions	Compliance	Procedures of Corporate Governance
• The management should provide sufficient explanations and information to the Board to enable the Board to make an informed review of the financial and other information submitted to them for approval.	Yes	The management of the Company provides the Directors with information on the Company's business progress, development plans and financial objectives from time to time for the purpose of making an informed assessment by the Directors.
• The management should provide members of the Board with monthly updates containing a fair and understandable assessment of the issuer's performance, financial position and prospects sufficient to enable the Directors to perform their required duties under Rule 3.08 and Chapter 13 of the Listing Rules.	Yes	The management of the Company submits key performance data of the Company to the members of the Board on a monthly basis.

Corporate Governance Report

Code Provisions	Compliance	Procedures of Corporate Governance
• The Directors should acknowledge their responsibility for the preparation of the accounts in the Corporate Governance Report and the auditors should state their reporting responsibilities in the auditor's report on the relevant financial statements. Unless it is inappropriate to assume that the Company will continue as a going concern, the Directors' accounts shall be based on the Company being a going concern, and supplemented by assumptions or qualifications where necessary.	Yes	The Directors acknowledge their responsibility for preparing financial statements that give a true and fair view of the Company's circumstances for the financial year. The auditor's report sets out the auditor's reporting responsibilities. The Company prepares performance and related reports in strict accordance with the laws and regulations of the place of listing. All previous annual reports, interim reports, quarterly reports (including the first quarter reports and the third quarter reports) and performance announcements issued by the Company have been unanimously approved by all the Directors and there has never been any case of having Directors expressing reserved opinions. Since the initial public offering, the domestic and foreign auditors have issued standard unqualified opinions in each annual audit report.
• The relevant Board should provide a balanced, clear and understandable assessment of the performance of the Company in its annual and interim reports and other financial information required to be disclosed pursuant to the Listing Rules. In addition, it should make the same statement in the report submitted to the regulator and in the information disclosed in accordance with legal requirements.	Yes	There is disclosure of the basis for the Company's long-term generation or retention of value and the strategy for achieving the Company's goals in the Company's annual report.

Recommended Best Practices	Compliance	Procedures of Corporate Governance
• Issuers should announce and publish quarterly financial results within 45 days after the end of the relevant quarter. The disclosure should be sufficient to allow shareholders to assess the issuer's performance, financial position and prospects. Issuers should follow the accounting policies in their semi-annual and annual accounts when preparing quarterly financial results.	Yes	In addition to the reports of annual results and interim results, the Company also prepares and publishes reports on the first quarterly and third quarterly results. The Company announces and publishes quarterly financial results within one month after the end of the first quarter and the third quarter, and the information disclosed therein is sufficient to enable Shareholders to evaluate the Company's performance, financial position and prospects.
• The issuer shall continue to report quarterly results for the third and ninth months for subsequent financial years after it begins to report quarterly financial results.	Yes	The Company announces and publishes quarterly financial results and discloses the quarterly results up to the third and ninth months within one month after the end of the first and quarter and the third quarter of each year respectively.

D2. Risk Management and Internal Control

Principle of the Code

- *The Board is responsible for assessing and determining the nature and extent of the risks that the issuer is willing to accept in achieving its strategic objectives and ensuring that the issuer establishes and maintains appropriate and effective risk management and internal control systems. The above risks include but are not limited to material risks relating to environmental, social and governance ("ESG") aspects (Please refer to the Environmental, Social and Governance Reporting Guide in Appendix C2 to the Listing Rules for details). The Board should oversee the management's design, implementation and monitoring of the risk management and internal control systems, and the management should provide the Board with confirmation of the effectiveness of such systems.*

Corporate governance of the Company

- The Company has established an internal control system to review the financial, operational and regulatory control procedures from time to time, and constantly update and improve them according to the actual situation in order to protect the assets of the Company and the interests of Shareholders.

- The Company has established an internal audit department within its organizational structure, which regularly inspects, supervises and evaluates the financial position, operation and internal control activities of the Company according to different businesses and processes, and engages external audit institutions to conduct regular audits on the Company's financial reports in accordance with the Accounting Standards for Business Enterprises and the Hong Kong Financial Reporting Standards, and to provide independent and objective evaluations and recommendations in the form of audit reports.

- The Company has in place a strict system for handling and disseminating inside information in accordance with the relevant requirements of the Listing Rules and the Securities and Futures Ordinance, and to prohibit any unauthorized use or dissemination of confidential information or inside information. The Directors, Supervisors and senior management of the Company take all reasonable steps to ensure that proper precautions are in place to prevent non-compliance with the Company's disclosure requirements.

Compliance procedures of the Corporate Governance Code – Code Provisions

Code Provisions	Compliance	Procedures of Corporate Governance
• The Board should continue to monitor the issuer's risk management and internal control systems and ensure that the effectiveness of the risk management and internal control systems of the issuer and its subsidiaries will be reviewed at least once a year and reported to the shareholders in the Corporate Governance Report on the completion of the relevant review. The review should cover all important control aspects including financial control, operational control and compliance control.	Yes	The Board is fully responsible for assessing and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, maintaining a sound and effective risk management and internal control system and reviewing its effectiveness to safeguard the investments of the Shareholders and the assets of the Group. To this end, the management continues to devote resources to the internal control and risk management system with the aim of managing (rather than eliminating) the risk of failure in order to achieve business objectives, and can only provide reasonable (but not absolute) warranties for the absence of material misstatements or losses. The Board has conducted an annual review on the risk management and internal control systems of the Group for the year ended 31 December 2024 and is of the view that the operation of such systems is effective and adequate. The Company attaches great importance to internal control and has established an internal control system. An internal audit department has been set up within the Company's organizational structure to monitor the Company's financial, business, compliance and risk management. The chief financial officer of the Company reports to the Audit Committee and the Board on the internal control situation every year, which is evaluated by all Directors.
• When conducting an annual review, the Board should ensure that the issuer's accounting, internal audit and financial reporting functions, as well as resources, staff qualifications and experience, training programmes for staff in relation to the issuer's environmental, social and governance performance and reporting and the relevant budgets are adequate.	Yes	The Company attaches great importance to the professional management and training of financial personnel, and continuously improves the professional skills and comprehensive quality of financial personnel. The Company has strictly complied with the requirements of the Accounting Law by organizing in-service financial personnel to participate in annual continuing education for accounting personnel according to schedule, as well as planned arrangements for financial staff to receive professional training such as accounting standards in relation to changes in national financial and taxation policies and working requirements, and providing assurance for sufficient budget for training expenses.

Code Provisions	Compliance	Procedures of Corporate Governance
• The Board's annual review should include, in particular, the following: (a) changes in the nature and severity of material risks (including environmental, social and governance risks) since previous year's review, and the issuer's abilities in response to changes in business and external environment; (b) the management continuously monitors the working scope and quality of the risk (including environmental, social and governance risks) and internal control systems, and where applicable, the internal audit function and the work of other assurance providers; (c) the detail level and frequency of communicating the control results to the Board (or its committees) to help the Board assess the issuer's control and the effectiveness of risk management; (d) occurrence of material failure in control or discovery of material control deficiency during the period, and the severity of unforeseen consequences or emergencies as a result, and the material effects of such consequences or conditions have, may have or will likely have in future on the financial performance or conditions of the issuer; and (e) the effectiveness of the issuer's procedures for financial reporting and compliance with the Listing Rules.	Yes	Regarding the annual review of the Board: (a) The Company annually reviews the possible risks of the previous year, analyzes their causes and effects, puts forward strategic suggestions, and discloses such matters in the annual report, social responsibility report and internal control evaluation report; (b) During the Reporting Period, the Risk Control Committee of the Board held two meetings to review the Company's internal control evaluation report, ongoing risk assessment report of the finance company, sustainability report and work report on the internal control system, as well as consider and approve the Procedure Rules of Risk Control Committee of COSCO SHIPPING Holding's Board of Directors (proposed amendment on March 2024). The Management of the Company continuously monitors the scope and quality of risk and internal control system, as well as the internal audit function and the work of other assurance providers: the Board is responsible for enabling the Company to establish, improve and effectively implement internal control, evaluate its effectiveness and truthfully disclose the internal control evaluation report in accordance with the provisions of the Company's internal control standard system. The Supervisory Committee supervises the establishment and implementation of internal control by the Board. The managers are responsible for organizing and leading the daily operation of the Company's internal control; (c) During the Reporting Period, there was no occurrence of material failure in terms of control or discovery of any material control deficiency; and (d) The Company has complied with the Listing Rules, the Hong Kong Financial Reporting Standards and the Companies Ordinance in the preparation of the annual audit report, which was submitted to the Board, the Supervisory Committee and the Audit Committee of the Board for review and publication.

Code Provisions	Compliance	Procedures of Corporate Governance
• The issuer should disclose in the Corporate Governance Report in narrative form on how it has complied with the code provisions on risk management and internal control during the Reporting Period. Specifically, the content should include matters stipulated in the Corporate Governance Code.	Yes	According to the relevant requirements of the Corporate Governance Report, the Company has disclosed in narrative form that the code provisions on risk management and internal control have been complied with during the Reporting Period.
• The issuer should set up an internal audit function.	Yes	The Company has set up an internal audit function which is responsible by the supervision and audit department of the Company. The Board has authorized the Audit Committee to review the effectiveness of the Company's internal audit function, supervise the establishment and implementation of the Company's internal audit system, and ensures that the internal audit function will have sufficient resources and appropriate status to operate within the Company. The Audit Committee has reviewed the effectiveness of the Company's internal audit function during the Reporting Period.
• The issuer should have a whistleblowing policy and system in place whereby employees and others with whom the issuer interacts (such as customers and suppliers) can report confidentially and anonymously to the Audit Committee (or any designated committee comprising a majority of independent non-executive Directors) on their concerns about any possible impropriety in relation to the issuer.	Yes	The Company has established a mechanism for notifying Directors about relevant misconduct cases, and shall submit the case in a timely manner after knowing the details, and one report should be submitted for each case.

Code Provisions	Compliance	Procedures of Corporate Governance
• Issuer should develop policies and systems to promote and support anti-corruption laws and regulations.	Yes	The Company has established a mechanism for notifying Directors about relevant misconduct cases, and shall submit the case in a timely manner after knowing the details, and one report should be submitted for each case.
Recommended Best Practices		
• The Board may disclose in the Corporate Governance Report that it has obtained the management's confirmation on the effectiveness of the issuer's risk management and internal control systems.	Yes	The Board is responsible for establishing and maintaining appropriate and effective internal control systems for the Group and reviewing the effectiveness of such systems at least once a year through the Audit Committee. Such reviews cover all major controls, including financial, operational and compliance controls and risk management functions, and the procedures taken to review the effectiveness of these internal control systems include discussing with the management of the Company the scope of risks as determined by the management and the Group's major subsidiaries and reviewing significant issues identified during the internal and external audit processes.
• The Board may disclose details of any material concerns in the Corporate Governance Report.	Yes	The Company has no material concerns to be disclosed for the year of 2024.

D3. Audit Committee

Principle of the Code

- *The Board should establish formal and transparent arrangements on how to apply the principles of financial reporting, risk management and internal control and how to maintain an appropriate relationship with the issuer's auditor. The Audit Committee established under the Listing Rules must have clear terms of reference.*

Corporate governance of the Company

- The Board has set up an Audit Committee, chaired by Prof. MA Si-hang Frederick, an independent non-executive Director. Other members include Mr. SHEN Dou (an independent non-executive Director) and Ms. HAI Chi-yuet (an independent non-executive Director), all of whom have professional skills and experience in financial management or legal affairs, and all committee members are independent non-executive Directors. One independent Director with professional qualification and professional experience in financial management has also been appointed.

- The Audit Committee is mainly responsible for the supervision of the internal design system set up by the Company and its subsidiaries and its implementation, audit on the financial information and disclosures of the Company and its subsidiaries, review on the internal control system (including financial control and risk management) of the Company and its subsidiaries, planning of material connected transactions and communications, supervisions and verifications of the Company's internal and external audits.

- In 2024, the Audit Committee held five meetings in total, at which 26 issues such as the annual reports, interim reports, quarterly reports, effectiveness of risk management and internal control, internal audit, appointment of domestic and international accountancy firms, etc. were fully reviewed and considered.

The Audit Committee arrived at the opinion that the financial reports of the Company for various periods in 2024, which had been reviewed, were prepared in compliance with the accounting standards of China mainland and Hong Kong, and the content of disclosure therein also satisfied the requirements of the listing system and regulations of both places.

Compliance procedures of the Corporate Governance Code – Code Provisions and Recommended Best Practices

Code Provisions	Compliance	Procedures of Corporate Governance
• Full minutes of the Audit Committee meetings should be kept by a duly appointed secretary of the meeting (usually the Company Secretary). The first draft and the final version of the minutes shall be sent to all members of the Committee within a reasonable time after the meeting for their comments and the final version shall be used for their records.	Yes	The minutes of the Audit Committee meetings and relevant meeting materials shall be properly kept by the secretary to the Board. The secretary of the Audit Committee is responsible for making detailed records of the matters considered at the meetings, and submitting the minutes to relevant leading officers, departments and intermediaries attending the meeting for modification and confirmation. Upon confirmation by all members of the Audit Committee in attendance, the minutes shall be signed by the Chairman.
• A former partner of the audit firm currently auditing the issuer's accounts shall not be a member of the issuer's Audit Committee within two years from the following date, whichever is the later: (a) the date on which the person ceased to be a partner of the firm; or (b) the date on which the person ceases to have a financial interest in the firm.	Yes	Two years prior to the date of appointment of Prof. MA Si-hang Frederick as the chairman of the Audit Committee and the appointment of Mr. SHEN Dou and Ms. HAI Chi-yuet as members of the Audit Committee, each of them was not a partner of, nor had any financial interest in, the audit firm currently responsible for auditing the accounts of the Company.
• The terms of reference of the Audit Committee shall include at least the scope of work as stipulated in the Corporate Governance Code.	Yes	The Company has formulated the Rules of Procedures of the Audit Committee, which sets out the terms of reference and rules of procedure of the Audit Committee in respect of its relationship with the Company's auditors, review of the Company's financial information, supervision of the Company's financial reporting system and internal control procedures.

Code Provisions	Compliance	Procedures of Corporate Governance
• The Audit Committee shall make available its terms of reference explaining its role and the authority delegated to it by the Board on the website of the Stock Exchange (i.e. the HKEXnews website) and the website of the issuer.	Yes	The terms of reference of the Audit Committee have been published on the Company's website and the website of the Hong Kong Stock Exchange.
• Where the Board disagrees with the Audit Committee's opinion on the selection, appointment, resignation or removal of the external auditor, the issuer should include a statement from the Audit Committee elaborating its recommendation in the Corporate Governance Report and the reasons of disagreement from the Board.	Yes	The Board has never disagreed with the opinions of the Audit Committee on the selection, appointment, resignation or removal of external auditors.
• The Audit Committee should be provided with sufficient resources to discharge its duties.	Yes	The Company actively assists the Audit Committee in its work. Its members may seek independent professional advice in accordance with established procedures at the Company's expense.
• The terms of reference of the Audit Committee shall include additional requirements for the Audit Committee as stipulated in the Corporate Governance Code.	Yes	The Company has formulated the Rules of Procedures of the Audit Committee to facilitate the Company to set up corresponding channels to report to the Audit Committee on possible improprieties in financial reporting, internal control or other aspects, so that the Company can conduct fair and independent investigation and take appropriate actions.

E. Remuneration

E1. Level and Composition of Remuneration and Disclosure

Principle of the Code • *The issuer should establish formal and transparent policies on Directors' remuneration and other remuneration-related matters, and should have formal and transparent procedures in place to formulate the policies on executive Directors' remuneration and remuneration and benefits of all Directors. The level of remuneration should be sufficient to attract and retain the Directors to manage the operation of the Company without excessive remuneration. No director shall participate in deciding his own remuneration.*
Corporate governance of the Company • The Company has established the Remuneration Committee, the terms of reference of which include formulating and reviewing the remuneration policies and plans of the Directors and the managers of the Company. • In 2024, the Remuneration Committee held a total of three meetings to consider and approve five resolutions. For details, please refer to "Corporate Governance Report – Summary report on the performance of the Remuneration Committee under the Board" in this report.

Compliance procedures of the Corporate Governance Code – Code Provisions and Recommended Best Practices

Code Provisions	Compliance	Procedures of Corporate Governance
• The Remuneration Committee shall consult the Chairman and/or the Chief Executive Officer on the remuneration proposals of other executive Directors. The Remuneration Committee should be able to seek independent professional advice, if necessary.	Yes	The Remuneration Committee has communicated with the Chairman and the general manager on the remuneration of Directors, Supervisors and senior management. The Remuneration Committee should be able to seek independent professional advice, if necessary.

Code Provisions	Compliance	Procedures of Corporate Governance
• The terms of reference of the Remuneration Committee should include, at a minimum, the duties as stipulated in the Corporate Governance Code.	Yes	The Company has formulated the "Operation Rules for the Remuneration Committee of the Company" to clarify the duties of the committee.
• The Remuneration Committee shall make available its terms of reference explaining its role and authority delegated to it by the Board on the website of the Stock Exchange (i.e. the HKEXnews website) and the website of the issuer.	Yes	The terms of reference of the Remuneration Committee are published on the Company's website and the website of the Hong Kong Stock Exchange.
• The Remuneration Committee should be provided with sufficient resources to discharge its duties.	Yes	The Human Resources Department and the General Manager's Office of the Company actively cooperate with the Remuneration Committee to discharge their duties.
• The issuer shall disclose in its annual report the Directors' remuneration policy, details of the remuneration of senior management by remuneration bands and other remuneration-related matters.	Yes	The Company has disclosed the remuneration of senior management by remuneration bands in the annual report and accounts.

Recommended Best Practices	Compliance	Procedures of Corporate Governance
• Where the remuneration or emolument arrangements resolved by the Board meeting are not agreed by the Remuneration Committee, the Board shall disclose the reasons for such resolution in the next Corporate Governance Report.	Yes	The remuneration of the Directors, Supervisors and senior management of the Company strictly adheres to the plan reviewed by the Board (For the senior management who takes part-time jobs and receives salaries from the subordinates of the Company, the remuneration standards are determined by the board of directors of such subordinates).
• A substantial portion of the remuneration of executive Directors should be linked to corporate and individual performance.	Yes	The remuneration of executive Directors and the senior management is linked to corporate and individual performance.
• The issuer shall disclose the remuneration of each senior management in its annual report and include the name of each senior management.	Yes	The Company has disclosed the remuneration of each Director, Supervisor and senior management in its annual report and accounts.
• Issuers generally should not pay independent non-executive Directors' equity-settled performance-based remuneration (such as share options or grants of shares) as this may bias their decisions and affect their objectivity and independence.	Yes	Independent Directors and Supervisors are not participants of the Company's share option.

F. Participation of Shareholders

F1. Effective Communication

Principle of the Code • *The Board should be responsible for maintaining an on-going dialogue with shareholders and in particular, use annual general meetings or other general meetings to communicate with them and encourage their participation.*
Corporate governance of the Company • The Board endeavours to maintain on-going communication with Shareholders and considers annual general meetings and extraordinary general meetings to be the principal opportunities to engage with Shareholders, and all Shareholders who hold shares of the Company are entitled to attend. • The Company issues notices and circulars of general meetings in accordance with the Articles of Association and the Listing Rules, setting out the matters to be considered and voting procedures at the meetings in detail.

Compliance procedures of the Corporate Governance Code – Code Provisions and Recommended Best Practices

Code Provisions	Compliance	Procedures of Corporate Governance
• The issuer should have a policy for the payment of dividends and disclose in the annual report.	Yes	The Company has formulated a policy for the payment of dividends. For details, please refer to the sub-section headed "Dividend" under the section of "Management Discussion and Analysis" in this annual report.

Recommended Best Practices	Compliance	Procedures of Corporate Governance
• The Stock Exchange encourages an issuer to include the following information in its Corporate Governance Report: (a) details of the class of shareholders and total shareholding; (b) a diary of significant shareholder events for the following financial year; (c) percentage of public float, which shall be based on the public information available to the issuer as at the latest practicable date prior to the publication of the annual report and to the knowledge of its directors; and (d) the shareholding of each senior management officer.	Yes	(a) The Company has disclosed details of the class of Shareholders and total shareholding in the section headed "Shareholder and actual controller" of this annual report; (b) The Company has disclosed the significant shareholder events for the following financial year in the section headed "Other Significant Events" of this annual report; (c) Based on the information available to the public and also as known to the Company as at the latest practicable date, i.e. 16 April 2025, the percentage of public float of the Company was 55.16%; and (d) The shareholding of Mr. WAN Min and Mr. ZHU Tao in the Company has been disclosed in the section headed "Directors' and Supervisors' interest in Shares, underlying Shares and debentures" of this annual report; as of the end of the Reporting Period, Ms. ZHENG Qi holds 850,384 A shares of the Company, Ms. YU Tao holds 934,800 A Shares of the Company, Mr. QIAN Ming holds 234,260 A Shares of the Company, Ms. WU Yu holds 390,300 A Shares of the Company and Mr. GE Heyue holds 234,260 A Shares of the Company. Mr. XIAO Junguang and Mr. QIN Jiangping do not hold any shares of the Company.

F2. General Meeting

Principle of the Code • *The issuer shall give sufficient notice to shareholders to convene a general meeting, and shall ensure that shareholders are familiar with the detailed procedures for voting by way of poll. At the same time, the issuer shall arrange for shareholders' questions to be answered at the general meeting.*
Corporate governance of the Company • The Board endeavours to maintain on-going communication with Shareholders and considers annual general meetings and extraordinary general meetings to be the principal opportunities to engage with Shareholders and all Shareholders who hold shares of the Company are entitled to attend. • The Company issued notices and circulars of general meetings in accordance with the Articles of Association and the Listing Rules, setting out the matters to be considered and voting procedures at the meetings in detail.

Compliance procedures of the Corporate Governance Code – Code Provisions and Recommended Best Practices

Code Provisions	Compliance	Procedures of Corporate Governance
• At a general meeting, the chairman of the meeting shall propose a resolution on each of the practically independent matters individually. An issuer should avoid "bundling" resolutions unless they are interdependent and connected so as to form a material proposal. If the resolutions are to be "bundled", the issuer should explain the reasons and the material effects involved in the meeting notice.	Yes	Each of the practically independent matters submitted to the general meetings was proposed as a separate resolution. No resolutions have been "bundled" at all previous general meetings of the Company.

Code Provisions	Compliance	Procedures of Corporate Governance
• The Chairman of the Board should attend the annual general meeting and invite the chairmen of the Audit Committee, the Remuneration Committee, the Nomination Committee and any other committees (as appropriate) to attend. If the chairman of the relevant committee fails to attend, the Chairman of the Board shall invite another member (or, if such member is not present, his duly appointed representative) to attend. The person is required to answer questions at the annual general meeting. The chairman of the independent committee under the Board, if any, should also respond to questions at any general meeting to approve the following transaction, that is, a connected transaction or any other transaction that required separate approval. The issuer's management should ensure that the external auditor is present at the annual general meeting to answer questions about, inter alia, audit work, the preparation of the auditor's report and its contents, the accounting policies and independence of the auditor.	Yes	The Chairman of the Board has attended the annual general meeting and the extraordinary general meeting in person, and has arranged for members of the committees and the management of the Company to answer questions raised by Shareholders at the meetings. The external auditors of the Company were present at all annual general meetings and extraordinary general meetings and were ready to answer questions from Shareholders.
• The chairman of the meeting shall ensure that detailed procedures for voting by poll are explained to shareholders at the meeting and answer any questions from shareholders regarding voting by poll.	Yes	Prior to the voting procedure at the general meeting, the chairman of the general meeting explained to the Shareholders the voting method and the detailed procedure for voting, and held a question-and-answer session.

Rights of Shareholders

The Company has strictly complied with relevant domestic and foreign laws and regulations and has taken various measures to actively create conditions in accordance with requirements of the Articles of Association of the Company with a view to ensuring that rights of the Shareholders can be well achieved.

According to the latest Articles of Association approved at the 2023 annual general meeting of the Company held on 29 May 2024, the Board shall convene an extraordinary general meeting within two months at the request of the Shareholders individually or jointly holding 10% or more Shares of the Company. The Shareholders individually or jointly holding over 10% of the Shares of the Company for more than 90 consecutive days may convene and preside over an extraordinary general meeting himself or themselves in case the Board of Directors disagrees with such Shareholders individually or jointly holding over 10% of the Shares of the Company on convening an extraordinary meeting, or it does not give any feedback within 10 days after receiving the proposal, and the Supervisory Committee does not issue a notice calling for the extraordinary meeting within the time limit after the receipt of the proposal. The Shareholders individually or jointly holding over 3% of the Shares of the Company may submit proposals to the Company. The Shareholders individually or jointly holding 3% or more of the Shares of the Company may propose ex tempore motions no later than ten days prior to the convening of the shareholders general meeting by submitting the same in writing to the convener who shall issue a supplementary notice of general meeting within two days upon receipt of the motions to announce the details of such motions. For details, please refer to article 69, article 71 and article 94 of the Articles of Association. In addition, according to the provisions of article 56 of the Articles of Association, Shareholders of the Company have the right to supervise and manage the Company's business operations, make recommendations or inquiries.

The Company values and welcomes the Shareholders, investors and the public to make enquiries and suggestions to the Company. For contact information of the Company, please see the section headed "Company's Basic Information" in this annual report.

Shareholders' communication policy

The Company attaches great importance on investor communication and protection, adhering to the overarching principles of compliance, equality, proactiveness and integrity. Centered around the Company's development strategy and vision, we continuously enhance investors' understanding and recognition of the Company's value, philosophy and strategy, thereby contributing to high-quality development and long-term value creation of the Company.

In building diverse communication channels, in 2024, the Company strengthened its broad interaction and communication with the capital market through various initiatives such as hosting performance briefings, Capital Markets Day events, and participating in special activities like naming ceremonies for new vessels. The Company also conducted domestic and overseas roadshows, attended brokerage strategy conferences, and reception investor research, etc. In total, 300 investor relations meetings were held, reaching a wide audience of 3,677 investor participants.

In strengthening services for retail investors, the Company has communicated with them through multiple platforms, including but not limited to the Company's official website, investor email inbox, investor hotline, the SSE E-interactive platform and the WeChat official account. In 2024, the Company answered a total of over 360 investor hotline calls and responded in a timely manner to 206 public enquiries received via the SSE E-interactive and investor email, promptly addressing concerns and interests related to the shipping market, the Company's operational developments and shareholder returns. Meanwhile, the Company organized both online and offline meetings with retail investors and launched activities such as the "I Am a Shareholder – Visiting a Listed Company" initiative, enabling investors to gain a deeper understanding of the Company.

In promoting two-way interaction between investors and the Company, the Company is committed to enhancing the collection of capital market analysis reports and shareholder information, carefully studying constructive suggestions put forward by investors and responding promptly to investor concerns. The Company is continuously improving its operational management and corporate governance standards, constantly refining internal processes and systems and striving to provide investors with more targeted, efficient and high-quality services.

The Company has also formulated a set of Shareholders' communication policies to ensure that Shareholders can be provided at any time on equal basis in a timely manner with unbiased and digestible information about the Company. Such policies will be reviewed from time to time to ensure its effectiveness, and can be obtained by the Shareholders from the Company if required in writing.

During the above work process, the Directors, senior management and relevant staff participated in the related work strictly abided by the regulatory provisions inside and out of China and the rules and regulations of the Company, and actively carried out the work in accordance with the laws and regulations. During the year, the Company has reviewed the implementation and effectiveness of the Shareholders' Communication Policy. As a result of the above measures, the Shareholders' Communication Policy is deemed to have been effectively implemented.

Remuneration of senior management by bands during the Reporting Period

	2024
HK$1,500,001 to HK$2,000,000 (equivalent to approximately RMB1,380,000 to RMB1,850,000)	2
HK$2,500,001 to HK$3,000,000 (equivalent to approximately RMB2,310,000 to RMB2,770,000)	3
HK$3,000,001 to HK$3,500,000 (equivalent to approximately RMB2,770,000 to RMB3,240,000)	4
	9

Summary report on the conditions and details of the establishment of relevant systems and performance of the Audit Committee under the Board

The Company has formulated the Terms of Reference of the Audit Committee, which have defined the duties and responsibilities of the Audit Committee, including its relationship with external auditors, the review of financial information of the Company, the review of the financial control, internal control and risk management, the review of whether the investigations regarding the financial reporting, internal control, risk management and other matters that are not in the ordinary course of business of the Company were conducted independently and fairly, and whether appropriate actions or remedial actions have been taken.

The Audit Committee under the seventh session of the Board comprised Prof. MA Si-hang Frederick (chairman of the Audit Committee of the Company and an independent non-executive Director), Mr. SHEN Dou (independent non-executive Director) and Ms. HAI Chi-yuet (independent non-executive Director).

During the Reporting Period, the Audit Committee held a total of five meetings, mainly for reviewing 26 issues such as the annual reports, interim reports, quarterly reports, financial reports and budget reports, continuing connected transactions reports, the effectiveness and adequacy of risk management and internal control, internal audit, effectiveness of internal audit functions, appointment of auditors, etc.

The Audit Committee arrived at the opinion that the financial reports of the Company for various periods in 2024, which had been reviewed, were prepared in compliance with the Accounting Standards for Business Enterprises and the Hong Kong Financial Reporting Standards, and that the content of disclosure therein also satisfied the requirements of the listing system and regulations of both the PRC and Hong Kong.

Corporate Governance Report

Summary report on the performance of the Remuneration Committee under the Board

The Remuneration Committee under the seventh session of the Board comprised Ms. HAI Chi-yuet (chairman of the Remuneration Committee of the Company and an independent non-executive Director), Mr. SHEN Dou (independent non-executive Director) and Prof. MA Si-hang Frederick (independent non-executive Director).

During the Reporting Period, the Remuneration Committee held a total of 3 meetings, during which 5 proposals were considered and approved as follows: Proposal on Reviewing and Amending the 'Operation Rules for the Remuneration Committee of the Board of Directors; Proposal on the Performance of the Remuneration Committee of the Board of Directors in 2023; Proposal on Fulfilling the Exercise Conditions of the Stock Option Incentive Scheme and Adjusting the List of Incentive Participant and Number of Options and Cancelling Certain Share Options Granted but Not Exercised of COSCO SHIPPING Holdings《關於中遠海控股票期權激勵計劃行權條件達成、調整激勵對象名單和期權數量、註銷部分已獲授但未行權的股票期權的議案》; Proposal on Reviewing and Confirming the Performance Appraisal of the Senior Management of COSCO SHIPPING Holdings in 2023 and Proposal on Reviewing the Remuneration Payment of Senior Management of COSCO SHIPPING Holdings in 2023.

The Remuneration Committee considered that the remuneration of the senior management of the Company for the year of 2024 complied with the management requirements of the Company's performance appraisal and remuneration system, and the relevant decision-making procedures were legal and effective.

Summary Report on the Performance of the Nomination Committee under the Board

During the Reporting Period, the Nomination Committee under the seventh session of the Board comprised Mr. SHEN Dou (chairman of the Nomination Committee of the Company and an independent non-executive Director), and other members, namely Mr. YANG Zhijian (executive Director), Mr. TAO Weidong (executive Director) and Prof. MA Si-hang Frederick (independent non-executive Director). Mr. YANG Zhijian voluntarily resigned from the positions of an executive Director, a member of the Nomination Committee and the general manager of the Company with effect from 29 May 2024 due to change in work arrangements, and Mr. TAO Weidong was appointed as a member of the Nomination Committee on the same day. For details, please refer to the announcement of the Company dated 29 May 2024 and the overseas regulatory announcement of the same date.

During the Reporting Period, the Nomination Committee held a total of 4 meetings, at which the Proposal on Nomination of Candidates to Directors of the Seventh Session of the Board of COSCO SHIPPING Holdings was considered and approved.

Auditors and their Remuneration

The shareholders of the Company approved the appointment of ShineWing Certified Public Accountants, LLP as the domestic auditor of the Company for 2024 and PricewaterhouseCoopers as the international auditor of the Company for 2024 at the annual general meeting held on 29 May 2024, holding office until the conclusion of the next annual general meeting of the Company. PricewaterhouseCoopers resigned as the international auditor of the Company for 2024 with effect from 18 October 2024. The shareholders of the Company approved the appointment of SHINEWING (HK) CPA Limited as the international auditor of the Company for 2024 at the extraordinary general meeting held on 13 November 2024. Fees in respect of audit services, audit related services and non-audit services provided by the above auditors to the Group during 2024 amounted to RMB18,120,000, RMB10,239,000 and RMB6,395,000, respectively.

Amendments to Articles of Association

During the Reporting Period, the Company amended the Articles of Association. For details on the amendments to the Articles of Association, please refer to the sub-section headed “IV. Other Significant Events” under the section of “Significant Events” in this report.

Directors' Report

Directors' Report

The Board is pleased to present the Directors' Report of the year 2024 together with the audited financial statements of the Group for the year ended 31 December 2024.

Principal Business

During the Reporting Period, the Group was principally engaged in providing container shipping, managing and operating container terminals and other terminal related businesses. The Company is an investment holding company and details of the principal activities of the Company's principal subsidiaries as at 31 December 2024 are set out in note 46 to the consolidated financial statements.

Business Review

A review of the business of the Group during the Reporting Period and a discussion on the Group's future business development are set out in the sections headed "Chairman's Statement" and "Discussion and Analysis of the Board Concerning the Future Development of the Company" on pages 10 to 13 and pages 38 to 41 respectively. The particulars of important events affecting the Group that have occurred since the end of the financial year 2024 and the description of possible risks and uncertainties that the Group may be facing are set out in the sections headed "Subsequent events" and "(IV) Possible risks" on page 37 and pages 40 to 41. An analysis of the Group's performance during the year using financial key performance indicators is set out in the section headed "Management Discussion and Analysis" on pages 15 to 41 of this report. For details of the discussion on the Company's environmental policies and performance, please refer to "Social Responsibility" and "Environmental Responsibility" on pages 44 to 48.

Compliance with the relevant laws and regulations which have a significant impact on the Group

During the Reporting Period, the Company further optimized corporate governance and operation efficiency strictly in compliance with applicable laws and regulations, including the Company Law《公司法》, the Code of Corporate Governance for Listed Companies《上市公司治理準則》, the Rules for Independent Directorship of Listed Companies《上市公司獨立董事規則》(repealed on 4 September 2023), the Management Measures for Independent Directors of Listed Companies《上市公司獨立董事管理辦法》, the Rules for the General Meetings of Shareholders of Listed Companies《 上市公司股東大會規則》, the Guidelines on Articles of Association of Listed Companies《上市公司章程指引》and the Rules Governing the Listing of Stocks on Shanghai Stock Exchange《上海證券交易所股票上市規則》. During the Reporting Period, in compliance with the requirements of regulatory authorities in a timely manner and following the requirements related to risk management and internal control of State-owned Enterprises, the Company further refined its internal control system and risk management procedures. The budget management for the whole system was also strengthened and the organization structure and accountability system of the assets supervision were further improved. Moreover, the Company actively participated in training programmes for directors, supervisors and senior management of listed companies organized by regulatory authorities, and raised the awareness of all employees on compliance through effective trainings. In addition, the Listing Rules, the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and the Codes on Takeovers and Mergers and Share Buy-backs are also applicable to the Company and the Group is committed to ensuring the compliance with such requirements through various measures such as internal control and approval procedures, trainings and supervision on different business segments.

Relationships with major stakeholders

The Company continues to engage with its employees, suppliers and customers through different channels to develop mutually beneficial relationships and promote sustainability. An account of the Company's key relationship with its employees is set out in the section headed "**Employees and Remuneration Policies**" on page 146. An account of the Company's relationship key relationship with its customers and suppliers are set out in the sections headed "(III) Operation plan" and "**Major Suppliers and Customers**" on pages 39 to 40 and page 121, respectively. The Company also recognises its obligations as a responsible member of the communities in which the Company operates. For details of the Company's engagement in and contributions to these communities, please refer to the section headed "V. Fulfillment of Social Responsibilities" on pages 44 to 48.

Results of the Group

The Group's results for the year ended 31 December 2024 are set out on pages 174 to 175 of this report.

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out in the section headed "**Five Year Financial Summary**" of this report.

Major Suppliers and Customers

For the year ended 31 December 2024, the Group's purchases attributable to the Group's five largest suppliers were less than 30% of the Group's total purchases, and the aggregate sales attributable to the Group's five largest customers were less than 30% of the Group's total sales.

During the Reporting Period, none of the Company's Directors and their close associates, the Company's controlling Shareholders nor their subsidiaries had any interests in the five largest suppliers or customers.

Reserves

Details of movements in the reserves of the Company and the Group during the year are set out in note 25 to the consolidated financial statements. There were no distributable reserves of the Company as at 31 December 2024.

Statutory Reserve Funds

Details of the statutory reserve funds are set out in note 25 to the consolidated financial statements.

Property, Plant and Equipment and Investment Properties

Details of movements in property, plant and equipment and investment properties of the Group and the Company during the Reporting Period are set out in notes 7 and 9 to the consolidated financial statements.

Employees' Retirement Plans

Details of the employees' retirement plans are set out in note 29 to the consolidated financial statements.

Pre-emptive Rights

The Articles of Association and the laws of the PRC contain no provision for any pre-emptive rights, requiring the Company to offer new shares to the Shareholders on a pro-rata basis to their shareholdings.

Tax Relief

The Company is not aware of any tax relief available to the Shareholders by reason of their holding of the Company's securities.

Share Capital

Details of the share capital of the Company are set out in note 24 to the consolidated financial statements.

Donations

Charitable donations made by the Group during the year under review amounted to approximately RMB35,280,500.

Directors and Supervisors

The Directors during the Reporting Period were as follows:

Name	Date of appointment as Director	Date of resignation as Director
Executive Directors		
WAN Min (Chairman)[1]	29 December 2021	N/A
CHEN Yangfan (Vice Chairman)[1]	16 November 2023	N/A
YANG Zhijian[1,2]	9 October 2019	29 May 2024
ZHANG Wei[1,3]	23 November 2022	29 April 2024
ZHANG Feng[4]	29 May 2024	18 October 2024
TAO Weidong[1]	16 November 2023	N/A
ZHU Tao[5]	13 November 2024	N/A
Non-executive Director		
YU De[1]	16 November 2023	N/A
Independent non-executive Directors		
MA Si-hang Frederick[1]	30 November 2020	N/A
SHEN Dou[1]	16 November 2023	N/A
HAI Chi-yuet[1]	16 November 2023	N/A

Notes:

1. On 16 November 2023, the shareholders of the Company approved (i) the re-election of Mr. WAN Min as an executive Director; (ii) the election of Mr. CHEN Yangfan as an executive Director; (iii) the re-election of Mr. YANG Zhijian and Mr. ZHANG Wei as executive Directors; (iv) the election of Mr. TAO Weidong as an executive Director; (v) the election of Mr. YU De as a non-executive Director; (vi) the re-election of Prof. MA Si-hang Frederick as an independent non-executive Director; (vii) the election of Mr. SHEN Dou and Ms. HAI Chi-yuet as independent non-executive Directors. On the same day, after deliberation and approval at the first meeting of the seventh session of the Board of Directors, Mr. WAN Min and Mr. CHEN Yangfan were appointed as the Chairman and the Vice Chairman of the seventh session of the Board of Directors, respectively. For details, please refer to the announcement of the Company dated 16 November 2023 and the overseas regulatory announcement on the same day.

2. Mr. YANG Zhijian voluntarily resigned from the positions of the executive Director and the general manager of the Company with effect from 29 May 2024 due to due to change in work arrangements. For details, please refer to the announcement of the Company dated 29 May 2024 and the overseas regulatory announcement of the same date.

3. Mr. ZHANG Wei voluntarily resigned from the positions of the executive Director, deputy general manager and authorised representative of the Company with effect from 29 April 2024 due to change in work arrangements. For details, please refer to the announcement of the Company dated 29 April 2024 and the overseas regulatory announcement of the same date.

4. Mr. ZHANG Feng was appointed as the deputy general manager of the Company with effect from 29 April 2024. On 29 May 2024, the shareholders of the Company approved the appointment of Mr. ZHANG Feng as the executive Director and the authorised representative of the Company under Rule 3.05 of the Listing Rules at the annual general meeting. Subsequently, with effect from 18 October 2024, Mr. ZHANG Feng voluntarily resigned from the positions of the executive Director, deputy general manager and authorised representative under Rule 3.05 of the Listing Rules due to change in work arrangements. For details, please refer to the Company's announcements dated 29 April 2024, 29 May 2024 and 18 October 2024, and the overseas regulatory announcements dated 29 April 2024, 29 May 2024 and 20 October 2024.

5. On 13 November 2024, the shareholders of the Company approved the appointment of Mr. ZHU Tao as an executive Director of the Company at the extraordinary general meeting. For details, please refer to the Company's announcements dated 21 June 2024 and 13 November 2024, and the overseas regulatory announcements on the same dates.

The Supervisors during the Reporting Period were as follows:

Name	Positions	Date of appointment as Supervisor	Date of resignation as Supervisor
YANG Shicheng[1]	Chairman of the supervisory committee, Shareholder Supervisor	30 November 2020	N/A
XU Weifeng[3]	Employee Supervisor	16 November 2023	N/A
SONG Tao[3]	Employee Supervisor	16 November 2023	N/A
XU Donggen[2]	Independent Supervisor	16 November 2023	N/A
SI Yuncong[2]	Independent Supervisor	16 November 2023	N/A

Notes:

1. On 16 November 2023, the Shareholders of the Company approved the election of Mr. YANG Shicheng as a shareholder Supervisor of the seventh session of the supervisory committee at the extraordinary general meeting. For details, please refer to the announcement of the Company dated 16 November 2023.

2. On 16 November 2023, the Shareholders of the Company approved the election of Mr. XU Donggen and Mr. SI Yuncong as independent Supervisors for the seventh session of the supervisory committee at the extraordinary general meeting. For details, please refer to the announcement of the Company dated 16 November 2023.

3. Mr. XU Weifeng and Mr. SONG Tao were elected as employee Supervisors of the seventh session of the supervisory committee at the general meeting of the employee representatives of the Company with effective since the date of election of non-employee representative supervisors at the 2023 first extraordinary general meeting of the Company (i.e. 16 November 2023). For details, please refer to the announcement of the Company dated 8 November 2023.

Independence of the Independent Non-executive Directors

The Company has received the letter of annual confirmation issued by each of the independent non-executive Directors as to his independence pursuant to Rule 3.13 of the Listing Rules. The Company confirms that all three independent non-executive Directors are considered to be independent.

Biographies of the Directors, Supervisors and Members of the Senior Management

Biographies of the Directors, Supervisors and members of the senior management of the Company as at the date hereof are set out on pages 57 to 70 of this report.

Competing Interest

None of the Directors or Supervisors has interests in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

Rule 3.09D of the Listing Rules

Mr. ZHU Tao confirmed that he has (i) obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 13 November 2024, and (ii) understood the requirements under the Listing Rules that are applicable to him as a director of a listed issuer under the Listing Rules and the possible consequences of making a false declaration or giving false information to the Stock Exchange.

Mr. ZHANG Feng confirmed that he has (i) obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 28 May 2024, and (ii) understood the requirements under the Listing Rules that are applicable to him as a director of a listed issuer under the Listing Rules and the possible consequences of making a false declaration or giving false information to the Stock Exchange.

Connected Transactions

Pursuant to Chapter 14A of the Listing Rules, details of the Company's continuing connected transactions and connected transactions during the Reporting Period are as follows:

1. On 30 August 2022, among others, (i) the Company and COSCO SHIPPING entered into various master agreements in respect of certain transactions (the "**COSCO SHIPPING Master Agreements**"), the nature of which is similar to the transactions under certain existing master agreements with COSCO SHIPPING, for a term of three years from 1 January 2023 to 31 December 2025, which can be extended for further three years as agreed in writing by the parties upon the expiration of the term on the basis that the relevant requirements of the applicable listing rules are satisfied; (ii) the Company and COSCO Shipping Finance Co., Ltd. ("**COSCO SHIPPING Finance**") entered into a financial services agreement in relation to the provision of certain financial services by COSCO SHIPPING Finance to the Company and its subsidiaries and associates (the "**Financial Services Agreement**"), for a term of three years from 1 January 2023 to 31 December 2025, which can be extended for further three years as agreed in writing by the parties upon the expiration of the term on the basis that the relevant requirements of the applicable listing rules are satisfied. COSCO SHIPPING is the indirect controlling Shareholder and therefore members of COSCO SHIPPING (including COSCO SHIPPING Finance) are connected persons of the Company under Chapter 14A of the Hong Kong Listing Rules. Accordingly, the transactions contemplated under the COSCO SHIPPING Master Agreements and the Financial Services Agreement, constitute continuing connected transactions of the Company. For details of the above transactions, please refer to the announcement dated 30 August 2022 and the circular dated 21 October 2022 of the Company.

2. On 30 August 2022, the Company and Pacific International Lines Pte Ltd ("**Pacific International Lines**", a limited liability company incorporated in Singapore) entered into a master shipping and terminal services agreement in relation to the mutual provision of shipping services and terminal services between the Group and Pacific International Lines and/or its subsidiaries and associates (the "**Pacific International Lines Group**") (the "**PIL Master Shipping and Terminal Services Agreement**") for a term of three years from 1 January 2023 to 31 December 2025. Mr. Teo Siong Seng (the then existing independent non-executive Director), together with his family members (as defined in Rule 14A.12(2)(a) of the Hong Kong Listing Rules), is able to control the composition of the majority of the board of directors of Pacific International Lines. Accordingly, Pacific International Lines is a connected person of the Company and the transactions under the PIL Master Shipping and Terminal Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules. For details of the above transactions, please refer to the announcement dated 30 August 2022 and the circular dated 21 October 2022 of the Company. On 16 November 2023, Mr. Teo Siong Seng ceased to be an independent non-executive director of the Company. Consequently, in accordance with Chapter 14A of the Hong Kong Listing Rules, Pacific International Lines ceased to be a connected person of the Company starting from 15 November 2024. As a result, the transactions under PIL Master Shipping and Terminal Services Agreement no longer constitute continuing connected transactions of the Company since then.

3. On 30 August 2022, the Company and Shanghai International Port (Group) Co., Ltd. (上海國際港務(集團)股份有限公司) ("**SIPG**", a company established in the PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600018)) entered into a shipping and terminal services agreement in relation to the mutual provision of shipping services and terminal services between the Group and SIPG and its subsidiaries or associates (the "**SIPG Shipping and Terminal Services Agreement**") for a term of three years from 1 January 2023 to 31 December 2025, which can be extended for further three years as mutually agreed by the parties upon the expiration of the term on the basis that the relevant requirements of the applicable listing rules are satisfied. SIPG holds 20% of the equity interests in PANASIA Shipping, a non-wholly subsidiary of the Company. Therefore, SIPG is a substantial shareholder of PANASIA Shipping and a connected person of the Company at the subsidiary level. Accordingly, the entering into of the SIPG Shipping and Terminal Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules. For details of the above transactions, please refer to the announcement dated 30 August 2022 and the circular dated 21 October 2022 of the Company.

4. On 29 May 2024, COSCO (CAYMAN) Mercury Co., Ltd. ("**COSCO Mercury Buyer**") (a wholly-owned subsidiary of the Company), as the buyer, and COSCO SHIPPING Heavy Industry (Yangzhou) Co., Ltd. (揚州中遠海運重工有限公司) ("**Yangzhou Heavy Industry**") (an indirect wholly-owned subsidiary of COSCO SHIPPING), as the builder, entered into separate supplemental agreements (collectively, the "**Supplemental Agreements**") in respect of the four 16,180 TEU container vessel shipbuilding contracts for the construction of four units of 16,180 TEU container vessels at an aggregate consideration of US$620 million (collectively, the "**Original Shipbuilding Contracts**") and agreed (i) to upgrade the power system of the four units of 16,180 TEU container vessels under construction from single-conventional-fuel-powered to conventional fuel plus methanol dual-fuel-powered, with change of capacity to 16,108 TEU per vessel; (ii) to change the delivery schedule under the Original Shipbuilding Contracts from the period from June 2025 to December 2025 to the period from November 2025 to June 2026; (iii) to increase the consideration for each of the Original Shipbuilding Contracts by US$28.5 million (the "**Supplemental Consideration**") from US$155 million to US$183.5 million (equivalent to approximately HK$1,431.3 million) and increase the total consideration for the Original Shipbuilding Contracts by US$114 million from US$620 million to US$734 million (equivalent to approximately HK$5,725.2 million); and (iv) that the Supplemental Consideration and the fifth installment under the Original Shipbuilding Contracts equivalent to 10% of the contract price under the Original Shipbuilding Contracts (i.e., US$15.5 million) shall be paid by COSCO Mercury Buyer within five working days upon the signing of the respective Supplemental Agreements, and the remaining balance of the fifth installment under the Original Shipbuilding Contracts shall remain to be paid upon delivery of the vessels. For further details of the above transactions, please refer to the announcement of the Company dated 29 May 2024.

Directors' Report

5. On 29 August 2024, COSCO Mercury Buyer, as the buyer, entered into twelve shipbuilding contracts (collectively, the "**COSCO MERCURY Shipbuilding Contracts**") on substantially the same terms with Yangzhou Heavy Industry, as the builder, for the construction of twelve units of 13,700 TEU methanol dual-fuel container vessels (the "**Vessels**") for a consideration of US$179.5 million (equivalent to approximately HK$1,400 million) for each Vessel and for an aggregate consideration of US$2,154 million (equivalent to approximately HK$16,800 million) for all twelve Vessels. COSCO SHIPPING and its associates control or are entitled to exercise control over approximately 43.92% of the total issued share capital of the Company. Therefore, COSCO SHIPPING is a controlling shareholder of the Company and a connected person of the Company. Yangzhou Heavy Industry is an indirect wholly-owned subsidiary of COSCO SHIPPING. Accordingly, Yangzhou Heavy Industry is a connected person of the Company under Chapter 14A of the Listing Rules, and the transactions contemplated under the COSCO MERCURY Shipbuilding Contracts constitute connected transactions of the Company. For further details of the above transactions, please refer to the announcement of the Company dated 29 August 2024, the circular of the Company dated 29 August 2024, and the announcement of the Company dated 13 November 2024.

6. On 6 December 2024, the Company entered into a capital increase agreement (the "**Capital Increase Agreement**") and a shareholders' agreement with SAIC Anji Logistics Co., Ltd. (上汽安吉物流股份有限公司) ("**Anji Logistics**"), Shanghai International Port (Group) Co., Ltd. (上海國際港務(集團)股份有限公司) ("**SIPG**"), SAIC Equity Investment Company Limited (上海汽車集團股權投資有限公司), and SAIC Motor Corporation Limited (上海汽車集團股份有限公司). Pursuant to the Capital Increase Agreement, the Company and SIPG has each agreed to subscribe for newly issued share capital of Anji Logistics of RMB75 million (equivalent to approximately HK$81.2392 million) by way of capital contribution of RMB1 billion (equivalent to approximately HK$1.083 billion), subject to the terms and conditions set out in the Capital Increase Agreement. SIPG directly holds approximately 20% of the total issued share capital of Shanghai PANASIA Shipping Co., Ltd. (上海泛亞航運有限公司) ("**PANASIA Shipping**"). As PANASIA Shipping is a subsidiary of the Company, SIPG constitutes a substantial shareholder of the Company's subsidiary and therefore constitutes a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the capital increase contemplated under the Capital Increase Agreement constitutes a connected transaction of the Company. For further details of the above transactions, please refer to the announcement of the Company dated 6 December 2024.

7. On 20 December 2024, COSCO SHIPPING Lines Co., Ltd. (中遠海運集裝箱運輸有限公司) ("**COSCO SHIPPING Lines**") (a wholly-owned subsidiary of the Company) and COSCO SHIPPING entered into an equity interest transfer agreement (the "**COSCO SHIPPING Logistics Supply Chain Equity Interest Transfer Agreement**"), pursuant to which COSCO SHIPPING Lines has conditionally agreed to purchase and COSCO SHIPPING has conditionally agreed to sell 12% of the equity interests in COSCO SHIPPING Logistics Supply Chain Management Co., Ltd. (中遠海運物流供應鏈有限公司) ("**COSCO SHIPPING Logistics Supply Chain**") at the consideration of RMB2,142,606,006 (equivalent to approximately HK$2,315,204,501.59). COSCO SHIPPING is a controlling shareholder of the Company and a connected person of the Company under Chapter 14A of the Listing Rules. As a result, the transactions contemplated under the COSCO SHIPPING Logistics Supply Chain Equity Interest Transfer Agreement constitute connected transactions of the Company. For further details of the above transactions, please refer to the announcement of the Company dated 20 December 2024.

8. On 24 December 2024, COSCO SHIPPING Lines (Dalian) Co., Ltd. (大連中遠海運集裝箱運輸有限公司) ("**Dalian SHIPPING Lines**") (a wholly-owned subsidiary of the Company) and COSCO SHIPPING Logistics Supply Chain entered into an equity transfer agreement (the "**Angang Auto Equity Interest Transfer Agreement**"), pursuant to which Dalian SHIPPING Lines has conditionally agreed to sell and COSCO SHIPPING Supply Chain has conditionally agreed to purchase 20.07% of the equity interests in Angang Auto Transport Co., Ltd. (鞍鋼汽車運輸有限責任公司) at the consideration of RMB82,974,841 (equivalent to approximately HK$89,696,713). COSCO SHIPPING is a controlling shareholder of the Company and COSCO SHIPPING Supply Chain is a 30%-controlled company of COSCO SHIPPING under the Listing Rules, therefore, COSCO SHIPPING Supply Chain is a connected person of the Company under Chapter 14A of the Listing Rules. As a result, transactions contemplated under the Angang Auto Equity Interest Transfer Agreement constitute connected transactions of the Company. For further details of the above transactions, please refer to the announcement of the Company dated 24 December 2024.

In respect of the significant related party transactions set out in note 44 to the consolidated financial statements in this annual report, all the transactions which constitute connected transactions of the Company have been disclosed above. The Company has complied with the relevant disclosure requirements under Chapter 14A of the Listing Rules in respect of its continuing connected transactions and connected transactions during the Reporting Period.

The following table sets out the relevant annual caps and the actual transaction amounts for the year ended 31 December 2024 in relation to the non-exempt continuing connected transactions of the Group:

Transactions			Trading annual cap for the year ended 31 December 2024 RMB'000	Actual transaction amount for the year ended 31 December 2024 RMB'000
1.	Transactions under Financial Services Agreement			
	(a)	The Group's maximum daily deposit balance (including accrued interest and handling fees)	150,000,000	101,746,237
	(b)	The Group's maximum daily loan balance (including accrued interest and handling fees)	26,000,000	1,965,816
	(c)	Other financial services	80,000	1,538
2.	Transactions under the Master Shipping Services Agreement			
	(a)	Purchasing shipping services from COSCO SHIPPING Group	50,000,000	28,058,386
	(b)	Providing shipping services to COSCO SHIPPING Group	11,000,000	6,714,389
3.	Transactions under the Comprehensive Services Master Agreement			
	(a)	Purchasing comprehensive services from COSCO SHIPPING Group	600,000	187,247
	(b)	Providing comprehensive services to COSCO SHIPPING Group	150,000	29,783
4.	Transactions under the Master Terminal Services Agreement			
	(a)	Purchasing terminal services from COSCO SHIPPING Group	7,000,000	2,968,215
	(b)	Providing terminal services to COSCO SHIPPING Group	800,000	146,658
5.	Transactions under the Master Ship and Container Asset Services Agreement		16,000,000	4,135,566
6.	Transactions under the PIL Shipping and Terminal Services Master Agreement			
	(a)	Purchasing services from Pacific International Lines Group	2,000,000	107,803
	(b)	Providing services to Pacific International Lines Group	600,000	59,358
7.	Transactions under the SIPG Shipping and Terminal Services Agreement			
	(a)	Purchasing terminal services from SIPG	3,500,000	1,808,527
	(b)	Providing shipping services to SIPG	500,000	47,101

Review of Continuing Connected Transactions for 2024

The independent non-executive Directors have reviewed the above non-exempt continuing connected transactions and confirm that these transactions have been entered into:

(1) in the ordinary and usual course of business of the Group;

(2) on normal commercial terms or on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties; and

(3) in accordance with the relevant agreements governing such transactions on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

For the purpose of Rule 14A.56 of the Listing Rules, the Board engaged the auditor of the Company, SHINEWING (HK) CPA Limited, to report on the above continuing connected transactions for the year ended 31 December 2024 (the "**Transactions**") in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing its findings and conclusions in respect of the Transactions disclosed by the Group in accordance with Rule 14A.56 of the Listing Rules.

Substantial Interests in the Shares and Underlying Shares of the Company

As at 31 December 2024, so far as was known to the Directors, save as disclosed below, there was no person (other than a Director, Supervisor or chief executives of the Company) who had any other interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

		Number of shares/Percentage of total issued share capital of the Company					
Name	Capacity and nature of interest	Long position	% (approx.)	Short position	% (approx.)	Lending pool	% (approx.)
China Ocean Shipping Co., Ltd. (a state-owned enterprise in China and a direct controlling shareholder of the Company)	Beneficial owner	A SHARES: 5,924,873,037	37.12	–	–	–	–
China COSCO SHIPPING Corporation Limited (a state-owned enterprise in China and an indirect controlling shareholder of the Company)	Beneficial owner	A SHARES: 704,746,860	4.42				
	Interest of controlled corporation	A SHARES: 5,924,873,037	37.12				
		H SHARES: 380,000,000[1]	2.38				
		Subtotal: 6,304,873,037	39.50				
		Total: 7,009,619,897	**43.92**	–	–	–	–
China Shipping Group Co., Ltd.	Interest of controlled corporation	H SHARES: 380,000,000[1]	2.38	–	–	–	–
COSCO SHIPPING (Hong Kong) Co., Limited	Beneficial owner	H SHARES: 158,328,000[1]	0.99				
	Interest of controlled corporation	221,672,000[1]	1.39				
		Subtotal: 380,000,000	2.38				
Shanghai Automotive Industry Corporation (Group) Co., Ltd. (上海汽車工業(集團)有限公司)	Beneficial owner	A SHARES: 804,700,000	5.04				
BlackRock, Inc.[2]	Interest of controlled corporation	H SHARES: 202,611,959	1.27	H SHARES: 13,201,000	0.08	–	–

Notes:

(1) Among those Shares, 221,672,000 H Shares were directly held by Peaktrade Investments Limited ("**Peaktrade**"), and 158,328,000 H Shares were directly held by COSCO SHIPPING (Hong Kong) Co., Limited, representing approximately 6.93% and 4.95% of the total number of H Shares in issue as of 31 December 2024, respectively. Peaktrade was directly and wholly-owned by COSCO SHIPPING (Hong Kong) Co., Limited, which was directly and wholly-owned by China Shipping Group Co., Ltd., which was in turn directly and wholly-owned by China COSCO SHIPPING Corporation Limited.

(2) BlackRock, Inc. held relevant interests and short positions in the H Shares through a series of its controlled corporations, representing approximately 6.33% and 0.41% of the total issued H Shares respectively as at 31 December 2024.

A Share Option Incentive Scheme

On 3 December 2018, the Board approved the Company's proposed adoption of the Share Option Incentive Scheme. In order to further optimize the Share Option Incentive Scheme, the Board approved the Company's proposed adoption of the further revised share option incentive scheme (the "**Further Revised Scheme**") on 7 May 2019. On 30 May 2019, the Further Revised Scheme was considered and approved by the extraordinary general meeting, A Share class meeting and H Share class meeting of the Company. Pursuant to the Further Revised Scheme, the total number of underlying A Shares in relation to the share options to be granted shall not exceed 218,236,900 A Shares, representing approximately 2.25% of the A share capital of the Company and approximately 1.78% of the total issued share capital of the Company as at 30 June 2020. According to the Further Revised Scheme, the exercise price of the first batch of share options was determined in accordance with the "Management Measures on Share Option Incentive Scheme" 《股票期權激勵計劃管理辦法》 of the Company and the relevant requirements under the laws and regulations of the PRC including the "Trial Measures for Implementing the Share Incentive System by the State-Controlled Listed Companies of the PRC (Domestic)" 《國有控股上市公司(境內)實施股權激勵試行辦法》, and represented the higher of the followings: (i) the average trading price of the A Shares on the last trading day immediately preceding the date of the announcement of the draft of the Share Option Incentive Scheme and the summary thereof on the Shanghai Stock Exchange; (ii) the average trading price of the A Shares during the last 20 trading days immediately preceding the date of the announcement of the draft of the Share Option Incentive Scheme and the summary thereof on the Shanghai Stock Exchange; (iii) the closing price of the A Shares on the last trading day immediately preceding the date of the announcement of the draft of the Share Option Incentive Scheme and the summary thereof on the Shanghai Stock Exchange; (iv) the average closing price of the A Shares for the last 30 trading days immediately preceding the date of the announcement of the draft of the Share Option Incentive Scheme and the summary thereof on the Shanghai Stock Exchange; and (v) the par value of the A Shares. When the reserved share options will be granted, the exercise price of reserved share options shall be determined by the Board in accordance with the principle of determining the exercise price of the first batch of share options.

On 3 June 2019 (the "**Date of Grant for the First Batch of the Share Options**"), pursuant to the authorization at the General Meetings, 192,291,000 share options were granted by the Board to 465 participants in the first batch under the Further Revised Scheme. The exercise price was RMB4.10 per A Share. The exercise price will be adjusted in accordance with the relevant requirements under the Further Revised Scheme upon occurrence of the adjustment events (including but not limited to the conversion of capital reserve into share capital, bonus issue, sub-division or consolidation of Shares, rights issue or distribution of dividends of the Company). On the Date of Grant for the First Batch of the Share Options, the closing price of A Shares was RMB4.82 per A Share. The closing price of A Shares on the trading day immediately before the Date of Grant for the First Batch of the Share Options was RMB4.78 per A Share.

In the process of registration after the Date of Grant for the First Batch of the Share Options, five participants (not being senior management of the Company) did not accept the share options granted to them due to personal reasons. Under the Further Revised Scheme, the number of participants who were granted share options in the first batch has been adjusted from 465 to 460 and the number of the share options granted in the first batch has been adjusted from 192,291,000 to 190,182,200. For details, please refer to the overseas regulatory announcement of the Company dated 19 July 2019. On 24 July 2019, the Company completed the registration in respect of the grant of the share options in the first batch with 190,182,200 share options and 460 participants registered. For details, please refer to the overseas regulatory announcement of the Company dated 25 July 2019.

In order to further enhance the corporate governance of the Company and to promote the Company's operating results and sustainable and healthy development, on 30 March 2020, the Board approved the inclusion of, among others, Directors (excluding independent Directors) to the further revised scope of the participants of the Share Option Incentive Scheme (the "**Participant(s)**"). The relevant amendments were approved by the shareholders of the Company at the shareholders' meetings and the class meetings on 18 May 2020 (the "**Share Option Incentive Scheme (Revised)**"). Please refer to the related announcements of the Company dated 30 March 2020 and 18 May 2020.

On 29 May 2020 (the "**Date of Grant for Reserved Share Options**"), 16,975,200 reserved share options were granted by the Board to 39 participants under the Share Option Incentive Scheme (Revised). The exercise price was RMB3.50 per A Share. The exercise price will be adjusted in accordance with the relevant requirements under the Share Option Incentive Scheme (Revised) upon occurrence of the adjustment events (including but not limited to the conversion of capital reserve into share capital, bonus issue, sub-division or consolidation of Shares, rights issue or distribution of dividends of the Company). On the Date of Grant for Reserved Share Options, the closing price of A Shares was RMB3.16 per A Share. The closing price of A Shares on the trading day immediately before the Date of Grant for Reserved Share Options was RMB3.19 per A Share. Please refer to the related announcement of the Company dated 29 May 2020. On 7 July 2020, the Company completed the registration in respect of the grant of the Reserved Share Options with 16,975,200 share options and 39 participants registered. For details, please refer to the overseas regulatory announcement of the Company dated 8 July 2020.

On 17 May 2021, the Company convened the sixth meeting of the sixth session of the Board and the fourth meeting of the sixth session of the Supervisory Committee, where the Proposal on Adjusting on Scope of Incentive Objects of the Share Option Incentive Scheme, Number of Share Options and Cancellation of Partial Granted but Outstanding Share Options (《關於調整股票期權激勵計劃首次授予激勵對象名單、期權數量並註銷部分已獲授但未行權的股票期權的議案》) and the Proposal on Fulfillment of Exercise Conditions Under the First Grant of Share Option Incentive Scheme (《關於股票期權激勵計劃首次授予期權第一個行權期符合行權條件的議案》) were passed. It was agreed to cancel the 6,791,000 share options granted to the 17 participants in the first batch of incentive objects who no longer complied with the conditions of such incentive due to reasons including resignation, retirement and dismissal, and the number of incentive objects in the first batch and that of the share options initially granted to be adjusted from 460 to 443, and from 190,182,200 to 183,391,200, respectively. It was also agreed to eliminate Sinotrans from the peer benchmark companies, along with the approval for the incentive objects who have fulfilled the exercise conditions under the first grant of Share Option Incentive Scheme to exercise their stock options.

On 7 July 2021, the Company convened the seventh meeting of the sixth session of the Board and the fifth meeting of the sixth session of the Supervisory Committee, where the Proposal on Adjusting the Exercise Price and Number of Options under the Stock Option Incentive Scheme (《關於調整股票期權激勵計劃行權價格及期權數量的議案》) and the Proposal on Adjusting the List of Incentive Objects and the Number of Share Options Granted for the First Time and Cancellation of Certain Stock Options Granted but Not Exercised (《關於調整股票期權首次授予激勵對象名單和期權數量並註銷部分已獲授但未行權的股票期權的議案》) were passed. It was agreed that the Company would adjust both the exercise price and number of stock options under the Stock Option Incentive Scheme according to the actual circumstance of the capitalization of capital reserve in 2020. It was also agreed to cancel the 345,000 share options (equivalent to 448,500 share options upon the adjustment of the number of stock options) granted to one participant in the first batch of incentive objects who no longer complied with the conditions of such incentive due to his/her dismissal, and the number of incentive objects in the first batch and that of the share options initially granted but not exercised (upon the adjustment of the number of stock options) to be adjusted from 443 to 442, and from 164,997,999 to 164,549,499, respectively.

On 19 May 2022, the Company convened the 17th meeting of the sixth session of the Board and the 10th meeting of the sixth session of the Supervisory Committee, where it was resolved to cancel 1,905,800 options granted to 2 reserved incentive objects who no longer met the incentive conditions due to the change of job position and death respectively, thus adjusting the number of reserved incentive objects from 39 to 37, and adjusting the number of reserved options from 22,067,760 to 20,161,960; approve the fulfillment of exercise conditions for the first exercise period of the reserved share options under the Stock Option Incentive Scheme, and the incentive objects who meet the exercise conditions to exercise options; to cancel 6,364,049 stock options which were granted but not exercised for the 2nd and 3rd exercise periods of the share options for the first 16 incentive objects who no longer met incentive conditions due to retirement and dismissal for disciplinary violation, thus adjusting the number of incentive objects granted for the first time from 442 to 426, and adjusting the number of options granted but not exercised for the 2nd and 3rd exercise periods for the first time to 153,069,191.

On 10 June 2022, the Company convened the 18th meeting of the sixth session of the Board and the 11th meeting of the sixth session of the Supervisory Committee where it was resolved to adjust the exercise price of options granted for the first time from RMB3.15 per share to RMB2.28 per share, and adjust the exercise price of reserved options from RMB2.69 per share to RMB1.82 per share; to cancel the 461,630 stock options which were granted but not exercised for the 2nd and 3rd exercise periods for the first 1 incentive object who no longer met the incentive conditions due to death, thus adjusting the number of incentive objects granted for the first time from 426 to 425, and adjusting the number of options granted but not exercised for the 2nd and 3rd exercise periods for the first time to 152,607,564.

On 4 July 2022, the Company issued the Implementation Announcement for the First Exercise Period and Eligibility of the Exercise Conditions for the Second Exercise Period Granted for the First Time under the Stock Option Incentive Scheme (《股票期權激勵計劃預留授予期權第一個行權期及首次授予期權第二個行權期符合行權條件實施公告》), pursuant to which the reserved options for the first exercise period were 6,653,450 shares, the number of persons to exercise rights was 37 with the exercise price of RMB1.82 per share, and the first exercise period of reserved options was from 8 July 2022 to 26 May 2023. The exercisable number of options granted for the first time was 75,164,920 shares for the 2nd exercise period, the number of persons to exercise rights was 425 with the exercise price of RMB2.28 per share, and the 2nd exercise period of options granted for the first time was from 8 July 2022 to 2 June 2023.

On 30 August 2022, the Company convened the 21st meeting of the sixth session of the Board and the 12th meeting of the sixth session of the Supervisory Committee, where it was resolved to cancel the 909,559 stock options which were due but not exercised by the 11 incentive objects.

On 12 December 2022, the Company convened the 24th meeting of the sixth session of the Board, where it was resolved to adjust the exercise price of options granted for the first time from RMB2.28 per share to RMB1 per share, and adjust the exercise price of reserved options from RMB1.82 per share to RMB1 per share in accordance with the Interim Profit Distribution Plan of 2022.

On 28 April 2023, the Company convened the 26th meeting of the sixth session of the Board and the 16th meeting of the sixth session of the Supervisory Committee, approved the adjustment to the list of Participants and the number of share options, and cancelled some granted but outstanding share options. During the first grant, the Company agreed that 32 Participants failed to satisfy the incentive conditions due to retirement, cancelled the 6,251,028 outstanding share options granted to the 32 Participants during the 3rd exercise period, and adjusted the number of Participants from 425 to 393. During the reserved grant, the Company agreed that one Participant failed to satisfy the incentive conditions due to resignation and one Participant failed to satisfy the incentive conditions due to the failure of performance appraisal during the 2nd exercise period, and cancelled the 225,937 outstanding share options granted to the resigned Participant during the 2nd and 3rd exercise periods and the 111,282 outstanding share options granted to the Participant failed performance appraisal during the 2nd exercise period, totaling 337,219 share options. The Company approved the exercise of share options by the eligible participants that satisfy the exercise conditions during the 3rd exercise period of the first grant. The Company approved the exercise of share options by the eligible participants that satisfy the exercise conditions and incentive conditions during the 2nd exercise period of the reserved grant.

On 24 May 2023, the Company issued the Implementation Announcement on the Satisfaction of Exercise Conditions for the Third Exercise Period of First Grant and the Second Exercise Period of Reserved Grant under the Share Option Incentive Scheme of the Company (《本公司股票期權激勵計劃首次授予期權第三個行權期及預留授予期權第二個行權期符合行權條件的實施公告》), the proposed number of options to be exercised in the 3rd exercise period of the first grant would be 71,191,616 to be exercised by 393 Participants at the exercise price of RMB1 per share during the 3rd exercise period of first grant from 5 June 2023 to 2 June 2026; the proposed number of options to be exercised in the 2nd exercise period of reserved grant would be 6,430,878 to be exercised by 35 Participants at the exercise price of RMB1 per share during the 2nd exercise period of reserved grant from 29 May 2023 to 28 May 2024.

On 29 August 2023, after consideration at the 27th meeting of the sixth session of the Board and the 17th meeting of the sixth session of the Supervisory Committee, it was agreed to cancel 909,811 share options which were due but not exercised as held by seven Participants.

On 28 April 2024, the Company convened the 3rd meeting of the seventh session of the Board, where it was resolved that the third exercise period of share options granted under the reserved grant of the Share Option Incentive Scheme had satisfied the exercise conditions, and was resolved that eligible Participants of the Company could exercise the share options, and it was resolved to cancel 187,850 unexercised share options for the third exercise periods as such options were granted to one Participant who no longer satisfied the incentive conditions due to retirement. Upon the aforementioned adjustment, the number of eligible Participants for the reserved grant would be 35 persons and the number of granted but unexercised share options for the third exercise period of the reserved grant would be 6,552,563.

On 23 May 2024, the Company issued the Implementation Announcement on the Satisfaction of Exercise Conditions for the Third Exercise Period of Reserved Grant under the Share Option Incentive Scheme of the Company (《股票期權激勵計劃預留授予期權第三個行權期符合行權條件的實施公告》), pursuant to which the proposed number of share options to be exercised in the third exercise period of reserved grant would be: 6,552,563 share options to be exercised by 35 Participants at the exercise price of RMB1 per share during the exercise period from 29 May 2024 to 28 May 2027.

Movements of share options during the Reporting Period are set out below:

(1) Share options granted to the directors and chief executive of the Company

Name of Participant	Position of Participant	Exercise price per share (RMB)	Number of share options: Outstanding as at 1 January 2024	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Adjusted during the Reporting Period	Outstanding as at 31 December 2024 Notes (4), (5)	Weighted average closing price immediately before the exercise date	Date of grant
TAO Weidong Note (2)	Director and General Manager	1	–	–	–	–	–	–	–	–	Notes (7), (8)
ZHANG Feng Note (3)	Director and Deputy General Manager	1	–	–	–	–	–	–	–	–	Note (7), (8)
YANG Zhijian Note (4)	Director and General Manager	1	413,712	–	413,712	–	–	–	–	15.53	Note (8), (9)
ZHANG Wei Note (5)	Director and Deputy General Manager	1	333,268	–	111,089	–	–	–	222,179	15.53	Note (9)
ZHU Tao Note (6)	Director and Deputy General Manager	1	333,268	–	111,089	–	–	–	222,179	15.61	Note (9)

(2) Share options granted to all participants

Participants	Number of Participants (person-time) Note (1)	Exercise price per share (RMB)	Number of share options: Outstanding as at 1 January 2024	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period Note (1)	Lapsed during the Reporting Period	Adjusted during the Reporting Period	Outstanding as at 31 December 2024 Notes (4), (5)	Weighted average closing price immediately before the exercise date	Date of grant
Directors and chief executive of the Company	3	1	1,080,248	–	635,890	–	–	–	444,358	15.54	Note (9), (10)
Senior management of the Company	9	1	–	–	–	–	–	–	–	–	Note (9)
Other key business personnel and management personnel of the Company	384	1	1,011,542	–	72,541	–	–	–	939,001	10.59	Note (7)
	32	1	5,660,256	–	2,593,502	187,850	–	–	2,878,904	15.48	Note (9)
Total	**428**	**1**	**7,752,046**	**-**	**3,301,933**	**187,850**	–	–	**4,262,263**	**15.39**	

Notes:

(1) Please refer to the cancellation of share options as considered and confirmed by the third meeting of the seventh session of the Board of the Company on 28 April 2024, as set out above for details.

(2) Mr. TAO Weidong was appointed as the general manager of the Company on 29 May 2024. For details, please refer to the announcement and overseas regulatory announcement of the Company dated 29 May 2024.

(3) Mr. ZHANG Feng was appointed as a deputy general manager of the Company on 29 April 2024. He was also appointed as an executive Director of the Company and an authorized representative under Rule 3.05 of the Listing Rules on 29 May 2024. Subsequently, with effect from 18 October 2024, Mr. ZHANG Feng voluntarily resigned as an executive Director, deputy general manager and authorised representative under Rule 3.05 of the Listing Rules due to change of job position. For details, please refer to the announcements of the Company dated 29 April 2024, 29 May 2024 and 18 October 2024, as well as the overseas regulatory announcements dated 29 April 2024, 29 May 2024 and 20 October 2024 respectively.

(4) Mr. YANG Zhijian resigned as an executive Director and the general manager of the Company on 29 May 2024. For details, please refer to the announcement and overseas regulatory announcement of the Company dated 29 May 2024.

(5) Mr. ZHANG Wei resigned as an executive Director and a deputy general manager of the Company on 29 April 2024. For details, please refer to the announcement and overseas regulatory announcement of the Company dated 29 April 2024.

(6) Mr. ZHU Tao was appointed as an executive Director of the Company on 13 November 2024. For details, please refer to the announcement and overseas regulatory announcement of the Company dated 13 November 2024.

(7) Such A share options were granted on 3 June 2019 (i.e. the Date of Grant for the First Batch of the Share Options).

(8) As at the end of the Reporting Period, no such A share option remained outstanding.

(9) Such A share options were granted on 29 May 2020 (i.e. the Date of Grant for Reserved Share Options).

(10) Such Participants included Mr. Zhu Tao, Mr. YANG Zhijian and Mr. ZHANG Wei.

(11) During the Reporting Period, there were no Participants who were granted and would be granted share options in excess of 1% of the individual limit, nor were there any related entity Participants or service providers who were granted or would be granted share options in excess of 0.1% of the relevant class of shares issued by the Company during any 12-month period. The grant of share options was completed on 29 May 2020. There were no outstanding ungranted share options as at the beginning and the end of the Reporting Period and as at the date of this report.

(12) During the Reporting Period, the number of the A Shares which may be issued by the Company under the Share Option Incentive Scheme was 7,752,046 Shares, representing approximately 0.061% of the weighted average number of the Company's A Shares in issue during the Reporting Period. Among them, 3,301,933 A Shares were issued after the exercise of share options, 187,850 share options were cancelled and 4,262,263 share options are exercisable in the future, representing 0.026%, 0.001% and 0.023% of the weighted average number of the Company's A Shares in issue during the Reporting Period, respectively.

(13) As of the end of the Reporting Period, the total number of Shares which could be issued under the Share Option Incentive Scheme of the Company was 218,007,932 Shares, representing approximately 1.37% of the total number of Shares issued by the Company and approximately 1.71% of the total number of A Shares issued by the Company.

(14) The accumulative equity interests of the Company granted to any one Participant through the Share Option Incentive Scheme shall not exceed 1% of the total number of the Company's A Shares.

(15) Only the Participants who satisfied the exercise conditions as at the end of the Reporting Period were counted.

Validity Period

The Further Revised Scheme (subsequently revised as the "**Share Option Incentive Scheme (Revised)**") shall be effective for 10 years upon approval by the shareholders' meetings on 30 May 2019.

Exercise Period

(i) The exercise period in respect of the first batch of the share options commences on the first trading day after the expiration of the 24-month period (two years) from the Date of Grant for the First Batch of the Share Options (or, as the case may be, the Date of Grant for Reserved Share Options) and ending on the last trading day of the 36-month period from the Date of Grant for the First Batch of the Share Options (or, as the case may be, the Date of Grant for Reserved Share Options). The exercisable share options shall be 33% of the total number of share options granted;

(ii) The exercise period in respect of the second batch of the share options commences on the first trading day after the expiration of the 36-month period (three years) from the Date of Grant for the First Batch of the Share Options (or, as the case may be, the Date of Grant for Reserved Share Options) and ending on the last trading day of the 48-month period from the Date of Grant for the First Batch of the Share Options (or, as the case may be, the Date of Grant for Reserved Share Options). The exercisable share options shall be 33% of the total number of share options granted; and

(iii) The exercise period in respect of the third batch of the share options commences on the first trading day after the expiration of the 48-month period (four years) from the Date of Grant for the First Batch of the Share Options (or, as the case may be, the Date of Grant for Reserved Share Options) and ending on the last trading day of the 84-month period from the Date of Grant for the First Batch of the Share Options (or, as the case may be, the Date of Grant for Reserved Share Options). The exercisable share options shall be 34% of the total number of share options granted.

Conditions of Exercise

The following conditions must be satisfied before the share options (including the share options granted on 3 June 2019 and the reserved share options granted on 29 May 2020 by the Company) become effective and exercisable by the Company and the Participants pursuant to the terms of the Share Option Incentive Scheme:

(i) the Company having achieved the following performance targets, and none of the circumstances as stipulated in the relevant requirements of the SASAC and the CSRC that the share options shall not become effective having occurred:

Exercise period	Performance targets	
Exercise period in respect of the first batch of the share options	(a)	the EOE for 2020 shall be no less than 12.15% and the 75th percentile of the peer benchmark companies;
	(b)	the growth rate of the net profit attributable to the owners of the parent company for 2020 shall be no less than 8% as compared to that of the financial year ended 31 December 2018; and
	(c)	the EVA for 2020 shall reach the target assigned by COSCO SHIPPING and the change in EVA is greater than 0.
Exercise period in respect of the second batch of the share options	(a)	the EOE for 2021 shall be no less than 13% and the 75th percentile of the peer benchmark companies;
	(b)	the growth rate of the net profit attributable to the owners of the parent company for 2021 shall be no less than 18% as compared to that of the financial year ended 31 December 2018; and
	(c)	the EVA for 2021 shall reach the target assigned by COSCO SHIPPING and the change in EVA is greater than 0.
Exercise period in respect of the third batch of the share options	(a)	the EOE for 2022 shall be no less than 14% and the 75th percentile of the peer benchmark companies;
	(b)	the growth rate of the net profit attributable to the owners of the parent company for 2022 shall be no less than 30% as compared to that of the financial year ended 31 December 2018; and
	(c)	the EVA for 2022 shall reach the target assigned by COSCO SHIPPING and the change in EVA is greater than 0.

(ii) the Participants of the share options granted on 3 June 2019 having met the following conditions conducted pursuant to the revised appraisal measures for the Share Option Incentive Scheme, and none of the circumstances under which a person shall not become a Participant as set out in the Share Option Incentive Scheme having occurred:

Exercise of the first batch of the Share Options	Exercise of the second batch of the Share Options	Exercise of the third batch of the Share Options
the Participant having obtained an assessment grade of "qualified" (or equivalent to "qualified") or above in his/her performance review for 2020	the Participant having obtained an assessment grade of "qualified" (or equivalent to "qualified") or above in his/her performance review for 2021	the Participant having obtained an assessment grade of "qualified" (or equivalent to "qualified") or above in his/her performance review for 2022

(iii) the Participants of the reserved share options granted on 29 May 2020 having met the following conditions conducted pursuant to the revised appraisal measures for the Share Option Incentive Scheme, and none of the circumstances under which a person shall not become a Participant as set out in the Share Option Incentive Scheme having occurred:

Exercise of the first batch of the Share Options	Exercise of the second batch of the Share Options	Exercise of the third batch of the Share Options
the Participant having obtained an assessment grade of "qualified" (or equivalent to "qualified") or above in his/her performance review for 2021	the Participant having obtained an assessment grade of "qualified" (or equivalent to "qualified") or above in his/her performance review for 2022	the Participant having obtained an assessment grade of "qualified" (or equivalent to "qualified") or above in his/her performance review for 2023

(iv) According to relevant regulations, in order to protect the interests of the minority Shareholders and potential shareholders of the Company, in connection with the non-public issuance of A Shares by the Company, the Directors (excluding independent non-executive Directors) and senior management of the Company have undertaken to ensure the Company's strict implementation of the remedial measures of the current return. The Directors (excluding independent non-executive Directors) and senior management of the Company who are also Participants under the Share Option Incentive Scheme, in addition to fulfilling the conditions of exercise above, shall also fulfill the condition of the Company implementing the remedial measures of the current return. The remuneration committee of the Company will appraise the implementation of the remedial measures of the return by the Company.

If one or more of the conditions of exercise in respect of any exercise period are not satisfied, such part of the share options shall lapse and be cancelled by the Company.

COSCO SHIPPING Ports Share Option Scheme

General Information of COSCO SHIPPING Ports Share Option Scheme

On 26 October 2017, the board of directors of COSCO SHIPPING Ports approved the COSCO SHIPPING Ports Share Option Incentive Scheme Draft. On 8 June 2018, the Company and COSCO SHIPPING Ports held an annual general meeting and a special general meeting respectively to consider and approve the adoption of a share option scheme under the said draft (the "**COSCO SHIPPING Ports Share Option Scheme**").

On 19 June 2018, the board of directors of COSCO SHIPPING Ports was of the view that all the conditions of the grant of options had been fulfilled and determined the date of the initial grant of COSCO SHIPPING Ports Share Option be on 19 June 2018 for the granting of 53,483,200 share options to 238 eligible participants, and had handled all necessary issues regarding the grant of share options.

Pursuant to the relevant requirements under the COSCO SHIPPING Ports Share Option Scheme, within one year after the abovementioned initial grant, COSCO SHIPPING Ports had granted a total of 3,640,554 share options to 17 eligible participants in four times on 29 November 2018, 29 March 2019, 23 May 2019 and 17 June 2019, respectively, and had handled all necessary issues regarding the grant of share options.

Please refer to the circular of COSCO SHIPPING Ports dated 18 May 2018 and announcements of COSCO SHIPPING Ports dated 19 June 2018, 29 November 2018, 29 March 2019, 23 May 2019 and 17 June 2019 for details of the COSCO SHIPPING Ports Share Option Scheme and each grant.

Summary of the Principal Terms of the COSCO SHIPPING Ports Share Option Scheme

The COSCO SHIPPING Ports Share Option Scheme was designed to enable COSCO SHIPPING Ports: (i) to establish and cultivate a performance-oriented culture, under which value is created for the shareholders, and to establish an interests-sharing and restraining mechanism between COSCO SHIPPING Ports' shareholders and management; (ii) to further improve the COSCO SHIPPING Ports' corporate governance structure and provide a unified mechanism to balance the interests among the shareholders, decision-makers and executives of COSCO SHIPPING Ports, to secure stable and long-term development of COSCO SHIPPING Ports; (iii) to coordinate the short-term and long-term incentives of the management and professional talents of COSCO SHIPPING Ports, to cultivate and strengthen the key personnel, to attract different Kinds of talents more flexibly and to improve the long-term development of COSCO SHIPPING Ports; (iv) to effectively motivate the management and key personnel to enhance their performance and the core competitiveness of COSCO SHIPPING Ports; and (v) to further enhance COSCO SHIPPING Ports' competitive advantage in the labour market, to attract retain and incentivise senior management and personnel at key positions of COSCO SHIPPING Ports for achieving the strategic targets of COSCO SHIPPING Ports, to enhance the realisation of the long-term strategic targets of COSCO SHIPPING Ports and to strengthen cohesion of the COSCO SHIPPING Ports.

Eligible participants for the COSCO SHIPPING Ports Share Option Scheme include the directors of the COSCO SHIPPING Ports, key management personnel such as senior management members at the headquarters of COSCO SHIPPING Ports and departmental deputy managers and above, and management personnel (including senior and mid-level management personnel) appointed to subsidiaries and other invested companies of COSCO SHIPPING Ports, and senior management members of the COSCO SHIPPING Ports' subsidiaries excluding independent non-executive directors, shareholders or de facto controllers who on their own or in aggregate holding more than 5% of the shares of COSCO SHIPPING Ports and their respective spouses, parents, children or other associates (as defined under the Listing Rules).

The number of share options to be granted to each participant shall be determined on the basis that the estimated benefit upon exercise of the share options will not exceed 40% of twice of his/her total annual emolument (inclusive of the estimated benefit upon exercise of the share options) which was determined according to the annual salary level in 2016. if the results of COSCO SHIPPING Ports is exceptionally outstanding, the cap on the benefit upon exercise of the share options mentioned above may be adjusted according to the regulations of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC (中國國務院國有資產監督管理委員會). The specific operation and arrangement will be implemented by the board of directors of COSCO SHIPPING Ports in accordance with the then regulations of the SASAC.

The maximum entitlement for any one participant (including exercised, cancelled and outstanding options) in any 12 months" period shall not exceed 1% of the total number of shares in issue.

Share options cannot be exercised during the two-year period commencing from the date of grant of the share options (the "**COSCO SHIPPING Ports Share Option Scheme Restriction Period**"). Subject to the fulfilment of the relevant vesting conditions, share options will be vested in three batches evenly over a period of three years after the expiry of the COSCO SHIPPING Ports Share Option Scheme Restriction Period, and each batch of share options vested is exercisable within the relevant exercise period.

The validity period within which the participants can take up the underlying shares under the share options is 5 years from the date of grant to the share options and no consideration is payable on acceptance of the share options.

The exercise price in relation to each share option is determined based on the principle of fair market value and in any event should be the highest of (i) the closing price of COSCO SHIPPING Ports' shares as stated in the daily quotation sheet of the Stock Exchange on the date when an option was formally granted; (ii) the average closing price of COSCO SHIPPING Ports' shares as stated in the dally quotation sheet of the Stock Exchange for the five business days immediately preceding the date on which an option was formally granted, and (iii) the nominal value of the COSCO SHIPPING Ports' shares.

The COSCO SHIPPING Ports Share Option Scheme is valid and effective for a period of 10 years commencing from the date of adoption and will expire on 7 June 2028.

During the Reporting Period, no option was granted, exercised, lapsed or cancelled under the COSCO SHIPPING Ports Share Option Scheme. As at the date of this report, no share options were outstanding pursuant to the terms of the COSCO SHIPPING Ports Share Option Scheme, and all share options granted thereunder had lapsed pursuant to the terms of the COSCO SHIPPING Ports Share Option Scheme. According to the terms of the COSCO SHIPPING Ports Share Option Scheme, no share options can be granted under the COSCO SHIPPING Ports Share Option Scheme Since 19 June 2019.

Capital Increase and Employees' Participation Plan Implemented by Shanghai PANASIA Shipping Co., Ltd.

Pursuant to the Opinion on Commencement of Pilot Employee Stock Ownership by Stated-Owned Holding Mixed Ownership Enterprises (Guo Zi Fa Gai Ge [2016] No. 133)《關於國有控股混合所有制企業開展員工持股試點的意見》(國資發改革[2016]133號)), during 2017, Shanghai PANASIA Shipping Co., Ltd. (上海泛亞航運有限公司) ("**PANASIA Shipping**"), a subsidiary of COSCO SHIPPING Lines, decided to implement the capital increase and employees participation plan. PANASIA Shipping introduced certain strategic investor(s) by participating in the public tender for subscribing for equity on Shanghai United Assets and Equity Exchange. The subscription price per unit will be not less than the appraised net asset value (after the filing procedures having been completed) per unit of the registered capital of PANASIA Shipping. Meanwhile, it introduced employees' participation through the employees' participation platform, under which employees will subscribe for equity interests at the final subscription price of strategic investor(s). Please refer to the announcement of the Company dated 18 April 2017 for details.

As at the end of June 2017, COSCO SHIPPING Lines, PANASIA Shipping, Shanghai Fosun Industrial Investment Company Limited (上海復星產業投資有限公司) (a strategic investor) ("**Fosun Industrial Investment**") and Ningbo Hongyang Investment and Management LLP (寧波泓陽投資管理合夥企業(有限合夥)) (the employees' participation platform) ("**Hongyang**") signed an agreement on capital increase and completed the change of industrial and commercial registration.

As at the end of 2024, PANASIA Shipping was held as to 62% by COSCO SHIPPING Lines, as to 20% by Shanghai International Port (Group) Co., Ltd., as to 6% by China CITIC Financial Asset Management Co., Ltd. (formerly known as China Huarong Asset Management Co., Ltd.), as to 3% by Shenzhen Qianhai Huajian Equity Investment Co., Ltd. (深圳市前海華建股權投資有限公司), as to 0.9382% by Fosun Industrial Investment, as to 8% by Shanghai Yongyang Enterprise Management Partnership (Limited Partnership) (上海泳陽企業管理合夥企業(有限合夥)) (formerly known as Hongyang) and as to 0.0618% by Gongqingcheng Huanhai Investment Management Partnership (Limited Partnership) (共青城寰海投資管理合夥企業(有限合夥)) (Fosun Group Project Team). The participating employees (including employees in subsidiaries), of a total number of 180, are core management personnel of PANASIA Shipping, accounting for approximately 27.82% of its total headcount.

Directors' and Supervisors' interest in Shares, underlying Shares and debentures

As at 31 December 2024, the interests of the Directors and Supervisors in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(a) Long positions in the Shares, underlying Shares and debentures of the Company:

Name of Director	Capacity	Number of Shares held as at 31 December 2024	Approximate percentage of total issued share capital of the relevant class of Shares	Approximate percentage of total issued share capital
Mr. ZHU Tao[1]	Beneficial owner	222,179 A Shares	0.00174%	0.00139%

Notes:

1. As at 31 December 2024, Mr. ZHU Tao held 222,179 A share options under the A share option incentive scheme of the Company.

(b) Long positions in shares, underlying shares and debentures of associated corporations of the Company:

Name of associated corporation	Name of Director/ Supervisor	Capacity	Number of shares held at 31 December 2024	Approximate percentage of total issued share capital of the relevant class of shares of the relevant associated corporation	Approximate percentage of total issued share capital of the relevant associated corporation
COSCO SHIPPING Development	Mr. WAN Min	Beneficial owner	200,000 H Shares	0.00544%	0.00147%
		Interest of spouse	2,000 A Shares	0.00002%	0.00001%
COSCO SHIPPING Ports	Mr. WAN Min	Beneficial owner	350,909 H Shares	0.00933%	0.00932%

(c) Long positions in the underlying shares of equity derivatives of the Company

Nil.

Share options were granted by COSCO SHIPPING Ports to its certain directors (some of whom were also Directors and Supervisor of the Company) pursuant to the COSCO SHIPPING Ports Share Option Scheme. Details of the Directors' and Supervisor's interest in share options granted by COSCO SHIPPING Ports are set out under the previous section headed "COSCO SHIPPING Ports Share Option Scheme" of this report.

Save as disclosed above, as at 31 December 2024, none of the Directors, Supervisors or chief executives of the Company had any interests or short positions in any shares, underlying shares or interests in debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Arrangements to Purchase Shares or Debentures

At no time during the Reporting Period was the Company, its subsidiaries, its fellow subsidiaries or its holding company a party to any arrangements to enable the Directors, Supervisors or senior management of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors', Supervisors' and Five Highest Paid Individuals' Remunerations

Details of the remuneration of the Directors and the Supervisors and the five highest paid individuals of the Group are set out in note 38 to the consolidated financial statements.

In June 2024, Mr. SI Yuncong offered to waive his remuneration as a Supervisor of the Company for the year of 2024. Save as disclosed above, there were no arrangements under which a Director or Supervisor had waived or agreed to waive any remuneration in respect of the year ended 31 December 2024.

Service Contracts of Directors and Supervisors

Each of the Directors and Supervisors has entered into a service contract with the Company. No Director or Supervisor has entered into any service contract with the Company, which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

Directors' Report

Interests of Directors and Supervisors in Contracts or Arrangements

None of the Directors or Supervisors had any material interest, whether directly or indirectly, in any contracts or arrangements of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year ended 31 December 2024.

Permitted Indemnity Provisions

At no time during the Reporting Period and as at the disclosure date of this report, there was or is, any permitted indemnity provision being in force for the benefit at any of the Directors or Supervisors of the Company (whether made by the Company or otherwise) or the directors or supervisors of an associated corporation of the Company (if made by the Company).

The Company has arranged appropriate liability insurance for the Directors and Supervisors concerning the relevant legal action they may be faced with.

Board Committees

The Company has established the Strategic Development Committee, the Risk Control Committee, the Audit Committee, the Remuneration Committee and the Nomination Committee.

Corporate Governance

The Company is committed to maintaining high standards of corporate governance by the Group and the Board is of the view that effective corporate governance is essential and makes important contribution to the corporate success and to enhancing Shareholder value. Please refer to pages 71 to 119 of this annual report for details.

Employees and Remuneration Policies

As at 31 December 2024, there were approximately 32,415 employees in the Group. Total staff costs of the Group for the year, including directors' remuneration, was approximately RMB16,612,769,000 in total.

To allow all staff to enjoy the development results of the Company, the Company regularly improve its staff remuneration, benefit and insurance policy in accordance with the conditions of the Company and the external and internal business environment to facilitate the development of the Company and the building of a strong working team. The Company also safeguards the legal rights of less privileged group of staff strictly in accordance with the laws and regulations of China. For entities operating in the PRC, the Company determines the minimum salary standard of staff in accordance with the requirements of the local governments. The Company has established retirement benefit scheme, medical insurance scheme, work injury insurance scheme, pregnancy and birth insurance scheme and unemployment insurance scheme for all staff. The Company has also established a housing provident fund. For entities operating outside China, the Company has established a remuneration policy strictly in accordance with the laws and regulations and policies of the local governments.

Shareholders' General Meetings

Meeting session	Date of meeting	The designated website for the publication of the announcement of the resolutions	The date of publication of the announcement of the resolutions
2023 Annual General Meeting, 2024 First A Share Class Meeting and 2024 First H Share Class Meeting	29 May 2024	www.sse.com.cn www.hkexnews.hk	29 May 2024
2024 First Extraordinary General Meeting	13 November 2024	www.sse.com.cn www.hkexnews.hk	13 November 2024

Explanation on general meetings

Please refer to relevant announcements for details.

Objections of independent non-executive Directors on relevant matters of the Company

Not applicable

Major opinions and recommendations made by Board committees under the Board when performing duties during the Reporting Period

Strategic Development Committee

In 2024, the Strategic Development Committee held two meetings.

Audit Committee

In 2024, the Audit Committee of the Board held a total of five meetings, during which 26 proposals including the effectiveness of the Company's annual report, interim report, quarterly report, risk management and internal control, the status of internal audit work, the engagement of domestic and foreign auditors, etc. were considered and approved.

The Audit Committee of the Board is of the view that the financial reports of the Company for various periods in 2024 which had been reviewed were prepared in compliance with the Accounting Standards for Business Enterprises and HKFRSs, and the content of disclosure therein also satisfied the requirements of the listing system and regulations of China mainland and Hong Kong.

Directors’ Report

Remuneration Committee

In 2024, the Remuneration Committee of the Board held a total of three meetings, at which it considered and approved the following resolutions: the “Consideration of the Resolution on Amendments to the Operation Rules for the Remuneration Committee of the Board of Directors”, the “Resolution on the Performance of the Remuneration Committee of the Board of Directors in 2023”, the “Resolution on the Fulfillment of the Exercise Conditions of the Share Option Incentive Scheme, the Adjustment of the List of Participants and Number of Share Options, and Cancellation of Part of the Outstanding Share Options Granted of COSCO SHIPPING Holdings”, the “Resolution on the Consideration and Confirmation of the Appraisal of Senior Management of COSCO SHIPPING Holdings in 2023”, and the “Consideration of the Resolution on the Remuneration Encashment Situation of Senior Management of COSCO SHIPPING Holdings in 2023”.

Nomination Committee

In 2024, the Nomination Committee of the Board held a total of four meetings, at which it considered and approved the “Consideration of the Opinions on Amendments to the Operation Rules for the Nomination Committee of the Board of Directors”, the “Consideration of the Resolution on Proposing the Nomination of Candidates for Executive Directors and Senior Management of COSCO SHIPPING Holdings”, the “Consideration of the Resolution on the Composition of the Specialized Committees of the Seventh Session of the Board of Directors of COSCO SHIPPING Holdings” and the “Consideration of the Resolution on Proposing the Nomination of Senior Management of COSCO SHIPPING Holdings”.

Risk Control Committee

In 2024, the Risk Control Committee of the Board held a total of two meetings, at which it considered the resolutions in relation to the evaluation report of internal control, the ongoing risk assessment report of finance company, the sustainability report, the work report on the internal control system and the procedure rules of the Risk Control Committee of the Board of the Company. Through systematic inspection and assessment, it is of the view that the Company has a relatively reasonable and effective internal control and risk management system which provides reasonable assurance to achieve the risk management objective of the Company and the Company is able to analyze the existing conditions of its own control system objectively and to improve, satisfy and adapt to the development requirements of the Company in a timely manner.

The establishment and implementation of the appraisal system and incentive mechanism for senior management during the Reporting Period

Pursuant to the Administrative Measures for the Remuneration of Officers in Charge of COSCO SHIPPING Holdings Co., Ltd. (《中遠海運控股股份有限公司企業負責人薪酬管理辦法》) (considered and approved by the Remuneration Committee of the fifth session of the Board and the Board of the Company), annual salary were paid to senior management members of the Company, including the general manager, deputy general managers, Chief Financial Officer and secretary to the Board. The annual salary comprises basic salary, annual salary based on performance, and task accomplishment bonus, among which, the performance-based annual salary is linked to the appraisal results of the Company and individual appraisal results of the senior management of the Company, and shall be submitted to the Board of the Company to determine after consideration by the Remuneration Committee; task accomplishment bonus shall be determined by the accomplishment condition of the Company’s annual task objectives. Where the Directors and senior executives of the Company hold their posts in and receive remunerations from its subsidiaries (COSCO SHIPPING Lines, COSCO SHIPPING Ports and OOIL), their annual salary standard shall be determined by their respective board of directors in accordance with corresponding salary system, and its results of fulfillment will be reported to the Company.

Internal Control and Self-evaluation Report

According to the requirements of corporate internal control standard system, the Board is responsible for establishing, improving and effectively implementing the internal control, evaluating the effectiveness of the internal control and disclosing the internal control evaluation report accurately. The Supervisory Committee shall supervise the internal control established and implemented by the Board. The managers are responsible for organizing and leading the day-to-day operation of the internal control of the Company. The Board, the Supervisory Committee and the Directors, Supervisors and senior management officers of the Company confirm that information contained in this report is true, accurate, and complete without any false and misleading statements or material omissions, and assume several and joint liability for the above.

The objectives of the Company's internal control are to reasonably guarantee the authenticity and completeness of information of the compliance, asset security, financial report and relevant information of operation and management of the Company, improve the operating efficiency and results, and promote the realization of development strategies. Due to the inherent limitations of the internal control, reasonable guarantees shall only be provided for realizing the above objectives. In addition, changes in situation may result in that the internal control becomes inappropriate or the extent to which the compliance with policies and process is lessened. There may be certain risks in presuming the effectiveness of future internal control according to the evaluation results of the internal control.

The Company's self-evaluation of internal control in 2024

The Company's self-evaluation report on internal control for 2024 was published on the website of Shanghai Stock Exchange and the website of the Company on 21 March 2025.

Audit report on internal control

In accordance with the relevant requirements, such as the guidelines on internal control audit, the Company engaged ShineWing Certified Public Accountants, LLP to audit and prepare the audit report on the internal control of the Company.

For details of the internal control audit report, please refer to the report of the Company published on the website of Shanghai Stock Exchange on 21 March 2025.

Directors' Report

I. Positions of current Directors, Supervisors and senior management and those who resigned during the Reporting Period

(I) Position in the Controlling Shareholder and other subsidiaries of the Company

Name	Name of entity	Position	Date of appointment	Date of termination
WAN Min	China COSCO SHIPPING Corporation Limited	Chairman of the Board and Secretary of the Party Committee	October 2021	
	Orient Overseas (International) Limited	Chairman of the Board and Executive Director	December 2021	
CHEN Yangfan	China COSCO SHIPPING Corporation Limited	Deputy General Manager	November 2021	
	Orient Overseas (International) Limited	Executive Director, Chief Executive Officer	September 2023	
TAO Weidong	China COSCO SHIPPING Corporation Limited	General Manager of Operation Management Division	April 2020	June 2024
	COSCO SHIPPING Lines Co., Ltd.	Chairman of the Board and Secretary of the Party Committee	May 2024	
	Orient Overseas (International) Limited	Executive Director	May 2024	
	Orient Overseas Container Line Limited	Chairman of the Board, Chairman of the Executive Committee and Chief Executive Officer (CEO)	May 2024	
	China COSCO SHIPPING Corporation Limited	Employee Representative Director	December 2024	
YANG Zhijian	China COSCO SHIPPING Corporation Limited	Employee Representative Director	May 2019	December 2024
	COSCO SHIPPING Lines Co., Ltd.	Chairman and Secretary of the Party Committee	June 2022	May 2024
	COSCO SHIPPING Ports Limited	Chairman of the Board of Directors, Executive Director and Secretary of the Party Committee	April 2022	June 2024
	Orient Overseas (International) Limited	Executive Director	September 2019	May 2024
	Orient Overseas Container Line Limited	Director, Chief Executive Officer (CEO) and member of the Executive Committee	September 2019	May 2024
	Orient Overseas Container Line Limited	Chairman of the Board and Chairman of the Executive Committee	March 2020	May 2024
ZHU Tao	COSCO SHIPPING Ports Limited	Chairman of the Board, Managing Director and Executive Director	June 2024	
	COSCO SHIPPING Ports Limited	Executive Director and General Manager	June 2022	June 2024
ZHANG Wei	COSCO SHIPPING Lines Co., Ltd.	Director, General Manager and Deputy Party Secretary	June 2022	April 2024
	Shanghai PANASIA Shipping Co., Ltd.	Chairman and Secretary of the Party Committee	June 2022	October 2024
	COSCO SHIPPING Specialized Carriers Co., Ltd.	Chairman	April 2024	

Name	Name of entity	Position	Date of appointment	Date of termination
ZHANG Feng	China COSCO SHIPPING Corporation Limited	Deputy General Manager	August 2024	
	COSCO SHIPPING Lines Co., Ltd.	Director, General Manager and Deputy Party Secretary	April 2024	September 2024
YANG Shicheng	COSCO SHIPPING (Tianjin) Company Limited	Full-time External Director	June 2020	December 2024
	COSCO SHIPPING Bulk Co., Ltd.	Full-time External Director	June 2020	December 2024
	COSCO SHIPPING (Dalian) Co., Ltd./COSCO Shipping Ferry Co., Ltd.	Supervisor	June 2020	
XU Weifeng	COSCO SHIPPING Ports Limited	Secretary of the Commission for Discipline Inspection	July 2020	
SONG Tao	Shanghai PANASIA Shipping Co., Ltd.	Deputy Party Secretary	June 2022	
YE Jianping	Orient Overseas Container Line Limited	Director and member of Executive Committee	November 2015	
	Orient Overseas Container Line Limited	Chief Operation Officer (COO)	January 2020	
	COSCO SHIPPING Lines Co., Ltd	Deputy General Manager	February 2021	
CHEN Shuai	COSCO SHIPPING Lines Co., Ltd.	Deputy General Manager	January 2016	June 2024
	China COSCO SHIPPING Corporation Limited	General Manager of Operation Management Division	June 2024	
	Orient Overseas Container Line Limited	Director and member of Executive Committee	October 2019	June 2024
	COSCO SHIPPING Ports Limited	Non-executive Director	December 2024	
	Shanghai PANASIA Shipping Co., Ltd.	Director	May 2020	November 2024
ZHENG Qi	COSCO SHIPPING Lines Co., Ltd.	Chief Financial Officer	March 2016	
	Shanghai PANASIA Shipping Co., Ltd.	Director	May 2019	November 2024
	COSCO SHIPPING Finance Co., Ltd.	Director	December 2017	
	Orient Overseas (International) Limited	Chief Financial Officer (CFO)	June 2022	
	Orient Overseas Container Line Limited	Director, CFO, member of the Executive Committee	June 2022	

Name	Name of entity	Position	Date of appointment	Date of termination
YU Tao	COSCO SHIPPING Lines Co., Ltd.	Deputy General Manager	January 2016	
	Orient Overseas Container Line Limited	Director, member of the Executive Committee	December 2020	
	COSCO SHIPPING (Piraeus) Ports Limited	Director	October 2021	
	COSCO SHIPPING Captive Insurance Co., Ltd	Director	July 2020	
XIAO Junguang	COSCO SHIPPING Lines Co., Ltd.	Secretary of the Board, General Legal Counsel	August 2022	
	Orient Overseas Container Line Limited	Director, member of the Executive Committee	October 2020	
	Orient Overseas (International) Limited	Secretary of the Company, Legal Counsel of the Group and Chief Compliance Officer	August 2020	
QIAN Ming	COSCO SHIPPING Lines Co., Ltd.	Deputy General Manager	January 2020	
	Shanghai PANASIA Shipping Co., Ltd.	Director	August 2022	November 2024
	Coheung Marine Shipping Company Limited	Chairman	December 2024	
WU Yu	COSCO SHIPPING Lines Co., Ltd.	Deputy General Manager	July 2022	
	Orient Overseas Container Line Limited	Director, member of the Executive Committee	December 2020	
	Shanghai COSCO SHIPPING Information Technology Co., Ltd.	Chairman	February 2020	
	Shanghai COSCO SHIPPING Information Technology Co., Ltd.	Secretary of Party Committee	December 2022	
	Shanghai COSCO SHIPPING Information Technology Co., Ltd.	General Manager	December 2022	November 2024
GE Heyue	COSCO SHIPPING Lines Co., Ltd.	Deputy General Manager	July 2022	
	COSCO SHIPPING Logistics Co., Ltd.	Director	November 2022	
	COSCO SHIPPING Logistics & Supply Chain Management Co., Ltd.	Director	November 2022	
	Hainan Harbour & Shipping Holding Co., Ltd.	Director	December 2022	
	COSCO SHIPPING Container Lines Agencies Limited	Chairman	December 2024	
QIN Jiangping	COSCO SHIPPING Lines Co., Ltd.	Deputy General Manager	June 2024	
	Shanghai Ocean Shipping Co., Ltd.	Chairman, Secretary of Party Committee	December 2022	
	Shanghai PANASIA Shipping Co., Ltd.	Director	August 2023	November 2024
	China-Japan International Ferry Co., Ltd.	Chairman	August 2023	
Description of the position	Nil			

(II) Position in other entities

Name	Name of entity	Position	Date of appointment	Date of termination
CHEN Yangfan	China Electronics Corporation Limited	Deputy Secretary of the Party Committee and Director	January 2025	
TAO Weidong	Shanghai International Port (Group) Co., Ltd.	Director	October 2022	June 2023
YU De	SAIC Motor Corporation Limited	Assistant to the president	July 2019	
	Shanghai Automotive International Trading Co., Ltd.	General Manager	July 2019	
MA Si-hang Frederick	FWD Group Limited	Independent Non-executive Director	December 2013	
	FWD Group Limited	Chairman	July 2022	
	Guangshen Railway Co. Ltd.	Independent Non-executive Director	June 2020	June 2023
	HH&L Acquisition Co.	Independent Non-executive Director	February 2021	
	Unicorn II Holdings Limited	Independent Non-executive Director	January 2022	
	BOC Hong Kong (Holdings) Limited	Independent Non-executive Director	October 2023	
	Bank of China (Hong Kong) Limited	Independent Non-executive Director	October 2023	
SHEN Dou	Baidu, Inc.	Executive Vice President	May 2019	
	CITIC Aibank Corporation Limited	Director	July 2023	
	Dalian Neusoft Holdings Co., Ltd.	Director	July 2023	
	Beijing iQIYI Science & Technology Co., Ltd.	Director	September 2019	
	China United Network Communications Limited	Director	November 2023	

Directors' Report

Name	Name of entity	Position	Date of appointment	Date of termination
XU Donggen	Power Construction Corporation of China, Ltd	Independent Director	March 2018	August 2024
	Qingdao Citymedia Co., Ltd.	Independent Director	January 2022	
	Shanghai Jiao Tong University	Professor at the School of Law, doctoral tutor	December 2002	
SI Yuncong	Shenzhen SED Industry Co., Ltd.	Chairman of the Board	May 2023	
	Shenzhen SED Industry Co., Ltd.	Party Secretary	May 2023	December 2024
MENG Yan	Sinotrans Limited	Independent Non-executive Director	January 2019	
	Beijing Capital Co., Ltd	Independent Non-executive Director	December 2017	
	Qianxin Technology Co., Ltd. (奇安信科技股份有限公司)	Independent Non-executive Director	May 2019	
	Changchun Engley Automobile Industry Co., Ltd. (長春英利汽車工業股份有限公司)	Independent Non-executive Director	July 2018	
ZHANG Jianping	Shenzhen Worldunion Group Incorporated (深圳世聯行集團有限公司)	Independent Non-executive Director	October 2019	
	China First Heavy Industries Co., Ltd.	Independent Non-executive Director	June 2019	
	Cinda Securities	Independent Non-executive Director	May 2019	
	Vantone Neo Development Group Co., Ltd.	Independent Non-executive Director	February 2021	
QIAN Ming	Anji AUTOMOTIVE Logistics Co., Ltd.	Director	December 2024	
QIN Jiangping	West Basin Container Terminal LLC.	Director	October 2024	
	Shanghai International Port (Group) Co., Ltd.	Director	October 2024	
Description of the position	Nil			

II. Remuneration of Directors, Supervisors and Senior Management of the Company

Determination of remuneration of Directors, Supervisors and senior management	Remuneration of Directors and Supervisors were determined at Shareholders' general meeting. Determination of the remuneration of the senior management of the Company is set out in the section headed "The establishment and implementation of the appraisal system and incentive mechanism for senior management during the Reporting Period" under the Directors' Report of this annual report.
Whether Directors avoid when discussing matters on their own remuneration by the Board	Yes
Details on the recommendations made by the remuneration and assessment Committee or the special meeting of independent Directors on remuneration of Directors, Supervisors and senior management	On 23 October 2023, the 13th meeting of the Remuneration Committee of the sixth session of the Board of Directors of COSCO SHIPPING Holdings reviewed and approved the resolution on relevant allowances for the seventh session of Directors and Supervisors; On 14 March 2024, the 4th meeting of the Remuneration Committee of the seventh session of the Board of Directors of COSCO SHIPPING Holdings reviewed and approved the remuneration payment of senior management in 2024, and submitted the relevant proposal to the Board of Directors for consideration.
Basis of remuneration of Directors, Supervisors and senior management	Remuneration of Directors and Supervisors were determined at Shareholders' general meeting. Decision-making process of the remuneration of the senior management of the Company is set out in the section headed "The establishment and implementation of the appraisal system and incentive mechanism for senior management during the Reporting Period" under the Directors' Report of this annual report.
Remuneration payable to Directors, Supervisors and senior management	The salaries of Directors and Supervisors shall be paid in accordance with the service contracts entered into by them. Remuneration of the senior management of the Company shall be determined on annual basis taking into account the operating results and annual personal appraisal results and in accordance with the "Administrative Measures for the Remuneration of Officers in Charge of COSCO SHIPPING Holdings Co., Ltd." approved by the Board. Where the senior executives of the Company hold their posts in and receive remunerations from its subsidiaries, their annual salary standard shall be determined by their respective subsidiaries' board of directors in accordance with corresponding salary system, and its salary results of fulfillment will be reported to the Company for check.
Total actual remuneration of all Directors, Supervisors and senior management during the Reporting Period	RMB34.6956 million (before tax)

III. Changes in Directors, Supervisors and Senior Management of the Company during the Reporting Period

1. Appointment of Directors and Changes

Mr. ZHANG Wei voluntarily resigned from the positions of the executive Director, deputy general manager and authorised representative of the Company under Rule 3.05 of the Listing Rules due to change in work arrangements with effect from 29 April 2024. For details, please refer to the announcement of the Company dated 29 April 2024 and the overseas regulatory announcement of the same date.

Mr. YANG Zhijian voluntarily resigned from the positions of the executive Director and general manager of the Company due to change in work arrangements with effect from 29 May 2024. For details, please refer to the announcement of the Company dated 29 May 2024 and the overseas regulatory announcement of the same date.

Mr. ZHANG Feng was appointed as the deputy general manager of the Company with effect from 29 April 2024. On 29 May 2024, the Shareholders of the Company approved the appointment of Mr. ZHANG Feng as the executive Director and the authorised representative of the Company under Rule 3.05 of the Listing Rules at the annual general meeting. Subsequently, with effect from 18 October 2024, Mr. ZHANG Feng voluntarily resigned from the positions of the executive Director, deputy general manager and authorised representative of the Company under Rule 3.05 of the Listing Rules due to change in work arrangements. For details, please refer to the announcements of the Company dated 29 April 2024, 29 May 2024 and 18 October 2024, and the overseas regulatory announcements dated 29 April 2024, 29 May 2024 and 20 October 2024.

Mr. ZHU Tao was appointed as the deputy general manager of the Company with effect from 21 June 2024. On 13 November 2024, the Shareholders of the Company approved the appointment of Mr. ZHU Tao as the executive Director of the Company at the extraordinary general meeting. For details, please refer to the announcements of the Company dated 21 June 2024 and 13 November 2024 and the overseas regulatory announcements of the same dates.

2. Appointment of Supervisors and Changes

Nil

3. Changes in Senior Management

Mr. YE Jianping and Mr. CHEN Shuai voluntarily resigned from the positions of the deputy general managers of the Company due to change in work arrangements with effect from 21 June 2024. On the same day, Mr. ZHU Tao and Mr. QIN Jiangping were appointed as the deputy general managers of the Company for a term with immediate effect and ending on the date of the first meeting of the eighth session of the Board. For details, please refer to the announcement of the Company dated 21 June 2024 and the overseas regulatory announcement of the same date.

IV. Penalty imposed by security regulatory authorities in recent three years

Not applicable

V. Staff of the Company and its significant subsidiaries

(1) Information of staff

Number of working staff of parent company	53
Number of working staff of significant subsidiaries	32,362
Total number of working staff	32,415
Qualification	
Category of qualification	**Number of staff**
Production	13,121
Sales	4,118
Technicians	4,452
Accounting	1,846
Administration	1,927
Others	6,951
Total	32,415
Education level	
Education background	**Number of staff**
Secondary or below	4,975
Tertiary	8,440
Graduate	16,626
Master's degree or above	2,374
Total	32,415

(2) Employee diversity policy

As of the end of the Reporting Period, the Company had a total of 32,415 employees (including senior management), of which 58% were male employees and 42% were female employees.

The Company attaches great importance to the building of pool of talent pool and continues to explore talents in the industry. Under the principle of fair, transparent and equal recruitment, the Company continues to recruit and build a pool of outstanding talents through online and offline campus and social recruitments. The Group actively recruits new graduates and solicited a group of outstanding students through special campus promotion activities and corporate publicity to join the shipping team.

Combining the principle of equal recruitment, the Company continuously builds a diversified and inclusive team and provides its employees with equal employment opportunities. Any form of discrimination or unfair treatment based on any non-work-related factors is prohibited, irrespective of colour, nationality, ethnicity, age, gender, religious belief or physical disability. The Company actively recruits retired firefighters and provides diversified stages and career development opportunities for such retired personnel. The Company also cares for the disabled persons and offered various benefits and remunerations to the disabled employees, helping them to explore their career development and job positioning.

There are no factors and circumstances that would make it more challenging or less possible to achieve gender diversity for all employees, including senior management.

During the year, the Company had reviewed the implementation and effectiveness of the gender diversity policy for employees, including senior management. As a result of the above measures, the gender diversity policy for employees, including senior management, was considered to have been effectively implemented.

(3) Remuneration policy

To allow all staff to enjoy the development results of the Company, the Company regularly improve its staff remuneration, benefit and insurance policy in accordance with the conditions of the Company and the external and internal business environment to facilitate the development of the Company and the building of a strong working team. The Company also safeguards the legal rights of less privileged group of staff strictly in accordance with the laws and regulations of China. For entities operating in the PRC, the Company determines the minimum salary standard of staff in accordance with the requirements of the local governments. The Company has established retirement benefit scheme, medical insurance scheme, work injury insurance scheme, pregnancy and birth insurance scheme and unemployment insurance scheme for all staff. The Company has also established a housing provident fund. For entities operating outside China, the Company has established a remuneration policy strictly in accordance with the laws and regulations and policies of the local governments.

(4) Training plans

In respect of the training work in 2024, the Company adhered to the general keynote of "seeking progress while maintaining stability", strictly in line with four major work priorities of "focusing on the essence", "promoting stability through progress", "building before dismantling", and "keeping precision and effectiveness". Guided by the Company and the "14th Five-Year Plan" for Talent Development, the training work served the strategic transformation of the Company and the construction of talent team, adapted to the new requirements of training management under the new situation, and gave full play to the important role of education and training in talent cultivation.

(5) Outsourcing

Total cost of outsourcing	RMB0.576 billion

VI. Repurchase, Sale or Redemption of the Company's Shares

On 25 May 2023, the annual general meeting, the class meeting of the A Shareholders and the class meeting of the H Shareholders of the Company considered and approved the grant of a general mandate to the Board to repurchase A Shares and H Shares, so as to repurchase A Shares and H Shares not exceeding 10% of the number of A Shares and H Shares in issue as at the date of the annual general meeting, the class meeting of the A Shareholders and the class meeting of the H Shareholders, respectively. On 29 August 2023, the 27th meeting of the sixth session of the Board of the Company approved the "Proposal on the Share Repurchase Plan of COSCO SHIPPING Holdings", and agreed to implement the share repurchase plan to safeguard the values of the Company and the interests of the Shareholders, to implement the repurchase of Shares in accordance with the framework of the general mandate for repurchase of Shares approved at the annual general meeting and in compliance with applicable laws. All purchased Shares shall be cancelled and the registered share capital shall be reduced accordingly.

On 29 May 2024, the annual general meeting, the class meeting of the A Shareholders and the class meeting of the H Shareholders of the Company considered and approved the grant of a general mandate to the Board to repurchase A Shares and H Shares, so as to repurchase A Shares and H Shares not exceeding 10% of the number of A Shares ("**General Mandate to Repurchase A Shares**") and H Shares ("**General Mandate to Repurchase H Shares**") in issue as at the date of the annual general meeting, the class meeting of the A Shareholders and the class meeting of the H Shareholders, respectively. On 18 October 2024, the Board considered and approved the Resolution on the Shares Repurchase Plan of COSCO SHIPPING Holdings with Special Loans Provided by Bank(s) and Own Funds《(關於中遠海控以銀行專項貸款及自有資金回購公司股份方案的議案》), pursuant to which it is proposed to repurchase A Shares through centralized price bidding pursuant to the General Mandate to Repurchase A Shares ("**A Shares Repurchase Plan**") and to repurchase H Shares pursuant to the General Mandate to Repurchase H Shares. On 13 November 2024, the extraordinary general meeting of the Company considered and approved the implementation of the A Shares Repurchase Plan. All purchased Shares shall be cancelled and the registered share capital shall be reduced accordingly.

The monthly reports on the repurchase of A Shares and H Shares during the Reporting Period are as follows:

Repurchase of A Shares

Month of repurchase	Number of repurchased Shares	Purchase price per Share Highest (RMB/Share)	Lowest (RMB/Share)	Total price (excluding transaction costs) (RMB)
November	50,000,050	14.71	13.51	703,339,984.4
Total	50,000,050			703,339,984.4

Repurchase of H Shares

Month of repurchase	Number of repurchased Shares	Purchase price per Share Highest (HK$/Share)	Lowest (HK$/Share)	Total price (excluding transaction costs) (HK$)
January	34,032,000	8.46	7.54	271,275,105
February	23,019,000	8.90	7.64	190,659,075
October	3,109,000	11.78	11.46	36,132,640
November	62,412,000	12.64	10.74	736,888,180
December	17,132,500	12.52	11.00	200,743,560
Total	139,704,500			1,435,698,560

As of the latest practicable date of this report (i.e., 16 April 2025), all A Shares and H Shares repurchased by the Company during the Reporting Period have been fully cancelled.

Except for the aforesaid, neither the Company nor any of its subsidiaries had repurchased or sold any listed securities of the Company during the Reporting Period. No treasury Shares (as defined in the Listing Rules) were held, sold or transferred by the Company, nor were any securities of the Company redeemed during the Reporting Period.

VII. Public Float

As of the latest practicable date prior to the issue of this report, i.e. 16 April 2025, based on information that is publicly available to the Company and within the knowledge of the Directors, the public float of the Company satisfied the requirement of the Listing Rules.

By Order of the Board of Directors
Wan Min
Chairman

Shanghai, the PRC
21 March 2025

Report of Supervisory Committee

Dear Supervisors,

The Supervisory Committee of the Company conscientiously performs its duties conducts its work proactively and diligently in accordance with the laws and regulations in the places where the Company's shares are listed, the Articles of Association, the Rules of Procedures of the Supervisory Committee and other applicable laws. In 2024, the Company held five meetings of the Supervisory Committee in total, including four physical + video meetings and one meeting by written correspondence.

I. Basic information

Members of the Supervisory Committee were present at general meetings, Board meetings and meetings of the Supervisory Committee to listen to work reports and financial presentation, review financial reports and audit reports and supervise the procedures and the resolutions of the Board meetings and general meetings, the implementation of resolutions made at general meetings, the discharge of duties by the Directors and senior management of the Company, financial conditions of the Company, the implementation of the Company's internal control, the Share Option Incentive Scheme, the profit distribution of the Company etc., and issued their opinion independently so as to safeguard the interests of the Shareholders and the Company lawfully.

The Supervisory Committee is of the opinion that the Board and the senior management of the Company have strictly complied with the Articles of Association and the relevant requirements of the applicable laws in the places where the Company's shares are listed and have dutifully and diligently conducted the Company's operations within the relevant regulatory framework. The Supervisory Committee was not aware of any situation where the Directors and senior management of the Company have violated applicable laws, the Articles of Association or the interests of the Company. The Supervisory Committee has no objection to the matters under its supervision during the Reporting Period.

The Supervisory Committee has carefully reviewed the periodic reports such as annual, interim and quarterly reports and signed the written confirmation for the periodic reports of the Company. The Supervisory Committee is of the opinion that there are no false and misleading statements or material omissions in the annual, interim and quarterly reports of the Company.

The Supervisory Committee has reviewed the 2024 annual financial report issued by the Company, the profit distribution plan and the unqualified auditor's report issued by the Company's domestic and overseas auditors. The Supervisory Committee agreed with the unqualified auditor's reports issued by ShineWing Certified Public Accountants, LLP, SHINEWING (HK) CPA Limited.

The Supervisory Committee has reviewed the 2024 Annual Evaluation Report of Internal Control issued by the Board and was of the view that the report truly reflected the basic situation of the Company's internal control and complied with the relevant laws and regulations of the PRC and the requirements of the securities regulatory authorities.

During the year, the Supervisory Committee carefully reviewed the Proposal on Fulfilling the Exercise Conditions of the Stock Option Incentive Scheme and Adjusting the List of Incentive Participant and Number of Options and Cancelling Certain Share Options Granted but Not Exercised of COSCO SHIPPING Holdings《關於中遠海控股票期權激勵計劃行權條件達成、調整激勵對象名單和期權數量、註銷部分已獲授但未行使的股票期權的議案》and the Proposal on Change of International Auditor of COSCO SHIPPING Holdings for 2024《關於改聘中遠海控 2024 年度境外審計機構之議案》and signed the review opinions on the matters considered. The Supervisory Committee is of the opinion that the resolution is true and in compliance with standardized procedure and in accordance with the requirements of relevant laws, regulations and regulatory documents.

II. Investigation and Research

In December 2024, members of the Supervisory Committee conducted work investigation and research in Guangzhou, Shenzhen and other regions to understand the work of COSCO SHIPPING Holdings in serving the new development of the cross-border e-commerce and foreign trade industries, especially in exploring digital supply chain solutions for the cross-border e-commerce industry. During the investigation and research, members of the Supervisory Committee conducted in-depth investigations, listened carefully and carried out sufficient exchanges, and put forward valuable opinions and suggestions on customer service, digital construction, port and shipping cooperation and compliant operations:

Firstly, focus on customer needs and improve the level of precise services. Guided by serving the needs of customers in the cross-border e-commerce industry, we should take the "TEMU T86 Shipping Small Package Special Line (TEMU T86 海運小包專線)" project as a model and create a "consultant-style" sales service team for customers in the industry. We should also conduct in-depth research on the pain points and difficulties of cross-border e-commerce customers. Especially, in terms of route optimization, imbalanced container supply and demand and early closing date for customs declaration, we should optimize product services and promote precise matching of resources and needs. Moreover, we should expand the coverage of the last-mile full-chain logistics services, continue to enhance our domestic warehouse and container consolidation capabilities, carry out overseas warehouse construction in multiple directions, develop targeted logistics solutions for different customer needs and continue to build a leading logistics service benchmark in the cross-border e-commerce industry.

Secondly, adhere to innovative development and promote the implementation of digital supply chain strategies. We should thoroughly implement the national and our own digital supply chain strategies, focus on digital intelligence chain connectivity, accelerate the transition from "route products" to "digital supply chain products". In addition, we should take into consideration the needs of the cross-border e-commerce industry, further innovate supply chain portfolio products on the basis of deepening the creation of the "Hi (恒)" series, create digital full-chain products that are more in line with customer needs and further enhance the product strength of digital supply chain. Meanwhile, we should adapt to the development trend of cross-border e-commerce, actively build digital platform and big data architecture to serve the full-process supply chain business, promote system construction and data visualization analysis and application and expand digital supply chain business. We should also learn from top customers in cross-border e-commerce in respect of the construction of their digital capabilities, using data as grains and AI as tools to increase cooperation with cross-border e-commerce, further enhance our connectivity with cross-border e-commerce systems and achieve high-quality development together with customers.

Report of Supervisory Committee

Thirdly, strengthen internal collaboration and expand the cross-border e-commerce supply chain service network. We should strengthen the resilience of our logistics supply chain and accelerate the construction of a full-process comprehensive supply chain ecosystem empowered by digital intelligence. In addition, we should rely on the high-quality development of the "Belt and Road", implement the integrated operation model of "container shipping + port + related logistics" of COSCO SHIPPING Holdings, deepen internal collaboration with port companies, overseas regional companies, supply chain logistics companies and other entities within the Group, create integrated supply chain logistics services with seamless connection of shipping routes, terminals, yards and land transportation, and create a greater synergy in market development, top customer development and other aspects. We should also continue to work on dynamically optimizing routes, rely on the needs of cross-border e-commerce customers, optimize route schedule windows, fully reflect our advantages of accurate voyage rates and stability and further deepen the concept of differentiated product services for boutique routes on the basis of the opening of the SEA3 E-Commerce Fast Route (SEA3 電商快航) to facilitate "China's manufacturing industry" in exploring new export channels. Moreover, we should strengthen cooperation with overseas companies, enhance the construction of extended service capabilities such as overseas ports, terminals, customs clearance, warehousing and distribution, with a focus on the construction of overseas warehouses and last-mile delivery service capabilities, deeply connect the full-chain shipping needs of integrated industrial and trade and platform customers and comprehensively enhance our service capabilities for cross-border e-commerce.

Fourthly, adhere to multi-dimensional empowerment and stimulate the innovation vitality of frontline business. We should make full use of our regional advantages, establish a long-term talent training mechanism, continuously enhance the innovation awareness, business capabilities and entrepreneurial vitality of young frontline cadres, fully leverage the market "touch point" role of frontline business personnel to timely and sensitively capture market changes, encourage them to explore and try, improve market response abilities and speed and enhance the capabilities of global digital supply chain transformation and development. Meanwhile, we should improve incentive mechanism and fault tolerance mechanism, create a positive incentive culture, insist on increasing salaries of frontline personnel, strive to match income and benefits with contributions and capabilities, maximize the positive incentive effect and cultivate backbone forces for the Company to explore new markets, consolidate new channels and achieve strategic goals.

Fifthly, strengthen the compliance cornerstone and enhance the compliance ability of growth business operations. We should fully recognize the importance of compliance, insist on promoting compliance management so as to guarantee our high-quality development, enhance work enthusiasm and proactivity and promote our compliance management work to move deeper and become more practical. In addition, we should actively respond to changes in local laws and regulations, establish and improve compliance management system, enhance our own internal control mechanism, strengthen cooperation and communication with domestic and foreign peers and strive for a favorable business environment in promoting the construction of cross-border e-commerce infrastructure and logistics system, especially the construction of overseas warehouses and overseas last-mile delivery services. Moreover, we should actively implement the specific work deployment of the State-owned Assets Supervision and Administration Commission on enterprise compliant operations, dynamically follow up on changes in international geopolitical and industry regulatory policies, strengthen the monitoring and analysis of major risks in supply chain logistics business, formulate contingency plans in advance for emergent compliance risks, improve market risk response capabilities and ensure the stable operations of the Company.

Supervisory Committee of COSCO SHIPPING Holdings Co., Ltd.

21 March 2025

Independent Auditor's Report

TO THE SHAREHOLDERS OF COSCO SHIPPING Holdings Co., Ltd.
(Incorporated in the People's Republic of China with limited liability)

Opinion

We have audited the consolidated financial statements of COSCO SHIPPING Holdings Co., Ltd. (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 172 to 311, which comprise the consolidated balance sheet as at 31 December 2024, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended; and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matters identified in our audit are summarized as follows:

- Impairment assessment of goodwill;
- Freight revenues for vessel voyages in progress at year end;
- Provision for onerous contract for the Terminal Service Agreement ("TSA") for Long Beach Container Terminal ("LBCT");

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of goodwill *Refer to notes 3.1(e), 5(a) and 11 to the consolidated financial statements.*	
As at 31 December 2024, the Group had goodwill with total carrying amount of RMB6,401 million out of which RMB5,099 million was generated from the acquisition transaction of Orient Overseas International Limited ("OOIL"). Management tests whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 3.1(e). The recoverable amounts of cash generating units ("CGUs") have been determined based on value-in-use calculations. The value-in-use calculations use cash flow projections based on financial budgets which involve judgments by management such as determining revenue growth rates, operating margins and the discount rate. Changes in these assumptions may impact the recoverable amount of goodwill. Management concluded that the goodwill was not impaired. We focused on this area as the assessment involved significant judgments, including the revenue growth rates, operating margins and discount rate applied to the estimates of the recoverable amount. All these factors are with estimation uncertainties and may impact the results of the impairment assessment.	Our procedures in relation to the impairment assessment of goodwill included: • obtained an understanding of management's internal control and assessment process of impairment of goodwill and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors, such as complexity, subjectivity, changes and susceptibility to management bias or fraud; • obtained the calculation prepared by the management and tested the mathematical accuracy of the value-in-use calculations; • compared and analyzed the actual results of relevant asset during the current year against the respective forecasts in previous year to evaluate the reliability of management's historical prediction of future cash flow; • assessed the reasonableness of key assumptions applied in the financial budgets such as revenue growth rates and operating margins applied by management by comparing historical performance and available market reports, where applicable; • involved our internal valuation experts to assess the appropriateness of the valuation methodologies used to determine value-in-use and benchmarked the discount rates applied to other comparable companies in the same industry; and • assessed management's sensitivity analyses on the key assumptions, to ascertain the extent to which adverse changes, both individually or in aggregate, would result in the assets being impaired.

Key Audit Matters (Continued)

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the Key Audit Matter</th></tr>
<tr><td>Freight revenues for vessel voyages in progress at year end
Refer to note 3.1(i), 5(c) and 6 to the consolidated financial statements.</td><td></td></tr>
<tr><td>For the year ended 31 December 2024, the Group recognized revenue of RMB233,859 million out of which RMB225,891 million was related to freight revenues from container shipping.

The Group recognizes freight revenues over time which is determined on the time proportion of each individual vessel voyage completed at year end with reference to their voyage details such as freight rates, voyage departure and arrival information.

We focused on the recognition of freight revenues at year end because the transaction volume of the voyages which were in progress at year end is significant and complex calculations are involved in the estimation of freight revenue on a percentage of completion basis.</td><td>Our procedures in relation to management's estimation of freight revenues for vessel voyages in progress at year end included:

• obtained an understanding of management's internal control and estimation process and assessed the level of inherent risk by considering the degree of estimation uncertainty and factors such as complexity;

• evaluated and tested the key controls that management has established in respect of recording freight revenues on a sample basis, focusing on management's controls over the estimate of freight revenues for vessel voyages which were still in progress at year end;

• tested the freight rates maintained in the Group's operation system on a sample basis by comparing with supporting documents such as customer contracts;

• checked the vessel voyage departure and arrival information (i.e. time and date) from the Group's operation system on a sample basis against the supporting documents such as terminal records; and

• recomputed the estimated freight revenues calculations of vessels voyages in progress recorded in the Group's operation system on a sample basis and reconciled to the accounting records.</td></tr>
</table>

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Provision for onerous contract for the TSA for LBCT *Refer to notes 3.1(g), 5(d) and 27 to the consolidated financial statements.*	
In October 2019, OOIL, a subsidiary of the Company, entered into a terminal service agreement for procuring the placement of an annual minimum number of vessel lifts ("MVC") at LBCT for each of the 20 years commencing on 1 November 2019 ("TSA"). According to the TSA, OOIL is obliged to pay a deficiency payment when there is shortfall over the respective MVC for each year during the contract period. A provision should be made for the present obligation under the TSA where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Management performed an assessment to determine if any onerous provision for the TSA is required. As at 31 December 2024, OOIL recognized a provision for onerous contract of US$896.7 million (equivalent to approximately RMB6,446.2 million) for the TSA, which is calculated using an expected value approach involving probability weighted possible scenarios taking into considerations of respective economic benefits to be received and associated fulfilment costs during the remaining contract period. The estimation of the fulfilment costs and economic benefits over the remaining contract period involves significant judgements and assumptions including, a) the projected vessel lifts to be placed at LBCT, b) the expected amount of deficiency payment/excess rebates as stipulated in the TSA when the volume is below/in excess of the MVC, c) the amount of expected bunker costs and other operating costs and d) the expected freight rate from operating the services to/from LBCT. We focused on this area because of the significance of the onerous provision as well as the estimation of it involved a high degree of uncertainty. The inherent risk in relation to the onerous contract assessment is significant due to the complexity of the calculation methodology and model and high level of subjectivity of management's judgements and assumptions made.	Our procedures in relation to the assessment of the provision for onerous contract for the TSA included: • obtained an understanding of management's assessment process of the onerous provision for the TSA and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and factors such as complexity and subjectivity; • evaluated the appropriateness of the identification of expected economic benefits and fulfilment cost element included in management's assessment through discussion with management and corroborated with our review of the key terms of the TSA and our understanding of the applicable accounting standard requirements; • assessed the calculation methodology and model for onerous contract provision with the involvement of our in house specialists; • evaluated management's projected vessel lifts for the remaining contract period under the TSA through discussion with management, referencing to market data and comparing to historical vessel lifts and trends of LBCT; • checked management's calculation of the excess rebate or deficiency payment according to the terms in the TSA and the projected vessel lifts at LBCT; • assessed the reasonableness of expected bunker costs with reference to market forecast and other expected operating costs and freight rate based on the approved budget, market data, and our knowledge of the business and industry;

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Provision for onerous contract for the TSA for LBCT (Continued) *Refer to notes 3.1(g), 5(d) and 27 to the consolidated financial statements.*	
	• evaluated the probability weighting applied to the possible scenarios prepared by management based on our understanding of the OOIL's business and industry as well as discussion with management and corroborated with management's sensitivity analysis on the probability weighting applied to possible scenarios; and • evaluated the appropriateness and adequacy of the relevant disclosures made in the Group's consolidated financial statements.

Other Matter

The consolidation financial statements of the Group for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion in those statements on 28 March 2024.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

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

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

Responsibilities of Directors of the Company and the Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. We report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Conclude on the appropriateness of the Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

The engagement partner on the audit resulting in this independent auditor's report is Lee Shun Ming.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Lee Shun Ming
Practising Certificate Number: P07068

Hong Kong
21 March 2025

Consolidated Balance Sheet

As At 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	7	**151,162,582**	129,796,097
Right-of-use assets	8	**43,951,780**	44,644,173
Investment properties	9	**3,415,219**	3,254,220
Intangible assets	10	**4,668,995**	4,705,737
Goodwill	11	**6,400,680**	6,358,223
Investments in joint ventures	13	**8,926,606**	8,732,396
Investments in associates	14	**63,574,793**	58,146,921
Financial assets at fair value through other comprehensive income	16	**4,916,682**	1,918,241
Financial assets at fair value through profit or loss	17	**444,761**	425,459
Financial assets at amortised cost	18	**344,248**	374,862
Deferred income tax assets	19	**1,045,988**	918,506
Loans to associates	15	**840,964**	227,932
Pension and retirement assets	29	**122,006**	95,546
Other non-current assets	20	**1,539,933**	392,780
Total non-current assets		**291,355,237**	259,991,093
Current assets			
Inventories	22	**6,332,469**	6,561,355
Trade and other receivables and contract assets	23	**14,497,444**	13,438,884
Financial assets at fair value through profit or loss	17	**65,948**	95,000
Financial assets at amortised cost	18	**41,758**	5,747
Derivative financial assets		**–**	19,106
Taxes recoverable		**116,742**	103,298
Restricted bank deposits	21	**873,538**	1,190,697
Cash and cash equivalents	21	**184,189,078**	181,165,440
Total current assets		**206,116,977**	202,579,527
Total assets		**497,472,214**	462,570,620

The notes on pages 180 to 311 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet (Continued)

As At 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000 (Restated)
EQUITY			
Equity attributable to the equity holders of the Company			
Share capital	24	**15,960,827**	16,071,058
Reserves	25	**218,707,236**	180,044,171
		234,668,063	196,115,229
Non-controlling interests		**50,390,714**	47,235,796
Total equity		**285,058,777**	243,351,025
LIABILITIES			
Non-current liabilities			
Long-term borrowings	26	**30,946,004**	32,740,761
Lease liabilities	8	**31,607,130**	31,842,017
Provisions and other liabilities	27	**6,898,584**	7,005,654
Put option liability	28	**–**	1,742,435
Pension and retirement liabilities	29	**350,429**	320,849
Deferred income tax liabilities	19	**19,820,587**	18,231,512
Total non-current liabilities		**89,622,734**	91,883,228
Current liabilities			
Trade and other payables and contract liabilities	30	**104,269,055**	106,049,466
Short-term borrowings	26	**1,703,638**	2,417,519
Current portion of long-term borrowings	26	**2,026,044**	8,118,638
Current portion of lease liabilities	8	**9,939,455**	9,266,761
Current portion of provisions and other liabilities	27	**37,376**	36,999
Put option liability	28	**1,820,032**	–
Tax payables		**2,995,103**	1,446,984
Total current liabilities		**122,790,703**	127,336,367
Total liabilities		**212,413,437**	219,219,595
Total equity and liabilities		**497,472,214**	462,570,620
Net current assets		**83,326,274**	75,243,160
Total assets less current liabilities		**374,681,511**	335,234,253

The notes on pages 180 to 311 are an integral part of these consolidated financial statements.

The consolidated financial statements on pages 172 to 311 were approved by the Board of Directors on 21 March 2025 and were signed on its behalf.

Mr. Wan Min
Director

Mr. Tao Weidong
Director

Consolidated Income Statement

For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000 (Restated)
Revenues	6	**233,859,079**	175,452,975
Cost of services	31	**(166,175,223)**	(147,851,737)
Gross profit		**67,683,856**	27,601,238
Other income	32	**2,120,213**	5,143,349
Other expenses	32	**(175,488)**	(75,388)
(Provision for)/reversal of impairment losses on financial assets, net		**(67,950)**	225,164
Selling, administrative and general expenses	31	**(10,537,477)**	(8,243,817)
Operating profit		**59,023,154**	24,650,546
Finance income	33	**6,297,079**	7,474,087
Finance costs	33	**(3,177,195)**	(3,735,521)
Net finance income		**3,119,884**	3,738,566
		62,143,038	28,389,112
Share of profits less losses of			
– joint ventures	13	**565,522**	599,488
– associates	14	**4,378,196**	4,091,191
Profit before income tax		**67,086,756**	33,079,791
Income tax expenses	34	**(11,494,089)**	(4,682,974)
Profit for the year		**55,592,667**	28,396,817
Profit attributable to:			
– Equity holders of the Company		**49,172,465**	23,860,169
– Non-controlling interests		**6,420,202**	4,536,648
		55,592,667	28,396,817

	Notes	2024 RMB	2023 RMB (Restated)
Earnings per share attributable to equity holders of the Company:			
Basic earnings per share	36	**3.08**	1.48
Diluted earnings per share	36	**3.08**	1.48

The notes on pages 180 to 311 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	2024 RMB'000	2023 RMB'000 (Restated)
Profit for the year	**55,592,667**	28,396,817
Other comprehensive income/(loss)		
Items that may be reclassified to profit or loss		
Share of other comprehensive loss of joint ventures and associates, net	**(20,505)**	(33,772)
Cash flow hedges, net of tax	**(30,390)**	(17,967)
Currency translation differences	**1,510,872**	1,816,874
Items that will not be reclassified to profit or loss		
Changes in the fair value of financial assets at fair value through other comprehensive income, net of tax	**909,624**	16,259
Remeasurements of post-employment benefit obligations	**10,078**	(29,702)
Share of other comprehensive loss of joint ventures and associates, net	**(33,871)**	(29,873)
Currency translation differences	**371,367**	691,365
Other comprehensive income for the year, net of tax	**2,717,175**	2,413,184
Total comprehensive income for the year	**58,309,842**	30,810,001
Total comprehensive income for the year attributable to:		
– Equity holders of the Company	**51,515,030**	25,621,369
– Non-controlling interests	**6,794,812**	5,188,632
	58,309,842	30,810,001

The notes on pages 180 to 311 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to equity holders of the Company				
	Share capital RMB'000	Reserves RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
Balance at 1 January 2024, as previously reported	16,071,058	180,044,199	196,115,257	47,104,215	243,219,472
Business combinations under common control (note 45)	–	(28)	(28)	131,581	131,553
Balance at 1 January 2024, as restated	16,071,058	180,044,171	196,115,229	47,235,796	243,351,025
Comprehensive income					
Profit for the year	–	49,172,465	49,172,465	6,420,202	55,592,667
Other comprehensive income/(loss):					
Share of other comprehensive loss of joint ventures and associates, net	–	(45,885)	(45,885)	(8,491)	(54,376)
Cash flow hedges, net of tax	–	(15,344)	(15,344)	(15,046)	(30,390)
Changes in the fair value of financial assets at fair value through other comprehensive income, net of tax	–	884,693	884,693	24,931	909,624
Remeasurements of post-employment benefit obligations	–	8,229	8,229	1,849	10,078
Currency translation differences	–	1,510,872	1,510,872	371,367	1,882,239
Total other comprehensive income	–	2,342,565	2,342,565	374,610	2,717,175
Total comprehensive income	–	51,515,030	51,515,030	6,794,812	58,309,842
Transactions with owners:					
Issue of A shares in connection with the exercise of share options	3,302	–	3,302	–	3,302
Transaction with non-controlling shareholders of subsidiaries	–	1,261,061	1,261,061	(1,871,334)	(610,273)
Dividends declared to shareholders of the Company	–	(11,970,479)	(11,970,479)	–	(11,970,479)
Dividends declared to non-controlling shareholders of subsidiaries	–	–	–	(2,040,865)	(2,040,865)
Fair value of share options granted	–	327	327	–	327
Put option liability movement	–	(36,534)	(36,534)	(14,525)	(51,059)
Repurchase and cancellation of shares	(113,533)	(1,905,141)	(2,018,674)	–	(2,018,674)
Transfer from retained profits	–	95,280	95,280	25,132	120,412
Utilisation of reserve fund	–	(95,280)	(95,280)	(25,132)	(120,412)
Others	–	(201,199)	(201,199)	286,830	85,631
Total transactions with owners	(110,231)	(12,851,965)	(12,962,196)	(3,639,894)	(16,602,090)
Balance at 31 December 2024	15,960,827	218,707,236	234,668,063	50,390,714	285,058,777

The notes on pages 180 to 311 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity (Continued)

For the year ended 31 December 2024

	Attributable to equity holders of the Company				
	Share capital RMB'000	Reserves RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
Balance at 1 January 2023, as previously reported	16,094,862	184,287,911	200,382,773	53,140,695	253,523,468
Change in accounting policy	–	207,894	207,894	61,732	269,626
Business combinations under common control (note 45)	–	65	65	130,123	130,188
Balance at 1 January 2023, as restated	16,094,862	184,495,870	200,590,732	53,332,550	253,923,282
Comprehensive income					
Profit for the year, as restated	–	23,860,169	23,860,169	4,536,648	28,396,817
Other comprehensive income/(loss):					
Share of other comprehensive loss of joint ventures and associates, net	–	(41,956)	(41,956)	(21,689)	(63,645)
Cash flow hedges, net of tax	–	(5,434)	(5,434)	(12,533)	(17,967)
Changes in the fair value of financial assets at fair value through other comprehensive income, net of tax	–	12,117	12,117	4,142	16,259
Remeasurements of post-employment benefit obligations	–	(20,401)	(20,401)	(9,301)	(29,702)
Currency translation differences	–	1,816,874	1,816,874	691,365	2,508,239
Total other comprehensive income, as restated	–	1,761,200	1,761,200	651,984	2,413,184
Total comprehensive income, as restated	–	25,621,369	25,621,369	5,188,632	30,810,001
Transactions with owners:					
Issue of A shares in connection with the exercise of share options	77,663	–	77,663	–	77,663
Transaction with non-controlling shareholders of subsidiaries	–	1,651,611	1,651,611	(3,641,108)	(1,989,497)
Dividends declared to shareholders of the Company	–	(30,672,892)	(30,672,892)	–	(30,672,892)
Dividends declared to non-controlling shareholders of subsidiaries	–	–	–	(8,068,785)	(8,068,785)
Fair value of share options granted	–	9,776	9,776	135	9,911
Put option liability movement	–	(32,505)	(32,505)	(16,652)	(49,157)
Repurchase and cancellation of shares	(101,467)	(1,159,993)	(1,261,460)	–	(1,261,460)
Transfer from retained profits	–	156,059	156,059	35,992	192,051
Utilisation of reserve fund	–	(156,059)	(156,059)	(35,992)	(192,051)
Others	–	130,935	130,935	441,024	571,959
Total transactions with owners, as restated	(23,804)	(30,073,068)	(30,096,872)	(11,285,386)	(41,382,258)
Balance at 31 December 2023, as restated	16,071,058	180,044,171	196,115,229	47,235,796	243,351,025

The notes on pages 180 to 311 are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2024

	NOTES	2024 RMB'000	2023 RMB'000 (Restated)
Cash flows from operating activities			
Cash generated from operations	39(a)	**71,424,747**	25,863,976
Interest received		**6,487,638**	7,469,436
Income tax paid		**(8,599,466)**	(10,749,583)
Net cash generated from operating activities		**69,312,919**	22,583,829
Cash flows from investing activities			
Purchase of property, plant and equipment investment properties and intangible assets		**(25,999,119)**	(15,322,623)
Acquisition of subsidiaries, net cash inflow/(outflow)	41	**12,222**	(561,895)
Investments in joint ventures, associates and financial assets		**(4,709,949)**	(5,708,644)
Proceeds from disposal of property, plant and equipment, investment properties, right-of-use assets and intangible assets		**373,146**	375,078
Cash received from disposal investment in associates, joint ventures and subsidiaries		**82,975**	20,752
Cash received from disposal of financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, or financial assets at amortised cost		**40,780**	258,848
Dividends received from joint ventures		**553,248**	656,652
Dividends received from associates		**2,687,634**	1,825,524
Interest income from financial assets at amortised cost		**19,432**	24,018
Others		**(32,001)**	90,166
Net cash used in investing activities		**(26,971,632)**	(18,342,124)

The notes on pages 180 to 311 are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement (Continued)

For the year ended 31 December 2024

	NOTES	2024 RMB'000	2023 RMB'000 (Restated)
Cash flows from financing activities	39(b)		
Proceed from borrowings		**8,544,272**	9,704,738
Repayment of borrowings		**(17,325,111)**	(10,029,581)
Repayment of loans from non-controlling shareholders of subsidiaries		**–**	(277,904)
Draw down of loans from an associate and a joint venture		**–**	273,264
Repayment of loans from an associate and joint venture		**(150,660)**	(405,000)
Repurchase of shares of the Company	24(a)	**(2,017,951)**	(1,261,193)
Transaction with non-controlling shareholders of subsidiaries		**(786,487)**	(2,009,884)
Dividends paid to non-controlling shareholders of subsidiaries		**(1,862,949)**	(8,426,029)
Dividends paid to shareholders of the Company		**(12,050,398)**	(30,867,888)
Issue of A shares in connection with the exercise of share options		**3,302**	77,663
Payment of lease liabilities		**(13,148,891)**	(14,568,816)
Interest paid		**(1,955,059)**	(2,222,080)
Others		**129,867**	(16,460)
Net cash used in financing activities		**(40,620,065)**	(60,029,170)
Net increase/(decrease) in cash and cash equivalents		**1,721,222**	(55,787,465)
Cash and cash equivalents as at 1 January		**181,165,440**	235,689,473
Exchange differences		**1,302,416**	1,263,432
Cash and cash equivalents as at 31 December	21	**184,189,078**	181,165,440

The notes on pages 180 to 311 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1. General information

COSCO SHIPPING Holdings Company Limited (the "Company") was incorporated in the People's Republic of China (the "PRC") on 3 March 2005 as a joint stock company with limited liability under the Company Law of the PRC. The address of its registered office is 2nd Floor, 12 Yuanhang Business Center, Central Boulevard and East Seven Road Junction, Tianjin Pilot Free Trade Zone (Airport Economic Area), Tianjin, the PRC. The H-Shares and A-Shares of the Company are listed on the Main Board of the Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange respectively.

The businesses of the Company and its subsidiaries (the "Group") included the provisions of a range of container shipping, managing and operating container terminals services on a worldwide basis.

The directors of the Company (the "Directors") regard China COSCO SHIPPING Corporation Limited ("COSCO SHIPPING"), a state-owned enterprise incorporated in the PRC, as being the Company's ultimate parent company, COSCO SHIPPING and its subsidiaries (other than the Group) are collectively referred to as "COSCO SHIPPING Group". The Directors regard China Ocean SHIPPING Company Limited ("COSCO") as the immediate parent company.

During the year, the Group completed the acquisitions from COSCO SHIPPING Group of the equity interests in certain entities ("Acquired Entities") as further discussed in note 45.

The consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

These consolidated financial statements have been approved for issue by the Directors on 21 March 2025.

2. Basis of preparation and changes in accounting policies

2.1 Basis of preparation

(a) Compliance with HKFRS and HKCO

The consolidated financial statements for the year ended 31 December 2024 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of the Hong Kong Companies Ordinance.

(b) Historical cost convention

The financial statements have been preparation a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) – measured at fair value or revalued amount
- assets held for sale – measured at the lower of carrying amount and fair value less costs to sell, and
- defined benefit pension plans – plan assets measured at fair value.

The consolidated financial statements have been prepared on a going concern basis and under the historical cost convention except for certain financial assets and liabilities (including derivative instruments) which have been stated at fair value or revalued amount.

2. Basis of preparation and changes in accounting policies (Continued)

2.2 Changes in accounting policies

The accounting policies applied in the preparation of these consolidated financial statements are set out below. These accounting policies have been consistently applied to all the years presented unless otherwise mentioned.

(a) New standards, amendments and interpretation to existing standards which are effective in 2024 and adopted by the Group

The following new standards, amendments and interpretation to existing standards have been adopted by the Group for the first time for the financial year beginning on 1 January 2024:

Amendments to existing standards	
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current
HKAS 1 (Amendments)	Non-current Liabilities with Covenants
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback
HK Int 5 (Amendments)	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The adoption of the above amendments to existing standards and interpretation does not have a material impact to the results and financial position of the Group.

(b) New standards, amendments, interpretation and improvements to existing standards which have not been adopted

The following standards, amendments, interpretation and improvements to existing standards, which are relevant to the operations of the Group, have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2025 but have not been early adopted by the Group:

New standards, amendments, interpretation and improvements		**Effective for accounting periods beginning on or after**
HKAS 21 (Amendments)	Lack of Exchangeability	1 January 2025
HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	1 January 2026
	Contracts Referencing Nature-dependent Electricity	
HKFRSs	Annual Improvements – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

None of these is expected to have a significant effect on the consolidated financial statements of the Group.

3. Accounting policies

3.1 Material accounting policies

(a) Group accounting

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to 31 December.

(i) Merger accounting for common control combinations

Business combinations under common control are accounted for in accordance with the Accounting Guideline 5 “Merger Accounting for Common Control Combinations”. In applying merger accounting, the consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are combined using the existing book values from the controlling parties’ perspective. No amount is recognized in consideration for joint ventures or excess of acquirers’ interest in the net fair value of acquiree’s identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party’s interest.

The consolidated income statement includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the previous balance sheet date or when they first came under common control, whichever is shorter.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting is recognized as an expense in the year in which it is incurred.

3. Accounting policies (Continued)

3.1 Material accounting policies (Continued)

(a) Group accounting (Continued)

(ii) Purchase method of accounting for non-common control combinations

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group, other than the common control combinations (note 3.1(a)(i)). The consideration transferred for the acquisition of subsidiaries is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the profit or loss.

(iii) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In the Company's balance sheet, the investments in subsidiaries are accounted for at cost less impairment (note 3.1(f)). For common control combination, the cost of investment is being the amount of the net asset value of the subsidiary acquired at date of completion (for share-settled transaction). For non-common control combination, the cost of investment is being the amount of the fair value of the consideration for the subsidiary acquired at date of completion.

The results of subsidiaries are accounted by the Company on the basis of dividend income.

3. Accounting policies (Continued)

3.1 Material accounting policies (Continued)

(a) Group accounting (Continued)

(iv) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between any consideration paid and the relevant share of the carrying value of net assets of the subsidiary acquired is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Non-controlling interest put options are put options over non-controlling interests accounted for using the present access method. Written put options in respect of which the Group does not have an unconditional right to avoid the delivery of cash, are recognized as financial liabilities.

Under this method, the non-controlling interest is not derecognized when the financial liability in respect of the put option is recognized, as the non-controlling interest still has present access to the economic benefits associated with the underlying ownership interest.

Non-controlling interest put options are initially recognized at the present value of expected future cash flows and subsequently remeasured at the present value of expected future cash flows with any changes in value (accretion and interest) through equity.

(v) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as joint venture, associate, or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss or equity.

3. Accounting policies (Continued)

3.1 Material accounting policies (Continued)

(a) Group accounting (Continued)

(vi) Investments in joint ventures/associates

HKFRS 11 classifies joint arrangements as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments in joint ventures/associates are accounted for using the equity method of accounting and are initially recognized at cost. The Group's investments in joint ventures/associates include goodwill identified on acquisition. The measurement of goodwill is the same as that of goodwill arising from the acquisition of subsidiaries. Appropriate adjustments to the Group's share of the profits or losses after acquisition are made to the consolidated financial statements based on the fair values of the assets and liabilities acquired at the date of acquisition.

If the ownership interest in a joint venture/an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss or equity where appropriate.

The Group's share of its joint ventures'/associates' post-acquisition profits or losses is recognized in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a joint venture/an associate equals or exceeds its interest in the joint ventures/associates, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint ventures/associates.

Dilution or partial disposal gains and losses arising in investments in joint ventures/associates are recognized in the consolidated income statement.

3. Accounting policies (Continued)

3.1 Material accounting policies (Continued)

(a) Group accounting (Continued)

(vi) Investments in joint ventures/associates (Continued)

In the Group's consolidated balance sheet, the investments in the joint ventures/associates are stated at cost less provision for impairment losses (note 3.1(f)). The results of joint ventures/associates are accounted for by the Group on the basis of dividend received and receivable.

Accounting policies of subsidiaries, joint ventures and associates have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Intercompany transactions and balances between group companies are eliminated. Unrealized gains on transactions between group companies and between the Group and its joint ventures and associates are eliminated to the extent of the Group's interest. Unrealized losses are also eliminated but unless the transaction provides evidence of an impairment of the asset transferred.

(b) Property, plant and equipment

(i) Assets under construction

Assets under construction represent primarily vessels and buildings under construction, and plant and equipment pending installation and are stated at cost less accumulated impairment losses. Cost includes all direct costs relating to the construction of the assets and acquisition. No depreciation is provided for assets under construction until such time as the relevant assets are completed and ready for intended use. Assets under construction are transferred to relevant categories of property, plant and equipment upon the completion of their respective construction.

(ii) Container vessels and containers

Container vessels and containers are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Container vessels and containers are depreciated on a straight-line basis over their anticipated useful lives, after taking into account the estimated residual values.

Container vessels	25 years
Containers	15 years

3. Accounting policies (Continued)

3.1 Material accounting policies (Continued)

(b) Property, plant and equipment (Continued)

(ii) Container vessels and containers (Continued)

Upon acquisition of a vessel, the components of the vessel which are required to be replaced at the next dry-docking are identified and their costs are depreciated over the period to the next estimated dry-docking date. Costs incurred on subsequent dry-docking of vessels are capitalized and depreciated over the period to the next estimated dry-docking date. When significant dry-docking costs incurred prior to the expiry of the depreciation period, the remaining costs of the previous dry-docking are written off immediately.

(iii) Other property, plant and equipment

Other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Other property, plant and equipment are depreciated at rates sufficient to write off their costs less accumulated impairment losses over their estimated useful lives to their respective residual values estimated by the Directors or management on a straight-line basis. The estimated useful lives of these assets are summarized as follows:

Buildings	Not exceeding 75 years
Trucks, chassis and motor vehicles	5 to 10 years
Computers, office and other equipments	3 to 30 years
Terminal equipments and improvements	3 to 15 years

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in profit or loss during the period in which they are incurred.

The residual values of the property, plant and equipment and their useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 3.1(f)).

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

3. Accounting policies (Continued)

3.1 Material accounting policies (Continued)

(c) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the entities in the Group, is classified as investment property.

Investment properties are stated at cost less accumulated depreciation and impairment losses. The cost less accumulated impairment and residual values of investment properties are depreciated on a straight-line basis over their estimated useful lives.

(d) Intangible assets

(i) Computer software

Acquired computer software licences are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5 years on a straight line basis.

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

(ii) Concession rights

Concession rights are resulted from the entering of agreement for the right to construct, operate, manage and develop container terminals. Concession rights are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line basis over the period of operation of approximately 23 to 32 years.

(iii) Customer relationships

Customer relationships, which are acquired in a business combination, are recognized at fair value at the acquisition date. Customer relationships are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer relationships, ranging from approximately 12 to 20 years.

3. Accounting policies (Continued)

3.1 Material accounting policies (Continued)

(d) Intangible assets (Continued)

(iv) Trademarks

Trademarks are capitalized at their fair value as at the acquisition date. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment on an annual basis, as is the case with goodwill. Trademarks are considered to have an indefinite useful life as there is no foreseeable limit to the period over which they are expected to generate net cash inflows.

(e) Goodwill

Goodwill arising from acquisition of subsidiaries represents the excess of the aggregate of the consideration transferred, the amount of the non-controlling interest and fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognized immediately as an expense and is not subsequently reversed.

(f) Impairment of investments in subsidiaries, joint ventures, associates and non-financial assets

Assets that have an indefinite useful life are not subject to depreciation/amortisation and are tested annually for impairment. Assets that are subject to depreciation/amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash – generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

3. Accounting policies (Continued)

3.1 Material accounting policies (Continued)

(f) Impairment of investments in subsidiaries, joint ventures, associates and non-financial assets (Continued)

Impairment testing of the investments in subsidiaries, joint ventures or associates is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiaries, joint ventures or associates in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(g) Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

A provision for onerous contracts is recognized where the unavoidable costs of meeting the obligations under the contracts exceed the economic benefits expected to be received under them.

The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

The cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both:

- the incremental costs of fulfilling that contract – for example, cargo cost; and
- an allocation of other costs that related directly to fulfilling contracts – for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract among others.

3. Accounting policies (Continued)

3.1 Material accounting policies (Continued)

(h) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the consolidated income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries, joint ventures and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or a liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3. Accounting policies (Continued)

3.1 Material accounting policies (Continued)

(i) Recognition of revenues and income

Revenue are recognized when or as the control of the goods or services is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point of time.

When control of goods or services is transferred over time, the progress towards complete satisfaction of performance obligation is measured based on one of the following methods that best depicts the Group's performance in satisfying the performance obligation:

(i) direct measurements of the value of individual services transferred by the Group to the customer, such as units produced or delivered, contract milestones, or surveys of work performed; or

(ii) the Group's efforts or inputs to the satisfaction of the performance obligation.

A contract asset is the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer, and it should be presented separately. Incremental costs incurred to obtain a contract, if recoverable, are capitalized and presented as contract assets and subsequently amortised when the related revenue is recognized. A contract asset becomes a receivable when receipt of the consideration is conditional only on the passage of time.

Contract assets are assessed for impairment under the same approach adopted for impairment assessment of financial assets carried at amortised cost.

Contract liabilities (included in trade and other payables and contract liabilities) are recognized for expected volume discounts to customers in relation to sales made until the end of the reporting period.

The Group do not have any significant variable consideration such as discounts, refunds, rebates, credits, penalties, performance bonuses or royalties. Trade receivables and contract assets expected to be recovered in one year or less are classified as current assets. If not, they are represented as non-current assets.

The Group assesses, and includes in the transaction price at contract inception, the amount of variable, consideration to which it expects to be entitled. There is no material contract fulfilment cost or cost of obtaining contracts of the Group.

3. Accounting policies (Continued)

3.1 Material accounting policies (Continued)

(i) Recognition of revenues and income (Continued)

The following is a description of accounting policy for the revenue streams of the Group:

(i) Revenues from container shipping

Freight revenues from the operation of international and domestic containerised transportation business are recognized over time, which are determined on the time proportion of each individual vessel voyage completed at year end.

(ii) Revenues from container terminal operations

Revenues from container terminal operations are recognized over time in which the services are rendered as the Group's performance provides all of the benefits received and consumed simultaneously by the customer. Revenues are recognized based on the price specified in the contract, net of the estimated volume discounts. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Accumulated experience is used to estimate and provide for the discounts, using either the expected value or the most likely amount approach, and revenues are only recognized to the extent that it is highly probable that a significant reversal will not occur.

(iii) Revenues from freight forwarding

Revenues are recognized when the services are rendered or over time which is determined on the time proportion method of the progress of the transportation.

(iv) Interest income

Interest income on financial assets at amortised cost and financial assets at FVPL and FVOCI calculated using the effective interest method is recognized in profit or loss as part of other income.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

3. Accounting policies (Continued)

3.1 Material accounting policies (Continued)

(i) Recognition of revenues and income (Continued)

(v) Dividend income

Dividend income is recognised when the right to receive payment is established.

(vi) Other service income

Other service income is recognised when the services are rendered.

(j) Leases

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

3. Accounting policies (Continued)

3.1 Material accounting policies (Continued)

(j) Leases (Continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Lease income from operating leases where the Group is a lessor is recognized in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the consolidated balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

3. Accounting policies (Continued)

3.2 Other accounting policies

(a) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The consolidated financial statements are presented in RMB, which is the Company's functional and the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated income statement, except when deferred in equity as qualifying cash flow hedges.

Foreign exchange gains and losses that related to borrowings and cash and cash equivalents are presented in profit or loss within "finance income and costs". All other foreign exchange gains and losses are presented in profit or loss within "other income and other expenses".

Changes in the fair value of monetary securities denominated in foreign currency classified as financial assets are analyzed between translation differences resulting from changes in the amortised cost of the securities, and other changes in the carrying amount of the securities. Translation differences related to changes in the amortised cost are recognized in the consolidated income statement, and other changes in carrying amount are recognized in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as financial assets at fair value through other comprehensive income ("FVOCI") are included in other comprehensive income.

3. Accounting policies (Continued)

3.2 Other accounting policies (Continued)

(a) Foreign currency translation (Continued)

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(1) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(2) Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(3) All resulting exchange differences are recognized in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange difference arising are recognized in other comprehensive income and accumulated in a separate reserve within equity.

(iv) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified to profit or loss or to other comprehensive income.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognized in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in joint ventures or associates that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange difference is reclassified to profit or loss or to other comprehensive income.

3. Accounting policies (Continued)

3.2 Other accounting policies (Continued)

(b) Non-current assets (or disposal groups) held-for-sale and discontinued operation

Non-current assets (or disposal groups) are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The non-current assets, (or disposal groups), are stated at the lower of carrying amount and fair value less costs to sell. Deferred tax assets, assets arising from employee benefits, financial assets (other than investments in subsidiaries and associates) and investment properties, which are classified as held for sale, would continue to be measured in accordance with the policies set out in note 3.

Non-current assets classified as held for sale and the assets of disposal group classified as held for sale are presented separately from the other assets in the consolidated balance sheet. The liabilities of disposal group classified as held for sale are presented separately from other liabilities in the consolidated balance sheet.

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographic area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

When an operation is classified as discontinued, a single amount is presented in the income statement, which comprises the post-tax profit or loss of the discontinued operation and the post-tax gain or loss recognized on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

(c) Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and

- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

3. Accounting policies (Continued)

3.2 Other accounting policies (Continued)

(c) Investments and other financial assets (Continued)

(i) Classification (Continued)

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

3. Accounting policies (Continued)

3.2 Other accounting policies (Continued)

(c) Investments and other financial assets (Continued)

(iii) Measurement (Continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income and other expenses together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the consolidated income statement.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in other income and other expenses. Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment losses are presented as a separate line item in the consolidated income statement.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other income and other expenses in the period in which it arises.

3. Accounting policies (Continued)

3.2 Other accounting policies (Continued)

(c) Investments and other financial assets (Continued)

(iii) Measurement (Continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other income and other expenses in the consolidated income statement as applicable. Impairment losses (and reversal of impairment losses) on financial assets measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables, see note 23 for further details.

(d) Inventories

Inventories are stated at the lower of cost and net realizable value. Costs are calculated on a weighted average basis. Net realizable value of bunkers is the expected amount to be realized from use as estimated by the management. Net realizable value of other inventories such as general merchandises, spare parts and consumable stores and marine supplies is determined on the basis of anticipated sales proceeds less estimated selling expenses.

3. Accounting policies (Continued)

3.2 Other accounting policies (Continued)

(e) Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents include cash in hand, deposits held at call with financial institutions, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown in short-term borrowings on the consolidated balance sheet.

(f) Trade and other receivables and contract assets

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables and contract assets is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade and other receivables and contract assets with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See note 23 for further information about the Group's accounting for trade and other receivables and contract assets and note 3.2(c)(iv) for a description of the Group's impairment policies.

(g) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(h) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting period.

3. Accounting policies (Continued)

3.2 Other accounting policies (Continued)

(i) Subsidies

Subsidies are recognized at their fair value where there is a reasonable assurance that the subsidies will be received and the Group will comply with all attached conditions.

Subsidies relating to costs are deferred and recognized in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Subsidies as compensation for costs already incurred or for immediate financial support, with no future related costs, should be recognized as income in the period in which they are receivable.

Subsidies relating to property, plant and equipment are included in non-current liabilities as deferred subsidies and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

(j) Employee benefits

(i) Post-retirement and early retirement benefit costs

The Group has both defined benefit and defined contribution plans in a number of territories. The assets of defined contribution plans are generally held in separate trustee-administered funds. The plans are generally funded by payments from employees and the relevant companies in the Group.

Contributions under the defined contribution plans are charged to profit or loss as expense when incurred.

The liability recognized in the consolidated balance sheet in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries/management using the projected unit credit method/expected benefit payments. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement benefit obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The current service cost of the defined benefit plan, recognized in the income statement in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements.

3. Accounting policies (Continued)

3.2 Other accounting policies (Continued)

(j) Employee benefits (Continued)

(i) Post-retirement and early retirement benefit costs (Continued)

Past-service costs are recognized immediately in income statements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income directly in the period in which they arise.

For defined contribution plans, the Group pays contributions to publicly or privately administered retirement benefit insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due and reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Employee early retirement benefits have been paid to those employees who accept voluntary retirement before the normal retirement date as approved by management. The related benefit payments are made from the date of early retirement through the normal retirement date.

(ii) Housing funds

All full-time employees of the Group are entitled to participate in various government-sponsored housing funds. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees. The Group's liability in respect of these funds is limited to the contributions payable in each period.

3. Accounting policies (Continued)

3.2 Other accounting policies (Continued)

(j) Employee benefits (Continued)

(iii) Housing subsidies

The Group has provided one-off cash housing subsidies based on PRC regulations to those eligible employees who have not been allocated with staff quarters at all or who have not been allocated with quarters up to the prescribed standards before 31 December 1998 when the staff quarter allocation schemes were terminated. The subsidies are determined based on staff member's years of service, position and other criteria. In addition, monthly cash housing allowances should be made to other employees following the withdrawal of allocation of staff quarters regulations, which are recognized as incurred.

The liability recognized in the consolidated balance sheet is the present value of the obligation of the one-off housing subsidies at the balance sheet date and the past-service costs are recognized immediately in profit or loss.

(iv) Share-based payments

The Group regularly entered into equity-settled or cash-settled share-based payment transactions with employees.

(1) Employee services settled in cash

Employee services received in exchange for cash-settled share-based payments, are recognized at the fair value of the liability incurred and are expensed over the vesting period, when consumed or capitalized as assets, which are depreciated or amortised. The liability is remeasured at each balance sheet date to its fair value, with all changes recognized immediately in profit or loss.

3. Accounting policies (Continued)

3.2 Other accounting policies (Continued)

(j) Employee benefits (Continued)

(iv) Share-based payments (Continued)

(2) Employee services settled in equity instruments

The Company and one of the Group's subsidiaries operates certain equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the share options of the subsidiary is recognized as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable. It recognizes the impact of the revision of original estimates, if any, in the consolidated income statement, and a corresponding adjustment to equity over the remaining vesting period. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium of the subsidiary when the options are exercised.

(3) Modification and cancellation

If the terms of an equity-settled award are modified, at a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

If an equity award is cancelled by forfeiture, when the vesting conditions (other than market conditions) have not been met, any expense not yet recognized for that award, as at the date of forfeiture, is treated as if it had never been recognized. At the same time, any expense previously recognized on such cancelled equity awards are reversed from the accounts effective as at the date of forfeiture.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

3. Accounting policies (Continued)

3.2 Other accounting policies (Continued)

(j) Employee benefits (Continued)

(iv) Share-based payments (Continued)

(4) Cash-settled share-based payment transactions

For cash-settled share-based payment transactions, the Group measures the goods or services acquired and the liability incurred at the fair value of the liability. Until the liability is settled, the Group remeasures the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognized in profit or loss for the period.

The Group recognized the services received, and a liability to pay for those services, as the employees render services. For example, some share appreciation rights vest immediately, and the employees are therefore not required to complete a specified period of service to become entitled to the cash payment. In the absence of evidence to the contrary, the Group presumes that the services rendered by the employees in exchange for the share appreciation rights have been received. Thus, the Group recognized immediately the services received and a liability to pay for them. If the share appreciation rights do not vest until the employees have completed a specified period of service, the Group recognized the services received, and a liability to pay for them, as the employees render service during that period.

The liability shall be measured, initially and at the end of each reporting period until settled, at the fair value of the share appreciation rights, by applying an option pricing model, taking into account the terms and conditions on which the share appreciation rights were granted, and the extent to which the employees have rendered services to date.

(k) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognized but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognized as a provision.

3. Accounting policies (Continued)

3.2 Other accounting policies (Continued)

(k) Contingent liabilities and contingent assets (Continued)

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

Contingent assets are not recognized but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognized.

(l) Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

(m) Dividend distribution

Dividend distribution to the Company's equity holders is recognized as a liability in the financial statements in the period in which the dividends are approved by the Company's equity holders or Directors, where appropriate.

(n) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are charged to profit or loss in the year in which they are incurred.

Interest expense is presented in the consolidated cash flow statement within "Cash flows from financing activities".

3. Accounting policies (Continued)

3.2 Other accounting policies (Continued)

(o) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of

- the amount determined in accordance with the expected credit loss model under HKFRS 9 "Financial Instruments"; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 "Revenue from Contracts with Customers".

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates and joint ventures are provided for no compensation, the fair values are accounted for as contributions and recognized as part of the cost of the investment.

(p) Derivatives and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges).

At the inception of the hedging, the Group documents the economics, relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedging instruments are expected to offset changes in the cash flows of hedge items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

3. Accounting policies (Continued)

3.2 Other accounting policies (Continued)

(p) Derivatives and hedging activities (Continued)

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss within other operating income or other operating expenses.

Amounts accumulated in equity are reclassified to profit or loss in the period when the hedged item affects profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains or losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

(q) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive director that makes strategic decisions.

4. Financial risk management

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including market freight rate risk, foreign exchange risk, interest rate risk and bunker price risk), credit and counterparty risk and liquidity risk. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to mitigate certain risk exposures.

The Group's Risk Management Committee identifies the financial risks associated with the Group. The Risk Management Committee reviews the controls and procedures for managing the risks identified. The risk management controls and procedures are carried out by respective operating units under the risk management policies as approved by the Directors.

(i) Market risk

(1) Market freight rate risk

The freight rates of the Group's shipping businesses are very sensitive to economic fluctuations. The Group's revenues from operations of container shipping may be impacted if freight rates will have any significant changes.

(2) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various non-functional currencies. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.

The actual foreign exchange risk faced by the Group therefore is primarily with respect to non-functional currency bank balances, receivable and payable balances and borrowings (collectively "Non-Functional Currency Items").

Management monitors foreign exchange exposure and will consider hedging certain foreign currency exposure by using foreign exchange forward contracts when the need arises.

As at 31 December 2024, with all other variables held constant, if non-functional currencies had strengthened/weakened by 5%, the Group's post-tax profit for the year would have decreased/increased by approximately RMB703,140,000 (2023: decreased/increased by approximately RMB10,357,000) and the equity as at 31 December 2024 would have decreased/increased by approximately RMB703,140,000 (2023: decreased/increased by approximately RMB10,357,000) respectively as a result of the translation of those Non-Functional Currency Items.

4. Financial risk management (Continued)

(a) Financial risk factors (Continued)

(i) Market risk (Continued)

(3) Cash flow and fair value interest rate risk

Other than the deposits placed with banks and financial institutions, and loans to joint ventures and associates (collectively the "Interest Bearing Assets"), the Group has no other significant interest bearing assets.

The Group's interest rate risk also arises from borrowings and certain balances payable to related parties (collectively the "Interest Bearing Liabilities"). Interest Bearing Assets and Interest Bearing Liabilities are primarily issued at variable rates which therefore expose the Group to cash flow interest rate risk.

As at 31 December 2024, with all other variables held constant, if the interest rate had increased/decreased by 50 basis points, the corresponding increase/decrease in net finance cost would have resulted in an increase in the Group's post-tax profit for the year by approximately RMB572,180,000 (2023: an increase by approximately RMB555,755,000) and the equity as at 31 December 2024 would have increased by approximately RMB572,180,000 (2023: increase by approximately RMB555,755,000).

Management monitors the capital market conditions and where appropriate, interest rate swap contracts with financial institutions will be used to achieve optimum ratio between fixed and floating rates borrowings.

(4) Bunker price risk

The Group is also exposed to fluctuations in bunker prices. Bunker cost is part of the voyage expenses and is a significant cost item to the Group. Management monitors the market conditions and bunker price fluctuations and where appropriate, bunker forward contracts are used to lock up the price of part of the Group's bunker requirements.

(ii) Credit and counterparty risk

The credit and counterparty risk mainly arises from deposits placed with banks and financial institutions, financial assets transacted with banks, financial institutions and shipping companies through shipping agents or brokers, loans to joint ventures and associates, trade and other receivables and contract assets, down payment to shipyards, other financial assets at amortised cost, and guarantee.

The Group has limited its credit exposure by restricting their selection of financial institutions on those state-owned PRC banks, overseas banks with good credit rating, and the associate, a state-owned financial institution with high credit rating. Management does not expect significant losses from non-performance by these counterparties.

4. Financial risk management (Continued)

(a) Financial risk factors (Continued)

(ii) Credit and counterparty risk (Continued)

The trade customers (including related parties), joint ventures, associates and shipping companies are assessed and rated based on their credit quality, taking into account their financial position, past experience and other factors. Individual risk limits are set by management of the respective operating units.

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group has assessed that during the year ended 31 December 2024, other receivables have not had a significant increase in credit risk since initial recognition. Thus, a 12-month expected credit losses approach that results from possible default event within 12 months of each reporting date is adopted by management. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available.

In addition, the Group monitors the exposure to credit risk in respect of the financial assistance provided to subsidiaries, joint ventures and associates through exercising control or influence over their financial and operating policy decisions and reviewing their financial positions on a regular basis.

(iii) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its current obligations when they fall due. The Group's cash management policy is to regularly monitor its current and expected liquidity positions to ensure it has sufficient cash to meet its operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all time so that the Group can meet its short-term and long-term funding requirements.

Management monitors rolling forecasts of the Group's liquidity reserve and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these; monitoring balance sheet liquidity ratios against internal and external regulatory requirements; and maintaining debt financing plans.

4. Financial risk management (Continued)

(a) Financial risk factors (Continued)

(iii) Liquidity risk (Continued)

The table below analyzes the Group's financial liabilities that will be settled into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table, except for derivative financial instruments, are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000
As at 31 December 2024				
Bank and other borrowings	**5,013,427**	**7,106,379**	**15,047,585**	**14,490,452**
Trade and other payables	**103,622,333**	**–**	**–**	**–**
Put option liability	**2,012,752**	**–**	**–**	**–**
Lease liabilities	**11,173,871**	**8,164,387**	**11,045,089**	**20,555,029**
As at 31 December 2023 (Restated)				
Bank and other borrowings	11,481,500	7,669,834	15,089,693	14,107,076
Trade and other payables	105,372,979	–	–	–
Put option liability	–	1,983,156	–	–
Lease liabilities	11,360,309	8,154,510	11,671,796	24,466,552

(b) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders/equity holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

4. **Financial risk management** (Continued)

(b) Capital risk management (Continued)

The Group monitors capital on the basis of the net debt to total equity (capital and reserves attributable to equity holders of the Company and non-controlling interests) ratio and the compliance of covenants of its borrowings. Net debt is calculated as total borrowings less cash and cash equivalents. As at 31 December 2024, the net debt to equity ratio is summarized as follows:

	2024 RMB'000	2023 RMB'000 (Restated)
Total borrowings (note 26)	**34,675,686**	43,276,918
Less: cash and cash equivalents (note 21)	**(184,189,078)**	(181,165,440)
Net cash	**(149,513,392)**	(137,888,522)
Total equity	**285,058,777**	243,351,025
Net debt to total equity ratio	**N/A**	N/A

Under the terms of the major bank loans, which have carrying amounts of US$2,170,460,000 (equivalent to approximately RMB15,602,135,000) (2023: US$1,705,066,000 (equivalent to approximately RMB12,076,471,000)) that the Group is required to comply with certain financial covenants at the end of each annual and interim reporting period including but not limited to maintenance of interest coverage ratio and debt to asset ratio requirement.

The Group has complied with these covenants throughout the reporting period.

As at 31 December 2024, there is no indication that the Group would have any non-compliance with these covenants when they will be next tested.

(c) Fair value estimation

The table below analyzes financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

a. Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

b. Inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and

c. Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs) (level 3).

4. Financial risk management (Continued)

(c) Fair value estimation (Continued)

The following table presents the Group's assets that are measured at fair value as at 31 December 2024:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at FVPL (note 17)				
– Equity securities	**65,948**	**–**	**–**	**65,948**
– Listed convertible bonds	**401,865**	**–**	**–**	**401,865**
– Unlisted investments	**–**	**–**	**42,896**	**42,896**
Financial assets at FVOCI (note 16)	**4,621,399**	**–**	**295,283**	**4,916,682**

The following table presents the Group's assets that are measured at fair value as at 31 December 2023:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000 (Restated)	Total RMB'000 (Restated)
Financial assets at FVPL (note 17)				
– Equity securities	95,000	–	–	95,000
– Listed convertible bonds	380,662	–	–	380,662
– Unlisted investments	–	–	44,797	44,797
Financial assets at FVOCI (note 16)	1,637,274	–	280,967	1,918,241
Derivative financial instruments	–	19,106	–	19,106

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regular occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily listed equity investments classified as financial assets at FVOCI.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

4. Financial risk management (Continued)

(c) Fair value estimation (Continued)

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year.

Specific valuation techniques used to value financial instruments include:

– Quoted market prices or dealer quotes for similar instruments.

– Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Movements of financial instruments classified as level 3 recognised in the consolidated balance sheets are as follows:

	2024 RMB'000	2023 RMB'000 (Restated)
Financial assets at FVPL		
As at 1 January	**44,797**	42,311
Currency translation differences	**(1,901)**	2,486
As at 31 December	**42,896**	44,797

	2024 RMB'000	2023 RMB'000
Financial assets at FVOCI		
As at 1 January	**280,967**	275,496
Disposals	**–**	(6,920)
Fair value change	**14,535**	12,092
Currency translation differences	**(219)**	299
As at 31 December	**295,283**	280,967

4. Financial risk management (Continued)

(c) Fair value estimation (Continued)

As at 31 December 2024, description of the valuation techniques and the inputs used in the fair value measurement in level 3 include:

- The fair value of investments in unlisted property management companies and a hotel are determined using valuation techniques (including asset-based approach and market comparable approach). The inputs are mainly prices per square meter.

- The fair value of other unlisted financial assets is determined by reference to valuation performed by management using valuation techniques (including price/book multiple method and direct market quote). The inputs are mainly price/book multiples.

Financial assets and liabilities approximate their carrying amounts including: trade and other receivables and contract assets, financial assets at amortised cost, cash equivalents, restricted bank deposits, loans to joint ventures and associates, trade and other payables and contract liabilities, lease liabilities, short-term and long-term borrowings.

5. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Impairment assessment of goodwill and intangible assets with indefinite useful lives impairment

The Group tests annually whether goodwill and intangible assets with indefinite useful lives have suffered any impairment and when there is indication that they may be impaired, in accordance with the accounting policy stated in note 3. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations which require the use of assumptions. These calculations require the use of estimates. The key assumptions and sensitivity test was disclosed in note 11.

5. Critical accounting estimates and judgments (Continued)

(b) Impairment assessment of investments in joint ventures and associates

Management determines whether investments in joint ventures and associates have suffered any impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, according to their recoverable amounts determined by the cash-generating units based on value-in-use calculations. The determination of impairment indication requires significant judgement, and the calculations require the use of estimates which are subject to change of economic environment in future.

(c) Recognition of container shipping revenue for vessel voyages in progress at year end

Revenue for container shipping is one performance obligation per shipment, which is rendered on a period-related basis, i.e. for the duration of transport. The Group recognizes revenue for container shipping over time which is determined on the time proportion of each individual voyage completed at end of reporting period with reference to their voyage details, such as freight rates, departure dates and arrival dates. If the total estimated voyage days were different from the estimate, this would have an impact on the freight revenues in the following reporting period.

Had the freight revenues from voyages in progress at year end been decreased/increased by 10% from management's estimates for the year ended 31 December 2024, the revenue would have been RMB499,789,000 (2023: RMB296,510,000) lower or higher in the future periods.

Changes in management's estimate of container shipping revenue for vessel voyages in progress at year end could caused a material change in the revenue recognized in the future periods.

(d) Commitment to long-term service agreement

The Group's subsidiary, Orient Overseas International Limited ("OOIL"), entered into a Terminal Service Agreement ("TSA") in October 2019 following the completion of the disposal of Long Beach Container Terminal ("LBCT"). According to the TSA, OOIL committed to place, or procure the placement of an annual minimum number of vessel lifts ("MVC") for 20 years. Failure to meet the committed volume for each of the contract year would require certain level of deficiency payment as stipulated in the TSA.

As at 31 December 2024, OOIL reassessed the expected number of vessel lifts in LBCT for each of the remaining contract years with reference to future prospects of the market and its expected load factor. The overall economic environment in the USA is still highly uncertain, and it is expected that high inflation and interest rate environment would slow down the USA economy growth and would have some negative impact to the demand/import of the USA in the near future. As at 31st December 2024, with these uncertainties over such a long-term contract period, management reassessed that the projected vessel lifts in LBCT would result in a shortfall on minimum volume commitment over the remaining contract period.

5. Critical accounting estimates and judgments (Continued)

(d) Commitment to long-term service agreement (Continued)

As such, OOIL further estimated the present value of the unavoidable costs of meeting the obligations under the remaining term of the TSA (till October 2039) and the corresponding associated economic benefits in relation to OOIL with reference to a) the expected number of vessel lifts; b) the expected amount of deficiency payment/excess rebates as stipulated in the TSA when the volume is below/in excess of the MVC; c) the expected operating costs (including cargo and logistics cost, vessel and voyage costs and equipment and repositioning costs); and d) the associated income expected to be earned from operating the services to/from LBCT. Based on the assessment performed by management, an onerous provision of US$896.7 million (equivalent to approximately RMB6,446.2 million) (2023: US$916.7 million (equivalent to approximately RMB6,493.0 million)) was recognized as at 31 December 2024.

OOIL applied the expected value approach considering several probability-weighted possible scenarios which included adjusting key assumptions such as volume, freight rate, bunker cost and probability applied on the scenarios. The onerous contract assessment involves a significant level of management estimates and judgment, including the future profitability generated from services using LBCT and the expected number of vessel lifts handled in LBCT during the remaining contract term.

To the extent that the actual results differ from these estimates, the amount of provision will be differed and will affect the consolidated profit and loss account. The provision, including the estimates and assumptions contained therein, are reviewed regularly by management. The key assumptions used by management as at 31 December 2024 and 2023 are as follows:

Key assumptions	**Range of possible scenarios**	
	2024	2023
Volume growth rate	**-8% to +2%**	-16% to +5%
Freight rate growth rate	**-23% to +72%**	-36% to +17%
Bunker cost	**-5% to +10% on fuel oil futures**	-5% to +10% on fuel oil futures
Probability applied	**2% to 60%**	2% to 60%

The major changes in key assumptions from previous year are as follows:

- adjusted the freight rate based on the updated normalised rate from actual results, together with the latest inflation rate and forward bunker price;
- adjusted bunker price based on the latest 10-year futures in the market as compared to previous year's forecast; and
- adjusted the discount rate based on the latest rate for the US Treasury Bills.

5. Critical accounting estimates and judgments (Continued)

(d) Commitment to long-term service agreement (Continued)

For illustration purpose, management has performed sensitivity analysis by adjusting the probability applied to the possible scenarios. The effects for the respective sensitivity analysis, holding other factors constant, are set out below:

Sensitivity cases	**Change of onerous provision as at 31 December 2024**
Changing the most probable scenario from 60% to 100%	Decrease by approximately US$13 million (equivalent to approximately RMB93 million)
Changing the most probable scenario from 60% to 40% and the most probable pessimistic scenario from 15% to 35%	Increase by approximately US$53 million (equivalent to approximately RMB381 million)
Changing the most probable scenario from 60% to 40% and the most probable optimistic scenario from 15% to 35%	Decrease by approximately US$39 million (equivalent to approximately RMB280 million)

Sensitivity cases	**Change of onerous provision as at 31 December 2023**
Changing the most probable scenario from 60% to 100%	Decrease by approximately US$16 million (equivalent to approximately RMB113 million)
Changing the most probable scenario from 60% to 40% and the most probable pessimistic scenario from 15% to 35%	Increase by approximately US$58 million (equivalent to approximately RMB411 million)
Changing the most probable scenario from 60% to 40% and the most probable optimistic scenario from 15% to 35%	Decrease by approximately US$42 million (equivalent to approximately RMB297 million)

(e) Estimated useful lives and residual values of container vessels and containers

The Group's major operating assets represent container vessels and containers. Management determines the estimated useful lives, residual values and related depreciation expenses for its container vessels and containers. Management estimates useful lives of the container vessels and containers by reference to the Group's business model, its assets management policy, the industry practice, expected usage of the vessels, expected repair and maintenance, and technical or commercial obsolescence arising from changes or improvements in the vessel market.

Management determines the estimated residual value for its container vessels and containers by reference to all relevant factors (including the use of the current scrap values of steels in an active market) at each measurement date. The depreciation expense will change where the useful lives or residual value of container vessels and containers are different from the previous estimate.

Had the useful lives been extended/shortened by 10% from management's estimates as at 31 December 2024 with all other variables held constant, the estimated depreciation expenses of container vessels and containers for the year would have been decreased by RMB918,576,000 (2023: RMB834,195,000) or increased by RMB1,420,816,000 (2023: RMB1,005,923,000) for the year ended 31 December 2024.

5. Critical accounting estimates and judgments (Continued)

(e) Estimated useful lives and residual values of container vessels and containers (Continued)

Had the residual values been increased/decreased by 10% from management's estimates as at 31 December 2024 with all other variables held constant, the estimated depreciation expenses of container vessels and containers for the year would have been decreased or increased by RMB235,928,000 (2023: RMB228,156,000) for the year ended 31 December 2024.

(f) Impairment assessment of terminal assets

Management determines whether terminal assets have suffered any impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, according to their recoverable amounts determined by the cash-generating units based on value-in-use calculations. The determination of impairment indication requires significant judgment, and the calculations require the use of estimates which are subject to change of economic environment in future.

(g) Income taxes and withholding taxes

The Group is subject to income taxes and withholding taxes in numerous jurisdictions. Significant judgment is required in determining the provision for income taxes and withholding taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions in the period in which such determination is made.

Deferred tax liabilities have not been established for income tax and withholding tax that would be payable on certain profits of overseas subsidiaries to be repatriated and distributed by way of dividends as the Directors consider that the timing of the reversal of the related temporary differences can be controlled or such profits will not be distributed and such temporary differences will not be reversed in the foreseeable future (note 19).

If those undistributed earnings of the overseas subsidiaries had been repatriated and distributed by way of dividends, the deferred income tax charge for the year and deferred income tax liabilities as at 31 December 2024 would have been increased by the same amount of RMB22,427,688,000 (2023: RMB17,908,126,000).

Recognition of deferred tax assets, which principally relate to temporary differences, depend on the management's expectation of the timing of reversal and the taxable profit that will be available against which tax losses can be utilized. The outcome of their actual utilization or reversal may be different (note 19).

6. Revenues and segment information

Operating segments

The chief operating decision-maker has been identified as the executive directors of the Group. The executive directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports and analyzed from a business perspective:

- Container shipping business
- Terminal business
- Corporate and other operations that primarily comprise investment holding, management services and financing.

Segment assets are those operating assets that are employed by a segment in its operating activities. They exclude investments in joint ventures, investments in associates, loans to associates, financial assets at fair value through other comprehensive income ("FVOCI"), financial assets at fair value through profit or loss ("FVPL") and financial assets at amortised cost not related to the operating activities of a segment. Segment liabilities are these operating liabilities that result from the operating activities of a segment.

Addition to non-current assets comprises additions to property, plant and equipment, investment properties, intangible assets and right-of-use assets.

6. Revenues and segment information (Continued)

Operating segments (Continued)

	Year ended 31 December 2024				
	Container shipping business RMB'000	Terminal business RMB'000	Corporate and other operations RMB'000	Inter-segment elimination RMB'000	Total RMB'000
Income statement					
Total revenues	225,971,372	10,809,999	–	(2,922,292)	233,859,079
Comprising:					
– Inter-segment revenues	80,683	2,841,609	–	(2,922,292)	–
– Revenues (from external customers)	225,890,689	7,968,390	–	–	233,859,079
Revenues from contracts with customers:					
Recognised over time	225,971,372	10,809,999	–	(2,922,292)	233,859,079
Segment operating profit	57,485,633	1,714,476	22,802,745	(22,979,700)	59,023,154
Finance income	5,363,499	204,533	729,373	(326)	6,297,079
Finance costs	(2,057,214)	(1,089,176)	(31,131)	326	(3,177,195)
Share of profits less losses of					
– joint ventures	158,791	406,731	–	–	565,522
– associates	79,612	2,067,795	2,234,558	(3,769)	4,378,196
Profit before income tax	61,030,321	3,304,359	25,735,545	(22,983,469)	67,086,756
Income tax expenses	(10,972,585)	(527,646)	6,142	–	(11,494,089)
Profit for the year	50,057,736	2,776,713	25,741,687	(22,983,469)	55,592,667
Gain/(loss) on disposals of property, plant and equipment, net	137,749	(4,614)	–	–	133,135
Depreciation and amortisation	16,822,252	1,847,538	241	–	18,670,031
Additions to non-current assets	34,282,022	3,818,411	–	–	38,100,433

6. Revenues and segment information (Continued)

Operating segments (Continued)

	Year ended 31 December 2023 (Restated)				
	Container shipping business RMB'000	Terminal business RMB'000	Corporate and other operations RMB'000	Inter-segment elimination RMB'000	Total RMB'000
Income statement					
Total revenues	168,131,000	10,396,162	–	(3,074,187)	175,452,975
Comprising:					
– Inter-segment revenues	86,364	2,987,823	–	(3,074,187)	–
– Revenues (from external customers)	168,044,636	7,408,339	–	–	175,452,975
Revenues from contracts with customers:					
Recognised over time	168,131,000	10,396,162	–	(3,074,187)	175,452,975
Segment operating profit	22,566,627	1,917,702	6,431,014	(6,264,797)	24,650,546
Finance income	6,156,742	196,556	1,130,310	(9,521)	7,474,087
Finance costs	(2,178,137)	(1,211,281)	(355,624)	9,521	(3,735,521)
Share of profits less losses of					
– joint ventures	163,840	435,648	–	–	599,488
– associates	38,054	1,663,915	2,389,222	–	4,091,191
Profit before income tax	26,747,126	3,002,540	9,594,922	(6,264,797)	33,079,791
Income tax expenses	(4,330,493)	(248,162)	(104,319)	–	(4,682,974)
Profit for the year	22,416,633	2,754,378	9,490,603	(6,264,797)	28,396,817
Gain/(loss) on disposals of property, plant and equipment, net	94,882	(1,484)	–	–	93,398
Depreciation and amortisation	17,688,309	1,797,403	1,150	–	19,486,862
Additions to non-current assets	13,347,715	4,287,032	–	–	17,634,747

6. Revenues and segment information (Continued)

Operating segments (Continued)

	As at 31 December 2024				
	Container shipping business RMB'000	Terminal business RMB'000	Corporate and other operations RMB'000	Inter-segment elimination RMB'000	Total RMB'000
Balance sheet					
Segment operating assets	337,363,423	51,784,297	115,071,906	(85,903,172)	418,316,454
Investments in joint ventures	1,132,778	7,793,828	–	–	8,926,606
Investments in associates	6,295,888	24,375,244	33,249,391	(345,730)	63,574,793
Loans to associates	–	840,964	–	–	840,964
Financial assets at FVOCI	175,877	1,093,834	3,646,971	–	4,916,682
Financial assets at FVPL	108,845	401,864	–	–	510,709
Financial assets at amortised cost	386,006	–	–	–	386,006
Total assets	345,462,817	86,290,031	151,968,268	(86,248,902)	497,472,214
Segment operating liabilities & total liabilities	169,510,527	35,770,461	13,309,688	(6,177,239)	212,413,437

	As at 31 December 2023 (Restated)				
	Container shipping business RMB'000	Terminal business RMB'000	Corporate and other operations RMB'000	Inter-segment elimination RMB'000	Total RMB'000
Balance sheet					
Segment operating assets	309,043,020	51,587,824	109,763,160	(77,749,942)	392,644,062
Investments in joint ventures	1,214,294	7,518,102	–	–	8,732,396
Investments in associates	3,513,473	23,694,446	31,009,518	(70,516)	58,146,921
Loans to associates	–	227,932	–	–	227,932
Financial assets at FVOCI	169,535	984,656	764,050	–	1,918,241
Financial assets at FVPL	139,797	380,662	–	–	520,459
Financial assets at amortised cost	380,609	–	–	–	380,609
Total assets	314,460,728	84,393,622	141,536,728	(77,820,458)	462,570,620
Segment operating liabilities & total liabilities	163,346,513	36,046,395	20,056,894	(230,207)	219,219,595

6. Revenues and segment information (Continued)

Geographical information

(a) Revenues

The Group's businesses are managed on a worldwide basis. The revenues generated from the world's major trade lanes for container shipping business mainly include Trans-Pacific, Asia-Europe, Intra-Asia, within Mainland China, other international region (including the Atlantic) which are reported as follows:

Geographical	Trade lanes
America	Trans-Pacific
Europe	Asia-Europe (including Mediterranean)
Asia Pacific	Intra-Asia (including Australia)
Mainland China	Within Mainland China
Other international market	Other international region (including the Atlantic)

For the geographical information, freight revenues from container shipping are analyzed based on trade lanes for container shipping operations.

In respect of terminals operations, revenues are based on the geographical locations in which the business operations are located.

	Year ended 31 December 2024		
	Total revenues RMB'000	Inter-segment revenues RMB'000	External revenues RMB'000
Container shipping business			
– America	66,253,843	–	66,253,843
– Europe	49,076,815	–	49,076,815
– Asia Pacific	55,207,874	–	55,207,874
– Mainland China	22,323,223	(80,683)	22,242,540
– Other international market	33,109,617	–	33,109,617
	225,971,372	(80,683)	225,890,689
Terminal business			
– Mainland China	5,204,031	(1,480,345)	3,723,686
– Europe	4,941,406	(1,151,961)	3,789,445
– Asia Pacific	605,760	(205,520)	400,240
– Other international market	58,802	(3,783)	55,019
	10,809,999	(2,841,609)	7,968,390
Total	236,781,371	(2,922,292)	233,859,079

6. Revenues and segment information (Continued)

Geographical information (Continued)

(a) Revenues (Continued)

	Year ended 31 December 2023 (Restated) Total revenues RMB'000	Inter-segment revenues RMB'000	External revenues RMB'000
Container shipping business			
– America	41,240,756	–	41,240,756
– Europe	35,390,672	–	35,390,672
– Asia Pacific	45,203,166	–	45,203,166
– Mainland China	20,396,473	(86,364)	20,310,109
– Other international market	25,899,933	–	25,899,933
	168,131,000	(86,364)	168,044,636
Terminal business			
– Mainland China	5,081,792	(1,357,688)	3,724,104
– Europe	4,768,950	(1,426,618)	3,342,332
– Asia Pacific	512,288	(203,517)	308,771
– Other international market	33,132	–	33,132
	10,396,162	(2,987,823)	7,408,339
Total	178,527,162	(3,074,187)	175,452,975

The Group's revenues are mainly with contract period of less than one year, the Group takes the expedient not to disclose the unsatisfied performance obligation under HKFRS 15.

6. Revenues and segment information (Continued)

Geographical information (Continued)

(b) Non-current assets

The Group's non-current assets include non-current assets other than financial instruments, pension and retirement assets and deferred income tax assets ("Geographical Non-Current Assets").

The container vessels and containers (included in property, plant and equipment and right-of-use assets) are primarily utilized across geographical markets for shipment of cargoes throughout the world. Accordingly, it is impractical to present the locations of the container vessels and containers by geographical areas and thus the container vessels, containers and vessels under construction are presented as unallocated non-current assets.

In respect of the remaining Geographical Non-Current Assets, they are presented based on the geographical locations in which the business operations/assets are located.

	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000 (Restated)
Unallocated	**154,199,231**	136,371,096
Remaining assets		
– Mainland China	**92,927,164**	86,022,448
– Outside mainland China	**36,514,193**	33,637,003

7. Property, plant and equipment

	Leasehold land and buildings RMB'000	Container vessels RMB'000	Terminal equipments and improvements RMB'000	Containers RMB'000	Trucks, chassis and motor vehicles RMB'000	Computers, office and other equipments RMB'000	Assets under construction RMB'000	Total RMB'000
Cost								
As at 1 January 2024 (Restated)	22,040,197	95,071,121	12,384,690	19,073,118	177,589	4,639,184	19,419,166	172,805,065
Currency translation differences	(73,175)	1,634,284	(135,459)	279,770	(8,582)	26,385	333,365	2,056,588
Reclassification	1,230,922	15,189,243	295,846	–	103,526	99,121	(15,453,082)	1,465,576
Additions	654,529	903,400	78,738	2,518,728	21,126	608,857	21,720,288	26,505,666
Acquisition of subsidiaries (note 41)	21,199	–	3,102	–	1,065	51,978	–	77,344
Disposals	(55,881)	(186,164)	(30,173)	(964,510)	(193,991)	(181,043)	–	(1,611,762)
As at 31 December 2024	23,817,791	112,611,884	12,596,744	20,907,106	100,733	5,244,482	26,019,737	201,298,477
Accumulated depreciation and impairment								
As at 1 January 2024 (Restated)	4,968,633	28,185,007	5,510,810	2,231,848	109,992	2,002,678	–	43,008,968
Currency translation differences	(38,151)	564,109	(35,266)	125,686	(10,639)	22,189	–	627,928
Depreciation charge for the year (note 31)	732,281	4,248,290	618,667	1,345,075	90,484	761,496	–	7,796,293
Disposals	(16,252)	(177,140)	(15,786)	(752,147)	(166,702)	(169,267)	–	(1,297,294)
As at 31 December 2024	5,646,511	32,820,266	6,078,425	2,950,462	23,135	2,617,096	–	50,135,895
Net book value								
As at 31 December 2024	18,171,280	79,791,618	6,518,319	17,956,644	77,598	2,627,386	26,019,737	151,162,582

7. Property, plant and equipment (Continued)

	Leasehold land and buildings RMB'000	Container vessels RMB'000	Terminal equipments and improvements RMB'000	Containers RMB'000	Trucks, chassis and motor vehicles RMB'000	Computers, office and other equipments RMB'000	Assets under construction RMB'000	Total RMB'000
Cost								
As at 1 January 2023, as previously reported	20,375,831	83,445,353	11,388,795	20,112,199	249,502	3,657,056	17,163,730	156,392,466
Business combinations under common control	–	–	–	–	–	745	–	745
As at 1 January 2023 (Restated)	20,375,831	83,445,353	11,388,795	20,112,199	249,502	3,657,801	17,163,730	156,393,211
Currency translation differences	155,661	1,399,541	230,947	201,740	(2,201)	36,236	266,900	2,288,824
Reclassification	880,094	9,727,617	717,749	–	–	224,297	(9,808,073)	1,741,684
Additions	17,297	818,192	59,569	55,919	19,758	989,134	11,796,609	13,756,478
Acquisition of subsidiaries	629,035	–	7,627	–	–	1,628	–	638,290
Disposals	(17,721)	(319,582)	(19,997)	(1,296,740)	(89,470)	(269,912)	–	(2,013,422)
As at 31 December 2023 (Restated)	22,040,197	95,071,121	12,384,690	19,073,118	177,589	4,639,184	19,419,166	172,805,065
Accumulated depreciation and impairment								
As at 1 January 2023, as previously reported	4,291,670	24,153,956	4,824,019	1,959,030	165,485	1,479,716	–	36,873,876
Business combinations under common control	–	–	–	–	–	483	–	483
As at 1 January 2023 (Restated)	4,291,670	24,153,956	4,824,019	1,959,030	165,485	1,480,199	–	36,874,359
Currency translation differences	40,749	427,630	76,413	17,479	(681)	17,820	–	579,410
Depreciation charge for the year (note 31)	639,475	3,907,236	627,492	1,305,566	12,176	755,829	–	7,247,774
Disposals	(3,261)	(303,815)	(17,114)	(1,050,227)	(66,988)	(251,170)	–	(1,692,575)
As at 31 December 2023 (Restated)	4,968,633	28,185,007	5,510,810	2,231,848	109,992	2,002,678	–	43,008,968
Net book value								
As at 31 December 2023 (Restated)	17,071,564	66,886,114	6,873,880	16,841,270	67,597	2,636,506	19,419,166	129,796,097

(a) As at 31 December 2024, certain property, plant and equipment with net book value of RMB31,444,436,000 (2023: RMB28,913,602,000) were secured as security for short-term and long-term bank borrowings (note 26(f)(i)).

(b) During the year, interest expenses of RMB582,320,000 (2023: RMB459,060,000) were capitalized in costs during the construction period (note 33).

8. Leases

This note provides information or leases where the Group is a lessee.

(i) Amounts recognised in the consolidated balance sheet

The consolidated balance sheet shows the following amounts relating to leases:

	31 December 2024 RMB'000	31 December 2023 RMB'000 (Restated)
Right-of-use assets		
Land use rights	**2,697,296**	2,703,154
Concession rights	**4,466,059**	4,632,574
Container vessels	**35,043,440**	35,504,651
Others	**1,744,985**	1,803,794
	43,951,780	44,644,173
Lease liabilities (note a)		
Current	**9,939,455**	9,266,761
Non-current	**31,607,130**	31,842,017
	41,546,585	41,108,778

Notes:

(a) The balance included lease liabilities due to related parties of RMB20,847,911,000 as at 31 December 2024 (2023: RMB22,195,418,000).

8. Leases (Continued)

(ii) Right-of-use assets

	Container vessels RMB'000	Concession rights RMB'000	Land use rights RMB'000	Others RMB'000	Total RMB'000
Cost					
As at 1 January 2024 (Restated)	67,482,634	5,970,450	3,460,166	3,467,376	80,380,626
Currency translation differences	585,793	(168,111)	(7,523)	(18,956)	391,203
Reclassification between property, plant and equipment and right-of-use assets	(2,814,423)	–	–	(10,162)	(2,824,585)
Reclassification between Investment properties and right-of-use assets	–	–	14,482	–	14,482
Additions (note)	10,791,656	126,865	–	482,023	11,400,544
Acquisition of subsidiaries (note 41)	–	–	70,196	–	70,196
Disposals	(11,563,582)	–	(7,019)	(556,224)	(12,126,825)
Others	–	3,454	–	–	3,454
As at 31 December 2024	64,482,078	5,932,658	3,530,302	3,364,057	77,309,095
Accumulated depreciation and impairment					
As at 1 January 2024 (Restated)	31,977,983	1,337,876	757,012	1,663,582	35,736,453
Currency translation differences	283,351	(68,086)	(7,718)	(11,621)	195,926
Reclassification between property, plant and equipment and right-of-use assets	(1,009,043)	–	–	(1,792)	(1,010,835)
Depreciation charge for the year (note 31)	9,705,246	190,620	85,035	482,591	10,463,492
Disposals	(11,518,899)	–	(1,323)	(513,097)	(12,033,319)
Others	–	6,189	–	(591)	5,598
As at 31 December 2024	29,438,638	1,466,599	833,006	1,619,072	33,357,315
Net book value					
As at 31 December 2024	35,043,440	4,466,059	2,697,296	1,744,985	43,951,780

Note:

Additions to the right-of-use assets included the recognition of lease from related parties amounted due to RMB41,482,000 (2023: RMB93,744,000).

8. **Leases** (Continued)

(ii) Right-of-use assets (Continued)

	Container vessels RMB'000	Concession rights RMB'000	Land use rights RMB'000	Others RMB'000	Total RMB'000
Cost					
As at 1 January 2023, as previously reported	74,574,028	5,617,155	3,401,094	3,756,322	87,348,599
Business combinations under common control	–	–	–	723	723
As at 1 January 2023 (Restated)	74,574,028	5,617,155	3,401,094	3,757,045	87,349,322
Currency translation differences	982,286	261,471	51,118	19,768	1,314,643
Reclassification between property, plant and equipment and right-of-use assets	(2,758,611)	–	–	(6,843)	(2,765,454)
Additions (note)	2,053,216	19,335	17,238	467,946	2,557,735
Acquisition of subsidiaries	–	–	–	2,742	2,742
Disposals	(7,368,285)	(19,159)	(9,284)	(773,282)	(8,170,010)
Others	–	91,648	–	–	91,648
As at 31 December 2023	67,482,634	5,970,450	3,460,166	3,467,376	80,380,626
Accumulated depreciation and impairment					
As at 1 January 2023, as previously reported	28,937,329	1,104,659	617,905	1,770,292	32,430,185
Business combinations under common control	–	–	–	350	350
As at 1 January 2023 (Restated)	28,937,329	1,104,659	617,905	1,770,642	32,430,535
Currency translation differences	225,865	67,472	50,217	256	343,810
Reclassification between property, plant and equipment and right-of-use assets	(979,043)	–	–	(2,630)	(981,673)
Depreciation charge for the year (note 31)	10,993,544	184,495	92,185	569,243	11,839,467
Disposals	(7,199,712)	(18,750)	(3,295)	(673,929)	(7,895,686)
As at 31 December 2023	31,977,983	1,337,876	757,012	1,663,582	35,736,453
Net book value					
As at 31 December 2023	35,504,651	4,632,574	2,703,154	1,803,794	44,644,173

9. Investment properties

	2024 RMB'000	2023 RMB'000
Cost	**3,740,996**	3,108,166
Accumulated depreciation	**(486,776)**	(407,103)
Net book value as at 1 January	**3,254,220**	2,701,063
Currency translation differences	**29,987**	11,352
Addition of purchase	**11,078**	16,743
Acquisition of subsidiaries	**–**	598,901
Reclassification between property, plant equipment and investment properties	**193,847**	423
Depreciation (note 31)	**(73,913)**	(74,262)
Net book value as at 31 December	**3,415,219**	3,254,220
Cost	**3,982,127**	3,740,996
Accumulated depreciation	**(566,908)**	(486,776)
Net book value as at 31 December	**3,415,219**	3,254,220

The fair value of the investment properties as at 31 December 2024 approximates their net book value. The fair value is estimated by management or independent professional property valuers. The valuations are derived using direct comparison method and income capitalization method respectively. Direct comparison method is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. Income capitalization method is based on the capitalization of the net rental income derived from the existing leases and/or achievable in existing market with reversionary income potential by adopting appropriate capitalization rates. Capitalization is estimated by valuer based on the risk profile of the properties being valued.

10. Intangible assets

	Computer software RMB'000	Trademark RMB'000	Concession rights RMB'000	Customer relationships RMB'000	Total RMB'000
Cost	**1,776,334**	**3,084,091**	**1,823,250**	**330,082**	**7,013,757**
Accumulated amortisation	**(1,498,256)**	**–**	**(654,682)**	**(155,082)**	**(2,308,020)**
Net book value as at 1 January 2024	**278,078**	**3,084,091**	**1,168,568**	**175,000**	**4,705,737**
Currency translation differences	**112,623**	**46,026**	**(37,301)**	**(16,567)**	**104,781**
Additions	**35,582**	**–**	**–**	**–**	**35,582**
Reclassification from property, plant and equipment	**139,681**	**–**	**164**	**–**	**139,845**
Acquisition of subsidiaries (note 41)	**23**	**–**	**–**	**–**	**23**
Amortisation (note 31)	**(174,484)**	**–**	**(107,400)**	**(24,693)**	**(306,577)**
Impairment for the year	**(10,396)**	**–**	**–**	**–**	**(10,396)**
Net book value as at 31 December 2024	**381,107**	**3,130,117**	**1,024,031**	**133,740**	**4,668,995**
Cost	**1,994,826**	**3,130,117**	**1,765,263**	**316,067**	**7,206,273**
Accumulated amortisation and impairment	**(1,613,719)**	**–**	**(741,232)**	**(182,327)**	**(2,537,278)**
Net book value as at 31 December 2024	**381,107**	**3,130,117**	**1,024,031**	**133,740**	**4,668,995**

	Computer software RMB'000	Trademark RMB'000	Concession rights RMB'000	Customer relationships RMB'000	Total RMB'000
Cost	1,941,937	3,032,665	1,732,717	311,756	7,019,075
Accumulated amortisation	(1,600,697)	–	(526,413)	(122,723)	(2,249,833)
Net book value as at 1 January 2023	341,240	3,032,665	1,206,304	189,033	4,769,242
Currency translation differences	21,670	51,426	67,594	10,440	151,130
Additions	63,287	–	42	–	63,329
Reclassification from property, plant and equipment	40,616	–	1,058	–	41,674
Acquisition of subsidiaries	529	–	–	–	529
Disposals	(122)	–	–	–	(122)
Amortisation (note 31)	(189,142)	–	(106,430)	(24,473)	(320,045)
Net book value as at 31 December 2023	278,078	3,084,091	1,168,568	175,000	4,705,737
Cost	1,776,334	3,084,091	1,823,250	330,082	7,013,757
Accumulated amortisation and impairment	(1,498,256)	–	(654,682)	(155,082)	(2,308,020)
Net book value as at 31 December 2023	278,078	3,084,091	1,168,568	175,000	4,705,737

10. Intangible assets (Continued)

Impairment test for trademark

Trademark arose from the business acquisition of OOIL and is allocated to the Group's CGUs of container shipping operation of OOIL. The impairment testing is performed annually on trademark (note 11(a)).

The Directors believe there was no impairment for the trademark as at 31 December 2024.

11. Goodwill

	2024 RMB'000	2023 RMB'000
As at 1 January	**6,358,223**	6,104,494
Acquisition of subsidiaries	**–**	116,496
Currency translation differences	**42,457**	137,233
As at 31 December	**6,400,680**	6,358,223

Impairment test for goodwill

Goodwill is allocated to the Group's CGUs that are expected to benefit from business combination and impairment testing is performed annually on goodwill allocated to their operating segments and CGUs.

A segment-level summary of the goodwill is presented below:

Operating segment	Cash generating unit	2024 RMB'000	2023 RMB'000
		Carrying amount	
Container shipping business	Container shipping operation of OOIL (note a)	**5,098,506**	5,023,536
Terminal business	Container terminal operation of COSCO SHIPPING Ports (note b)	**1,233,156**	1,265,613
Others		**69,018**	69,074
		6,400,680	6,358,223

11. Goodwill (Continued)

Impairment test for goodwill (Continued)

Notes:

The most significant goodwill amount relates to the container shipping and terminal segment, where the impairment test is based on value-in-use calculations. These calculations use pre-tax cash flow projections based on the financial budget and future forecast respectively.

(a) For the goodwill and trademark (note 10) related to the container shipping operation of OOIL, major cash flow projections are based on forecasts covering five years period using an estimated average revenue growth rate of 2.20% and average gross margin of 10.75% (2023: average revenue growth rate of 6.87% and average gross margin of 11.42%) with cash flow beyond this period at 2.00% (2023: 2.00%) terminal growth rate. Future cash flows are discounted at a pre-tax rate of 10.20% (2023: 10.25%).

Assuming discount rate increased or revenue growth rate, terminal growth rate, operating margin decreased by 50 basis points, it would have resulted in a decrease in headroom by RMB3,640,186,000, RMB4,335,767,000, RMB2,911,734,000, RMB345,089,000 (2023: RMB5,276,624,000, RMB4,288,673,000, RMB4,127,213,000, RMB685,568,000) respectively. Considering there was still sufficient headroom based on the assessment, the Directors believe there was no impairment for the goodwill as at 31 December 2024.

(b) For goodwill related to the terminal business, forecast profitability is based on past performance and expected future changes in cost and revenues. Major CGUs cash flow projections are based on financial forecasts covering a five to eleven year period using an estimated annual average revenue growth rate of 9.9% (2023: 8.2%) and average operating margin of 27.0% (2023: 31.7%) with cash flows beyond this period at 2.2% (2023: 2.1%) terminal growth rate. Future cash flows are discounted at a rate equivalent to pre-tax rate of 11.6% (2023: 12.1%).

Assuming discount rate increased or revenue growth rate, terminal growth rate, operating margin decreased by 50 basis points, impairment charge of US$30,465,000 (equivalent to approximately RMB218,995,000), US$19,765,000 (equivalent to approximately RMB142,079,000), US$4,286,000 (equivalent to approximately RMB30,809,000) or nil respectively would be required for the goodwill in terminals and related business segment at 31 December 2024 (2023: US$27,269,000 (equivalent to approximately RMB193,141,000), US$39,800,000 (equivalent to approximately RMB281,891,000), US$11,967,000 (equivalent to approximately RMB84,759,000) or nil respectively).

12. Subsidiaries

(a) Details of the principal subsidiaries that impose material influence on either the financial position or the financial performance of the Group as at 31 December 2024 are shown in note 46(a).

(b) Material non-controlling interests

The total non-controlling interests as at 31 December 2024 is RMB50,390,714,000 of which RMB20,093,979,000 is for COSCO SHIPPING Ports Limited ("COSCO SHIPPING Ports"), and RMB28,487,615,000 is for OOIL.

Set out below are summarized financial information for COSCO SHIPPING Ports.

Summarised consolidated balance sheet

	COSCO SHIPPING Ports	
	2024	2023
	RMB'000	RMB'000
Current		
– Assets	**9,115,397**	10,895,310
– Liabilities	**(8,126,445)**	(11,384,059)
Total current net assets/(liabilities)	**988,952**	(488,749)
Non-current		
– Assets	**77,174,634**	73,614,623
– Liabilities	**(27,644,016)**	(24,662,323)
Total non-current net assets	**49,530,618**	48,952,300
Net assets	**50,519,570**	48,463,551

Summarised statement of comprehensive income

	COSCO SHIPPING Ports	
	2024	2023
	RMB'000	RMB'000
Revenues	**10,809,999**	10,251,443
Profit before income tax	**3,304,360**	3,027,361
Income tax expenses	**(527,646)**	(248,160)
Profit for the year	**2,776,714**	2,779,201
Other comprehensive income	**47,048**	462,518
Total comprehensive income	**2,823,762**	3,241,719
Total comprehensive income attributable to non-controlling interests	**1,195,542**	1,206,314
Dividends paid to non-controlling interests	**773,234**	692,911

12. Subsidiaries (Continued)

(b) Material non-controlling interests (Continued)

Summarised statement of cash flows

	COSCO SHIPPING Ports	
	2024	2023
	RMB'000	RMB'000
Cash flows from operating activities	**2,943,083**	3,400,672
Cash flows used in investing activities	**(1,603,474)**	(1,497,891)
Cash flows used in financing activities	**(2,315,337)**	(1,241,773)
Net (decrease)/increase in cash and cash equivalents	**(975,728)**	661,008

Set out below are summarized financial information for OOIL.

Summarised consolidated balance sheet

	OOIL	
	2024	2023
	RMB'000	RMB'000
Current		
– Assets	**63,714,067**	54,468,371
– Liabilities	**(18,879,763)**	(16,800,086)
Total net current assets	**44,834,304**	37,668,285
Non-current		
– Assets	**67,924,184**	69,669,280
– Liabilities	**(13,865,102)**	(14,508,860)
Total net non-current assets	**54,059,082**	55,160,420
Net assets	**98,893,386**	92,828,705

12. Subsidiaries (Continued)

(b) Material non-controlling interests (Continued)

Summarised statement of comprehensive income

	OOIL 2024 RMB'000	2023 RMB'000
Revenues	**76,133,620**	58,814,179
Profit before income tax	**18,942,438**	9,731,298
Income tax expenses	**(361,176)**	(80,723)
Profit for the year	**18,581,262**	9,650,575
Other comprehensive income	**1,364,231**	1,623,453
Total comprehensive income	**19,945,493**	11,274,028
Total comprehensive income attributable to non-controlling interests	**5,710,301**	3,460,926
Dividends paid to non-controlling interests	**1,108,404**	7,304,686

Summarised statement of cash flows

	OOIL 2024 RMB'000	2023 RMB'000
Cash flows from operating activities	**22,846,717**	4,350,491
Cash flows from/(used in) investing activities	**17,868,063**	(32,711,514)
Cash flows used in financing activities	**(8,511,552)**	(30,273,976)
Net increase/(decreased) in cash and cash equivalents	**32,203,228**	(58,634,999)

The information above is the amount before inter-company eliminations.

13. Investments in joint ventures

	2024 RMB'000	2023 RMB'000 (Restated)
Investments in joint ventures (including goodwill on acquisitions) (note a)	**7,900,391**	7,721,277
Equity loan to a joint venture (note b)	**1,026,215**	1,011,119
	8,926,606	8,732,396

Notes:

(a) The carrying amount of goodwill on acquisitions of joint ventures amounted to RMB477,719,000 (2023: RMB469,008,000).

(b) The balance is equity in nature, unsecured, interest free and has no fixed terms of repayment.

(c) There is no joint venture that is individually material to the Group as at 31 December 2024. The financial information below, after making necessary adjustments to conform to the Group's material accounting policies, represents the Group's interests in respective joint ventures:

	Net assets RMB'000	Profit less losses for the year RMB'000	Other comprehensive loss RMB'000	Total comprehensive income RMB'000
31 December 2024	**7,422,672**	**570,733**	**(3,269)**	**567,464**
31 December 2023 (Restated)	7,252,269	599,488	(4,208)	595,280

(d) There are no contingent liabilities relating to the Group's interest in joint ventures.

(e) The Company has no directly owned joint ventures as at 31 December 2023 and 2024. Details of the principal joint ventures as at 31 December 2024 are shown in note 46(b).

14. Investments in associates

	2024 RMB'000	2023 RMB'000 (Restated)
Investments in associates (including goodwill on acquisitions) (note b)	**62,927,837**	57,509,478
Equity loan	**646,956**	637,443
	63,574,793	58,146,921

Notes:

(a) In December 2024, the Group further acquired a 12.00% equity interest in COSCO SHIPPING Logistics Supply Chain Company Limited ("Logistics Supply Chain") for a consideration of RMB2,142,606,006. Together with the previously held 7.00% equity interest, the Group held 19.00% effective interest of Logistics Supply Chain, with two seats on the board of directors of Logistics Supply Chain.

(b) The carrying amount of goodwill on acquisitions of associates amounted to RMB2,293,344,000 (2023: RMB2,293,923,000).

(c) There is no associate that is individually material to the Group as at 31 December 2024. The financial information below, after making necessary adjustments to conform to the Group's material accounting policies, represents the Group's interests in respective associates:

	Net assets RMB'000	Profit less losses for the year RMB'000	Other comprehensive loss RMB'000	Total comprehensive income RMB'000
2024	**60,634,493**	**4,378,196**	**(51,107)**	**4,327,089**
2023 (Restated)	55,215,555	4,091,191	(59,437)	4,031,754

(d) There are no significant contingent liabilities relating to the Group's interest in associates.

(e) Details of the principal associates as at 31 December 2024 are shown in note 46(c).

15. Loans to associates

	2024 RMB'000	2023 RMB'000
Loans to associates	**840,964**	227,932

Note: Loans to associates mainly consists of (1) a balance of RMB150,454,000 (2023: RMB157,123,000), which is unsecured, bears interest at 4.45% per annum, and is repayable in 2028, (2) a balance of RMB632,159,000 is unsecured, which bears interest at the aggregate of 2.0% per annum and EURIBOR, and is repayable in 2029. As at 31 December 2023, the balance of RMB660,171,000 was unsecured, which bore interest at the aggregate of 2.0% per annum and EURIBOR, and was repayable in 2024 and reclassified to trade and other receivables, prepayment and contract assets (note 23(d)).

16. Financial assets at fair value through other comprehensive income

Financial assets at FVOCI comprise the following investments in listed and unlisted equity:

	2024 RMB'000	2023 RMB'000
Non-current assets		
Listed securities (note a)	**4,621,399**	1,637,274
Unlisted investments (note b)	**295,283**	280,967
	4,916,682	1,918,241

Notes:

(a) Listed securities represent equity interests in entities which are principally engaged in provision of port related services and securities service.

(b) Unlisted investments mainly comprise equity interests in terminal operating companies, port information system engineering companies and property investment companies.

16. Financial assets at fair value through other comprehensive income (Continued)

Notes: (Continued)

(c) Financial assets at FVOCI are denominated in the following currencies:

	2024 RMB'000	2023 RMB'000
RMB	**2,009,416**	1,858,860
HKD	**2,901,903**	53,793
EURO	**5,147**	5,376
Others	**216**	212
	4,916,682	1,918,241

(d) Movement of the financial assets at FVOCI during the year is as follows:

	2024 RMB'000	2023 RMB'000
As at 1 January	**1,918,241**	1,908,361
Addition	**2,020,621**	–
Disposals	**–**	(6,311)
Fair value change recognised in other comprehensive income	**947,263**	15,201
Currency translation differences	**30,557**	990
As at 31 December	**4,916,682**	1,918,241

(e) Financial assets at fair value through other comprehensive income includes the following classes of financial assets:

	2024 RMB'000	2023 RMB'000
Listed securities		
– Mainland, China	**1,719,496**	1,583,483
– Hong Kong, China	**2,901,903**	53,791
Unlisted investments	**295,283**	280,967
	4,916,682	1,918,241

17. Financial assets at fair value through profit or loss

Financial assets at FVPL include the following:

	2024 RMB'000	2023 RMB'000 (Restated)
Listed equity securities, current (note a)		
– Hong Kong, China	65,948	68,716
– Overseas	–	26,284
Market value of listed equity security	65,948	95,000
Listed convertible bonds, non-current (note b)	401,865	380,662
Unlisted investments	42,896	44,797
	444,761	425,459
Total	510,709	520,459

Notes:

(a) As at 31 December 2024, the carrying amounts of the Group's financial assets at FVPL of listed equity securities are mainly denominated in Hong Kong dollar.

The fair value of all listed equity securities are based on their current bid prices in active markets.

(b) In July 2021, COSCO SHIPPING Ports subscribed for convertible bonds issued by an associate, Beibu Gulf Port Co., Ltd. at a consideration of RMB321,491,500.

During the year ended 31 December 2024, fair value gain on the Group's financial asset at FVPL of listed convertible bond of RMB21,203,000 (2023: fair value gain of RMB9,185,000) was recognized in other income.

18. Financial assets at amortised cost

Financial assets at amortised cost include the following:

	2024 RMB'000	2023 RMB'000
Listed debt securities		
– Overseas	**386,006**	380,609
	386,006	380,609
Less: Current portion included in current assets	**(41,758)**	(5,747)
	344,248	374,862
Market value	**379,295**	364,834

Movements in financial assets at amortised cost are as follows:

	2024 RMB'000	2023 RMB'000
Balance at beginning of year	**380,609**	623,742
Currency translation differences	**5,680**	6,253
Redemptions on maturity	**–**	(249,182)
Amortisation	**(283)**	(204)
Balance at end of year	**386,006**	380,609

(a) The carrying amounts of financial assets at amortised cost are mainly denominated in US dollar.

(b) The credit quality of other financial assets at amortised cost by reference to Standard & Poor's and/or Moody's credit ratings is as follows:

	2024 RMB'000	2023 RMB'000
BBB	**386,006**	380,609

19. Deferred income tax assets/(liabilities)

Deferred income tax is calculated in full on temporary differences under the liability method using taxation rates ranging from 5% to 39% for the year (2023: 2.5% to 39%).

The movement on the net deferred tax liabilities is as follows:

	2024 **RMB'000**	2023 RMB'000
As at end of previous year	**(17,313,006)**	(16,487,375)
Change in accounting policy	**–**	269,626
Business combinations under common control	**–**	2
As at 1 January, as restated	**(17,313,006)**	(16,217,747)
Currency translation differences	**(53,464)**	13,517
Charged to consolidated income statement	**(1,365,219)**	(940,971)
Acquisition of subsidiaries (note 41)	**(5,272)**	(167,233)
Charged to other comprehensive income	**(37,638)**	(572)
As at 31 December	**(18,774,599)**	(17,313,006)

Deferred income tax assets are recognized for tax losses carry forward to the extent that realization of the related tax benefit through the future taxable profits is probable. As at 31 December 2024, the Group had tax losses of RMB3,271,168,000 (2023: RMB3,638,409,000) to carry forward, which were not recognized as deferred tax assets as the Directors considered that the utilization of these tax losses in the foreseeable future is not probable, of which an amount of RMB795,503,000 (2023: RMB714,865,000) will expire through year 2029 (2023: year 2028) and an amount of RMB2,475,665,000 (2023: RMB2,923,544,000) has no expiry date.

As at 31 December 2024, the unrecognized deferred income tax liabilities were RMB22,427,688,000 (2023: RMB17,908,126,000), relating to income tax and withholding tax that would be payable for undistributed profits of certain overseas subsidiaries, as the Directors considered that the timing for the reversal of the related temporary differences can be controlled or such profits will not be distributed and such temporary differences will not be reversed in the foreseeable future. The total undistributed profits of these overseas subsidiaries as at 31 December 2024 amounted to RMB88,447,330,000 (2023: RMB71,353,240,000).

19. Deferred income tax assets/(liabilities) (Continued)

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year was as follows:

Deferred income tax liabilities

	Undistributed profits of subsidiaries, joint ventures and associates RMB'000	Accelerated tax depreciation and fair value adjustments on assets in relation to business combination RMB'000	Right-of-use assets RMB'000	Fair value gain on financial assets RMB'000	Others RMB'000	Total RMB'000
As at 1 January 2023	(16,049,069)	(1,326,179)	–	(238,699)	(26,452)	(17,640,399)
Change in accounting policy	–	–	(591,578)	–	–	(591,578)
Business combinations under common control	–	–	(82)	–	–	(82)
As at 1 January 2023, as restated	(16,049,069)	(1,326,179)	(591,660)	(238,699)	(26,452)	(18,232,059)
Currency translation differences	(6,852)	1,949	(33,355)	34,643	(14,918)	(18,533)
(Charged)/credited to consolidated income statement	(827,059)	478,464	(69,715)	10,644	(471,324)	(878,990)
Acquisition of subsidiaries	–	(167,268)	–	–	–	(167,268)
Charged to other comprehensive income	–	–	–	(1,792)	–	(1,792)
As at 31 December 2023 and 1 January 2024	**(16,882,980)**	**(1,013,034)**	**(694,730)**	**(195,204)**	**(512,694)**	**(19,298,642)**
Currency translation differences	**(7,230)**	**–**	**(3,489)**	**11,430**	**15,661**	**16,372**
(Charged)/credited to consolidated income statement	**(1,573,021)**	**126,479**	**263,789**	**(5,301)**	**(237,326)**	**(1,425,380)**
Acquisition of subsidiaries (note 41)	**–**	**(5,305)**	**–**	**–**	**–**	**(5,305)**
Charged to other comprehensive income	**–**	**–**	**–**	**(33,944)**	**–**	**(33,944)**
As at 31 December 2024	**(18,463,231)**	**(891,860)**	**(434,430)**	**(223,019)**	**(734,359)**	**(20,746,899)**

19. Deferred income tax assets/(liabilities) (Continued)

Deferred income tax assets

	Tax loss RMB'000	Staff benefit RMB'000	Lease liabilities RMB'000	Accelerated accounting depreciation RMB'000	Others RMB'000	Total RMB'000
As at 1 January 2023	492,080	49,452	–	22,516	588,976	1,153,024
Change in accounting policy	–	–	861,204	–	–	861,204
Business combinations under common control	–	–	84	–	–	84
As at 1 January 2023, as restated	492,080	49,452	861,288	22,516	588,976	2,014,312
Currency translation differences	(12,019)	(1,516)	39,898	(424)	6,111	32,050
(Charged)/credited to consolidated income statement	(65,742)	4,768	81,136	(6,466)	(75,677)	(61,981)
Acquisition of subsidiaries	–	–	–	–	35	35
Credit to other comprehensive income	–	–	–	–	1,220	1,220
As at 31 December 2023 and 1 January 2024	**414,319**	**52,704**	**982,322**	**15,626**	**520,665**	**1,985,636**
Currency translation differences	**17,520**	**8,776**	**3,414**	**5,884**	**(105,430)**	**(69,836)**
Credited/(charged) to consolidated income statement	**91,955**	**173,455**	**(248,202)**	**8,622**	**34,331**	**60,161**
Acquisition of subsidiaries (note 41)	**–**	**–**	**–**	**–**	**33**	**33**
Charged to other comprehensive income	**–**	**–**	**–**	**–**	**(3,694)**	**(3,694)**
As at 31 December 2024	**523,794**	**234,935**	**737,534**	**30,132**	**445,905**	**1,972,300**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balance and a net basis. As at 31 December 2024, deferred income tax assets and deferred income tax liabilities amounted to RMB926,312,000 were offset (2023 restated: RMB1,067,085,000).

19. Deferred income tax assets/(liabilities) (Continued)

The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet:

	2024 RMB'000	2023 RMB'000 (Restated)
Deferred income tax assets		
Deferred income tax assets to be recovered after more than 12 months	**672,787**	843,782
Deferred income tax assets to be recovered within 12 months	**373,201**	74,724
	1,045,988	918,506
Deferred income tax liabilities		
Deferred income tax liabilities to be settled after more than 12 months	**(19,615,653)**	(18,227,921)
Deferred income tax liabilities to be settled within 12 months	**(204,934)**	(3,591)
	(19,820,587)	(18,231,512)
Deferred income tax liabilities, net	**(18,774,599)**	(17,313,006)

20. Other non-current assets

	2024 RMB'000	2023 RMB'000
Deposits	**14,090**	36,596
Others (note)	**1,525,843**	356,184
	1,539,933	392,780

Note:

Among of which RMB1,000,000,000 was paid by the Company in December 2024 to acquire 10% equity interests of Anji Logistics Co., LTD. As at 31 December 2024, the transaction has not yet been completed.

21. Cash and cash equivalents and restricted bank deposits

	2024 RMB'000	2023 RMB'000 (Restated)
Balances placed with COSCO Shipping Finance Co., Ltd. ("COSCO SHIPPING Finance") (note a)	**96,962,931**	89,162,590
Bank balances and cash and cash equivalents	**88,099,685**	93,193,547
Total bank deposits and cash and cash equivalents (note b)	**185,062,616**	182,356,137
Less:		
Restricted bank deposits (note c)	**(873,538)**	(1,190,697)
Cash and cash equivalents	**184,189,078**	181,165,440

Notes:

(a) COSCO SHIPPING Finance is a finance company owned by COSCO SHIPPING and balances placed with COSCO SHIPPING Finance bear interest at prevailing market rates.

(b) The carrying amounts of bank deposits and cash and cash equivalents are denominated in the following currencies:

	2024 RMB'000	2023 RMB'000 (Restated)
RMB	**62,640,722**	101,187,885
US dollar	**114,272,153**	75,282,162
EURO	**3,493,578**	2,878,276
HK dollar	**472,128**	286,693
Other currencies	**4,184,035**	2,721,121
	185,062,616	182,356,137

(c) Restricted bank deposits are mainly held as security for borrowings and bank guarantees and facilities (note 26(f)(iv)).

(d) The effective interest rates on time deposits as at 31 December 2024 were in the range of 1.40% to 5.81% per annum (2023: 2.10% to 5.45% per annum). The deposits earn interests for liquidity management purpose at floating rates based on prevailing market rates.

22. Inventories

	2024 RMB'000	2023 RMB'000
Bunkers, voyage supplies, consumables and others	**6,332,469**	6,561,355

23. Trade and other receivables and contract assets

	2024 RMB'000	2023 RMB'000 (Restated)
Trade receivables (note a)		
– third parties	**8,314,921**	6,346,952
– fellow subsidiaries	**171,136**	176,541
– joint ventures	**71,442**	18,860
– other related companies	**201,726**	192,212
	8,759,225	6,734,565
Bills receivables (note a)	**149,858**	175,916
Contract assets (note a)	**239,795**	179,386
	9,148,878	7,089,867
Prepayments, deposits and other receivables		
– third parties (note b)	**4,666,304**	4,644,036
– fellow subsidiaries (note d)	**324,705**	327,920
– joint ventures (note d)	**219,954**	507,256
– associates (note d)	**126,041**	850,033
– other related companies (note d)	**11,562**	19,772
	5,348,566	6,349,017
Total	**14,497,444**	13,438,884

23. Trade and other receivables and contract assets (Continued)

Notes:

(a) Trade receivables with related parties are unsecured and have similar credit periods as third party customers. The normal credit period granted to the trade receivables of the Group is generally within 90 days. Trade receivables primarily consisted of voyage-related receivables. As at 31 December 2024, the aging analysis of trade and bills receivables and contract assets on the basis of the date of relevant invoice or demand note is as follows:

	2024 RMB'000	2023 RMB'000
Within 1 year	**9,372,549**	7,231,474
1 – 2 years	**29,896**	56,877
2 – 3 years	**36,266**	35,842
Above 3 years	**145,919**	137,418
Trade, bills receivables and contract assets, gross	**9,584,630**	7,461,611
Within 1 year	**(227,153)**	(156,777)
1 – 2 years	**(29,438)**	(51,195)
2 – 3 years	**(33,242)**	(26,354)
Above 3 years	**(145,919)**	(137,418)
Provision for impairment	**(435,752)**	(371,744)
Trade, bills receivables and contract assets, net	**9,148,878**	7,089,867

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled service provided and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2024 or 31 December 2023 respectively and the corresponding historical credit losses experienced within this year. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

23. Trade and other receivables and contract assets (Continued)

Notes:(Continued)

(a) (Continued)

Movements on the provision for impairment of trade receivables and contract assets are as follows:

	2024 RMB'000	2023 RMB'000
As at 1 January	371,744	593,573
Provision/(reversal of) for trade receivables and contract assets impairment	67,991	(224,471)
Trade receivables and contract assets written off during the year as uncollectible	(8,102)	(15,512)
Acquisition of subsidiary (note 41)	131	8,955
Currency translation differences	3,988	9,199
As at 31 December	435,752	371,744

The creation and release of provision for impaired receivables have been included in the consolidated income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

Management considered that there is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers, internationally dispersed.

(b) Prepayments, deposits and other receivables due from third parties

	2024 RMB'000	2023 RMB'000 (Restated)
Prepayments and deposits	2,265,016	2,654,715
Claims receivables	–	3,416
Other receivables less provision (note c)	2,401,288	1,985,905
	4,666,304	4,644,036

23. Trade and other receivables and contract assets (Continued)

Notes:(Continued)

(c) Movements on the provision for impairment of other receivables are as follows:

	2024 RMB'000	2023 RMB'000
As at 1 January	**60,275**	59,335
Reversal of receivable impairment	**(41)**	(692)
Receivables written off during the year as uncollectible	**–**	(233)
Disposal of subsidiary	**–**	1,831
Currency translation differences	**(13)**	34
As at 31 December	**60,221**	60,275

(d) As at 31 December 2023, balance of US$93,209,000 (equivalent to approximately RMB660,171,384) is unsecured, which bears interest at the aggregate of 2.0% per annum and EURIBOR. As at 31 December 2024, the balance was reclassified to loans to associates (note 15). Other amounts due from related companies are unsecured, interest free and have no fixed terms of repayment.

(e) The carrying amount of trade and other receivables (excluding prepayments and deposits, and contract assets) are denominated in the following currencies:

	2024 RMB'000	2023 RMB'000 (Restated)
RMB	**2,089,848**	4,309,032
US dollar	**5,102,258**	3,507,575
EURO	**1,849,671**	1,124,091
HK dollar	**282,294**	208,714
AUD	**235,429**	188,022
GBP	**150,155**	102,008
Other currencies	**2,282,978**	1,165,341
	11,992,633	10,604,783

(f) The carrying amounts of trade and other receivables and contract assets (excluding prepayments and deposits) approximate their fair values.

(g) Management considered the maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. The Group does not hold any collateral as security.

24. Share capital and equity linked benefits

(a) Share capital

	Number of shares (thousands)	Nominal value RMB'000
H Shares of RMB1.00 each		
As at 31 December 2023	3,313,313	3,313,313
Cancellation of shares (note)	(113,533)	(113,533)
As at 31 December 2024	**3,199,780**	**3,199,780**
A Shares of RMB1.00 each		
As at 31 December 2023	12,757,745	12,757,745
Issue of shares by exercising share options (note b)	3,302	3,302
As at 31 December 2024	**12,761,047**	**12,761,047**

Note:

During the year 2024, the Company repurchased a total of 50,000,050 its own ordinary shares on the Shanghai Stock Exchange at an aggregate consideration of approximately RMB703,431,669. Meanwhile, the Company repurchased a total of 139,704,500 its own ordinary shares on the Stock Exchange of Hong Kong Limited at an aggregate consideration of approximately RMB1,314,519,709. In total, RMB2,017,951,378 was recognized as treasury share of the Company.

During the year 2024, the Company cancelled a total of 113,533,000 shares amount of approximately RMB793,856,540 on The Stock Exchange of Hong Kong Limited. Stock cancellation resulted in a decrease of share capital of RMB113,533,000, a decrease of treasury shares of RMB793,856,540, and a decrease of reserves of RMB680,323,540 of the Company. The Company also paid handling fee of RMB722,417 and recognised against capital reserve.

24. Share capital and equity linked benefits (Continued)

(b) Share options of the Company

The Company operates share option schemes whereby options are granted to eligible employees or any participants (as defined in the relevant share option schemes) of the Group, to subscribe for its shares. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

Pursuant to a board resolution dated on 30 May 2019, the Company adopted a share option scheme (the "2019 Share Option Scheme"), which enable the Company to establish and cultivate a performance-oriented culture, under which value is created for the Shareholders, and to establish an interests-sharing and restraining mechanism between the Shareholders and the Company's management. No consideration was paid by the grantees for the acceptance of share options.

Pursuant to a board resolution dated on 29 May 2020, the Company adopted a share option scheme (the "2020 Share Option Scheme") enable the Company to establish and cultivate a performance-oriented culture, under which value is created for the Shareholders, and to establish an interests-sharing and restraining mechanism between the Shareholders and the Company's management. No consideration was paid by the grantees for the acceptance of share options.

Under the 2019 Share Option Scheme and 2020 Share Option Scheme, the exercises of the options of three batches are subject to two-year, three-year and four-year vesting periods respectively during which a participant is not allowed to exercise any option granted. After the expiration of each vesting period, the participant may exercise the options in three batches in the one year, one year and three years after the expiration of each vesting period respectively. Within the exercise period of the share options, and subject to the fulfilment of the vesting conditions and the exercise arrangement of the share options, grant of each share option entitles the grantee to subscribe for one A share at relevant exercise price in three batches evenly after the expiry of each vesting period.

24. Share capital and equity linked benefits (Continued)

(b) Share options of the Company (Continued)

Movements of the share options granted by the Company during the year ended 31 December 2024 and 2023 are set out below:

		Year ended 31 December 2024 Number of share options			
Date of grant	**Exercisable period**	**Outstanding as at 1 January 2024**	**Exercised during the year**	**Forfeited during the year**	**Outstanding as at 31 December 2024**
03 June 2019	Note (i)	**1,011,542**	**(72,541)**	**–**	**939,001**
29 May 2020	Note (ii)	**6,740,504**	**(3,229,392)**	**(187,850)**	**3,323,262**
		7,752,046	**(3,301,933)**	**(187,850)**	**4,262,263**

		Year ended 31 December 2023 Number of share options			
Date of grant	Exercisable period	Outstanding as at 1 January 2023	Exercised during the year	Forfeited during the year	Outstanding as at 31 December 2023
03 June 2019	Note (i)	79,177,264	(71,004,883)	(7,160,839)	1,011,542
29 May 2020	Note (ii)	13,735,880	(6,658,157)	(337,219)	6,740,504
		92,913,144	(77,663,040)	(7,498,058)	7,752,046

Notes:

(i) The share options were granted on 3 June 2019 under the 2019 Share Option Scheme at an exercise price of RMB4.10 per share. According to the provisions of the 2019 Share Option Scheme, share options under each grant have a validity period of ten years commencing from the date of grant and cannot be exercised evenly during the two-year, three-year and four-year period commencing from the date of grant (the "Restriction Period"). Besides, subject to the fulfilment of the relevant vesting conditions, share options will be vested in three batches evenly over a period of one year, one year and three years after the expiry of each Restriction Period, i.e. 33%, 33% and 34%.

The exercise price was adjusted from RMB4.10 per share to RMB3.15 per share according to the capitalisation issue of 3 shares for every 10 shares in July 2021 and was further adjusted to RMB1.00 per share according to the 2021 and 2022 profit distribution plan.

(ii) The share options were granted on 29 May 2020 under the 2020 Share Option Scheme at an exercise price of RMB3.50 per share. According to the provisions of the 2020 Share Option Scheme, share options under each grant have a validity period of ten years commencing from the date of grant and cannot be exercised evenly during the two-year, three-year and four-year period commencing from the date of grant (the "Restriction Period"). Besides, subject to the fulfilment of the relevant vesting conditions, share options will be vested in three batches evenly over a period of one year, one year and three years after the expiry of each Restriction Period, i.e. 33%, 33% and 34%.

The exercise price was adjusted from RMB3.50 per share to RMB2.69 per share according to the capitalisation issue of 3 shares for every 10 shares in July 2021 and was further adjusted to RMB1.00 per share according to the 2021 and 2022 profit distribution plan.

24. Share capital and equity linked benefits (Continued)

(b) Share options of the Company (Continued)

Notes: (Continued)

(ii) (Continued)

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Year ended 31 December 2024	
	Average exercise price per share RMB	Number of share options
As at 1 January	**1.00**	**7,752,046**
Forfeited during the year	**1.00**	**(187,850)**
Exercised during the year	**1.00**	**(3,301,933)**
As at 31 December	**1.00**	**4,262,263**

	Year ended 31 December 2023	
	Average exercise price per share RMB	Number of share options
As at 1 January	1.00	92,913,144
Forfeited during the year	1.00	(7,498,058)
Exercised during the year	1.00	(77,663,040)
As at 31 December	1.00	7,752,046

(iii) 939,001 A Shares under the 2019 Share Option Scheme and 3,323,262 A Shares under the 2020 Share Option Scheme were vested and exercisable as at 31 December 2024. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

(iv) The Company completed the registration of 72,541 A Shares due to exercise of A Share Option of the Company under the 2019 Share Option Scheme, and 3,229,392 A shares due to exercise of A Share Option of the Company under the 2020 Share Option Scheme during the year of 2024.

24. Share capital and equity linked benefits (Continued)

(b) Share options of the Company (Continued)

Notes: (Continued)

(v) Fair value of options granted

The fair values of options granted before the Capitalisation Issue are estimated based on the Black-Scholes valuation model, and such fair values and significant inputs into the model are as follows:

	Fair value per share option RMB	Share price at date of grant RMB	Exercise price RMB	Standard deviation of expected share price return	Expected life of share options	Expected dividend paid out rate	Risk-free interest rate
Granted on 3 June 2019	2.00	4.82	4.10	41.57%	3.83 years	0%	3.11%
Granted on 29 May 2020	0.85	3.19	3.50	35.20%	3.83 years	0%	2.33%

The above fair values and inputs into the Black-Scholes valuation model are based on the data of options when granted.

(vi) Expense arising from share-based payment transaction

The Group recognised an expense of RMB326,642 for share based payment of the Company to its employees for the year ended 31 December 2024 (2023: RMB5,269,541).

(c) Share options of a subsidiary

The Company's subsidiary, COSCO SHIPPING Ports Limited ("COSCO SHIPPING Ports"), operates share option schemes whereby options are granted to eligible employees and directors or any participant of the Group to subscribe for its share.

Movements of the share options granted by COSCO SHIPPING Ports during the year ended 31 December 2023 are set out below:

			Year ended 31 December 2023 Number of share options					
Date of grant	Note	Exercise price	Outstanding as at 1 January 2023	Granted during the year	Exercised during the year	Cancelled during the year	Forfeited during the year	Outstanding as at 31 December 2023
19 June 2018	Note (i)(ii)	HK$7.27	30,518,454	–	–	–	(30,518,454)	–
29 November 2018	Note (i)(ii)	HK$8.02	398,404	–	–	–	(398,404)	–
29 March 2019	Note (i)(ii)	HK$8.48	225,201	–	–	–	(225,201)	–
23 May 2019	Note (i)(ii)	HK$7.27	67,673	–	–	–	(67,673)	–
17 June 2019	Note (i)(ii)	HK$7.57	425,350	–	–	–	(425,350)	–
			31,635,082	–	–	–	(31,635,082)	–

24. Share capital and equity linked benefits (Continued)

(c) Share options of a subsidiary (Continued)

Notes:

(i) All vested share options were forfeited as at 31 December 2023.

(ii) The share options were granted on 19 June 2018 and 29 November 2018 under the 2018 Share Option Scheme at an exercise price of HK$7.27 and HK$8.02 respectively. According to the provisions of the 2018 Share Option Scheme, share options under each grant have a validity period of five years commencing from the date of grant and cannot be exercised during the two-year period commencing from the date of grant (the "Restriction Period"). Besides, subject to the fulfilment of the relevant vesting conditions, share options will be vested in three batches evenly over a period of three years after the expiry of the Restriction Period, i.e. 33.3%, 33.3% and 33.4%.

(iii) The share options were granted on 29 March 2019, 23 May 2019 and 17 June 2019 under the 2018 Share Option Scheme at an exercise price of HK$8.48, HK$7.27 and HK$7.57 respectively. According to the provisions of the 2018 Share Option Scheme, share options under each grant have a validity period of five years commencing from the date of grant and cannot be exercised during the two-year period commencing from the date of grant (the "Restriction Period"). Besides, subject to the fulfilment of the relevant vesting conditions, share options will be vested in three batches evenly over a period of three years after the expiry of the Restriction Period, i.e. 33.3%, 33.3% and 33.4%.

(iv) No share options were exercised under the 2018 Share Option Scheme during the year (2023: Nil).

(v) Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2024		2023	
	Average exercise price per share HK$	**Number of share options**	Average exercise price per share HK$	Number of share options
As at 1 January	–	–	7.29	31,635,082
Forfeited during the year	–	–	7.29	(31,635,082)
As at 31 December	–	–	7.29	–

25. Reserves

	Capital reserve RMB'000	Hedging reserve RMB'000	Other reserves RMB'000	Statutory reserve fund RMB'000	Investment revaluation reserve RMB'000	Exchange reserve RMB'000	Treasury shares RMB'000	Special reserves RMB'000	Retained earnings RMB'000	Total RMB'000
Balance at 1 January 2024, as previously reported	36,719,844	1,970	(4,322,401)	10,418,595	180,395	(577,720)	(374,092)	-	137,997,608	180,044,199
Business combinations under common control (note 45)	-	-	-	-	-	-	-	-	(28)	(28)
Balance at 1 January 2024, as restated	36,719,844	1,970	(4,322,401)	10,418,595	180,395	(577,720)	(374,092)	-	137,997,580	180,044,171
Comprehensive income/(loss)										
Profit for the year	-	-	-	-	-	-	-	-	49,172,465	49,172,465
Other comprehensive income/(loss):										
Share of other comprehensive loss of joint ventures and associates, net	-	-	(45,885)	-	-	-	-	-	-	(45,885)
Cash flow hedges, net of tax	-	(15,344)	-	-	-	-	-	-	-	(15,344)
Changes in the fair value of financial assets at fair value through other comprehensive income, net of tax	-	-	-	-	884,693	-	-	-	-	884,693
Remeasurements of post-employment benefit obligations	-	-	8,229	-	-	-	-	-	-	8,229
Currency translation differences	-	-	-	-	-	1,510,872	-	-	-	1,510,872
Total other comprehensive income/(loss)	-	(15,344)	(37,656)	-	884,693	1,510,872	-	-	-	2,342,565
Total comprehensive income/(loss)	-	(15,344)	(37,656)	-	884,693	1,510,872	-	-	49,172,465	51,515,030
Total contributions by and distributions to owners of the Company recognised directly in equity:										
Transaction with non-controlling shareholders of subsidiaries	1,261,061	-	-	-	-	-	-	-	-	1,261,061
Dividends declared to shareholders of the Company	-	-	-	-	-	-	-	-	(11,970,479)	(11,970,479)
Fair value of share options granted	327	-	-	-	-	-	-	-	-	327
Put option liability movement	-	-	-	-	-	-	-	-	(36,534)	(36,534)
Repurchase and cancellation of shares (note 24(a))	(681,046)	-	-	-	-	-	(1,224,095)	-	-	(1,905,141)
Transfer from retained profits	-	-	-	2,532,174	-	-	-	95,280	(2,532,174)	95,280
Utilisation of reserve fund	-	-	-	-	-	-	-	(95,280)	-	(95,280)
Others	(201,199)	-	(258)	-	-	-	-	-	258	(201,199)
Total contributions by and distributions to owners of the Company	379,143	-	(258)	2,532,174	-	-	(1,224,095)	-	(14,538,929)	(12,851,965)
Balance at 31 December 2024	37,098,987	(13,374)	(4,360,315)	12,950,769	1,065,088	933,152	(1,598,187)	-	172,631,116	218,707,236

25. Reserves (Continued)

	Capital reserve RMB'000	Hedging reserve RMB'000	Other reserves RMB'000	Statutory reserve fund RMB'000	Investment revaluation reserve RMB'000	Exchange reserve RMB'000	Treasury shares RMB'000	Special reserves RMB'000	Retained earnings RMB'000	Total RMB'000
Balance at 1 January 2023, as previously reported	35,737,745	1,970	(4,277,732)	9,516,533	164,615	(2,375,892)	–	–	145,520,672	184,287,911
Change in accounting policy	6,697	–	–	–	–	1,349	–	–	199,848	207,894
Business combinations under common control	–	–	–	–	–	4	–	–	61	65
Balance at 1 January 2023, as restated	35,744,442	1,970	(4,277,732)	9,516,533	164,615	(2,374,539)	–	–	145,720,581	184,495,870
Comprehensive income/(loss)										
Profit for the year	–	–	–	–	–	–	–	–	23,860,169	23,860,169
Other comprehensive income/(loss):										
Share of other comprehensive loss of joint ventures and associates, net	–	–	(21,901)	–	–	(20,055)	–	–	–	(41,956)
Cash flow hedges, net of tax	(5,434)	–	–	–	–	–	–	–	–	(5,434)
Changes in the fair value of financial assets at fair value through other comprehensive income, net of tax	(3,663)	–	–	–	15,780	–	–	–	–	12,117
Remeasurements of post-employment benefit obligations	–	–	(20,401)	–	–	–	–	–	–	(20,401)
Currency translation differences	–	–	–	–	–	1,816,874	–	–	–	1,816,874
Total other comprehensive income/(loss)	(9,097)	–	(42,302)	–	15,780	1,796,819	–	–	–	1,761,200
Total comprehensive income/(loss)	(9,097)	–	(42,302)	–	15,780	1,796,819	–	–	23,860,169	25,621,369
Total contributions by and distributions to owners of the Company recognised directly in equity:										
Transaction with non-controlling shareholders of subsidiaries	1,651,611	–	–	–	–	–	–	–	–	1,651,611
Dividends declared to shareholders of the Company	–	–	–	–	–	–	–	–	(30,672,892)	(30,672,892)
Fair value of share options granted	(12,146)	–	–	–	–	–	–	–	21,922	9,776
Put option liability movement	–	–	–	–	–	–	–	–	(32,505)	(32,505)
Repurchase and cancellation of shares	(785,901)	–	–	–	–	–	(374,092)	–	–	(1,159,993)
Transfer from retained profits	–	–	–	902,062	–	–	–	156,059	(902,062)	156,059
Utilisation of reserve fund	–	–	–	–	–	–	–	(156,059)	–	(156,059)
Others	130,935	–	(2,367)	–	–	–	–	–	2,367	130,935
Total contributions by and distributions to owners of the Company	984,499	–	(2,367)	902,062	–	–	(374,092)	–	(31,583,170)	(30,073,068)
Balance at 31 December 2023	36,719,844	1,970	(4,322,401)	10,418,595	180,395	(577,720)	(374,092)	–	137,997,580	180,044,171

25. Reserves (Continued)

Notes:

(a) Statutory reserve fund

In accordance with the PRC Company Law and the Company's articles of association, the Company is required to allocate 10% of net profit of the Company, as determined in accordance with the China Accounting Standards ("CAS"), to the statutory reserve fund until such statutory reserve fund reaches 50% of the registered capital of the Company. The appropriation to the statutory reserve fund reaches 50% of the registered capital of the Company. The appropriation to the statutory reserve fund must be made before any distribution of dividends to equity holders. The statutory reserve fund can be used to offset previous year's losses, if any, and part of the statutory reserve fund can be capitalised as the Company's share capital provided that the amount of such statutory reserve fund remaining after capitalisation shall not be less than 25% of the share capital of the Company.

(b) In accordance with the articles of association of the Company, the profit available for appropriation by the Company for the purpose of dividend payments is based on the lessor of (i) the net profit determined in accordance with the CAS; and (ii) the net profit determined in accordance with HKFRSs. Profit distribution is made after the appropriation to statutory reserve fund and recovery of previous years' losses.

(c) Other reserves of the Group as at 31 December 2024 represented capital reserve and other reserves of joint ventures and associates, and remeasurements of post-employment benefit obligations.

(d) Capital reserve mainly represents the capitalisation of the reserves of the acquired subsidiaries from the parent company upon the incorporation of the Company on 3 March 2005 and the share premium (net with share issuance expenses) arising upon issuance of the Company's H shares and A shares in 2005, 2007 and 2019.

26. Borrowings

	2024 RMB'000	2023 RMB'000
Long term borrowings		
Bank loans		
– secured (note f)	**19,279,856**	14,517,085
– unsecured (note g)	**10,992,532**	23,111,710
Loans form COSCO SHIPPING Finance		
– unsecured	**1,595,816**	1,945,491
Loans from non-controlling shareholders of subsidiaries	**418,828**	436,196
Other loans		
– unsecured	**428,500**	561,770
Interest payables of long-term borrowings	**256,516**	287,147
Total long-term borrowings	**32,972,048**	40,859,399
Current portion of long-term borrowings	**(2,026,044)**	(8,118,638)
	30,946,004	32,740,761
Short term borrowings		
Bank loans		
– unsecured	**1,700,798**	2,416,467
Interest payables of short-term borrowings	**2,840**	1,052
	1,703,638	2,417,519

26. Borrowings (Continued)

Notes:

(a) As at 31 December 2024, the long-term borrowings were payable as follows:

	2024 RMB'000	2023 RMB'000
Bank loans		
– within one year	**1,707,528**	6,508,831
– in the second year	**5,570,275**	6,426,459
– in the third to fifth years	**11,241,582**	12,955,597
– after the fifth year	**11,753,003**	11,737,908
	30,272,388	37,628,795
Loans from COSCO SHIPPING Finance		
– within one year	**61,000**	430,400
– in the second year	**75,000**	80,600
– in the third to fifth years	**357,500**	290,000
– after the fifth year	**1,102,316**	1,144,491
	1,595,816	1,945,491
Loans from non-controlling shareholders of subsidiaries (note b)		
– within one year	**–**	432,260
– in the second year	**–**	–
– in the third to fifth years	**418,828**	–
– after the fifth year	**–**	3,936
	418,828	436,196
Other loans		
– within one year	**1,000**	460,000
– in the second year	**1,000**	86,770
– in the third to fifth years	**426,500**	15,000
	428,500	561,770
Interest payables		
– within one year	**256,516**	287,147
	32,972,048	40,859,399

26. Borrowings (Continued)

Notes: (Continued)

(b) As at 31 December 2024, the balance mainly included US$57,581,000 (equivalent to approximately RMB413,918,000) which is unsecured, bears interest at 1.0% above the 3 months EURIBOR, and repayable on or before June 2029.

(c) The exposure of the Group's long-term borrowings to interest rate changes and the contractual repricing dates at balance sheet date area as follows:

	Less than one year RMB'000	2 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at 31 December 2024				
Total borrowings	**2,026,044**	**18,090,685**	**12,855,319**	**32,972,048**
As at 31 December 2023				
Total borrowings	8,118,638	19,854,426	12,886,335	40,859,399

(d) The effective interest rates per annum as at 31 December 2024 were as follows:

		2024		
	US dollar	**RMB**	**EURO**	**HKD**
Bank loans	**5.96% to 7.06%**	**1.91% to 3.05%**	**1.50% to 5.29%**	**4.74% to 5.48%**
Loans from COSCO SHIPPING Finance	**–**	**2.45% to 3.05%**	**–**	**–**

		2023		
	US dollar	RMB	EURO	HKD
Bank loans	3.32% to 6.70%	3.00% to 4.86%	1.50% to 5.70%	6.21%
Loans from COSCO SHIPPING Finance	–	2.60% to 5.60%	–	–

As at 31 December 2024, balance of RMB31,055,025,000 (2023: RMB31,344,533,000) of loans bore floating interest rates.

26. Borrowings (Continued)

Notes: (Continued)

(e) The carrying amounts of the long-term borrowings and short-term borrowings (excluded interest payables) are denominated in the following currencies:

	2024 RMB'000	2023 RMB'000
US dollar	**22,379,877**	25,026,465
RMB	**7,364,936**	12,439,785
EURO	**4,023,289**	4,812,673
HKD	**648,228**	709,796
	34,416,330	42,988,719

(f) The secured bank loans as at 31 December 2024 are secured, inter alia, by one or more of the following:

(i) First legal mortgage over certain property, plant and equipment of the Group with aggregate net book value of RMB31,444,436,000(2023: RMB28,913,602,000) (notes 7(a));

(ii) Assignments of the charter, rental income and earnings, requisition compensation and insurance relating to certain container vessels;

(iii) Shares of certain subsidiaries; and

(iv) Bank balances of certain subsidiaries (note 21(c)).

(g) As at 31 December 2024, unsecured bank loans of RMB2,680,745,000 (31 December 2023: RMB3,576,343,000) are guaranteed by COSCO SHIPPING.

27. Provisions and other liabilities

	2024			2023		
	Current RMB'000	Non-current RMB'000	Total RMB'000	Current RMB'000	Non-current RMB'000	Total RMB'000
Provision for one-off housing subsidies	–	20,838	20,838	–	40,078	40,078
Provision for onerous contracts (note)	–	6,446,162	6,446,162	–	6,493,030	6,493,030
Deferred income and others	37,376	431,584	468,960	36,999	472,546	509,545
Total	37,376	6,898,584	6,935,960	36,999	7,005,654	7,042,653

Note:

OOIL entered into TSA in October 2019 to which OOIL committed to place, or procure the placement of an annual minimum number of vessel lifts in LBCT for 20 years. Failure to meet the committed volume for each contract year would require certain level of deficiency payment as stipulated in the TSA.

As at 31 December 2024, OOIL reassessed the expected number of vessel lifts in LBCT for each of the remaining contract years with reference to future prospects of the market and its expected load factor. The overall economic environment in the USA is still highly uncertain, and it is expected that high inflation and interest rate environment would slow down the USA economy growth and would have some negative impact to the demand/import of the USA in the near future. As at 31 December 2024, with these uncertainties over such a long-term contract period, OOIL reassessed that the projected vessel lifts in LBCT would result in a shortfall on minimum volume commitment over the remaining contract period. OOIL estimated an onerous contract provision of US$896.7 million (equivalent to approximately RMB6,446.2 million) as at 31 December 2024 (2023: US$916.7 million (equivalent to approximately RMB6,493.0 million)).

Movements in the onerous contract provision are as follows:

	2024 RMB'000	2023 RMB'000
Balance at beginning of year	6,493,030	6,231,542
(Credited)/charged to consolidated income statement	(142,280)	155,819
Currency translation differences	95,412	105,669
Balance at end of year	6,446,162	6,493,030

28. Put option liability

A put option liability was recognised in relation to the put option granted to the non-controlling shareholder of COSCO SHIPPING Ports Chancay PERU S.A. ("CSP Chancay Terminal") to sell 40% interests in CSP Chancay Terminal to COSCO SHIPPING Ports. Such put option is exercisable any time during a 5-year period from the commercial operation date. COSCO SHIPPING Ports shall be obligated to purchase the put option shares and settle the put option price upon the final determination of the put option price by independent valuation firm. The put option price is at the lower of fair market value and price caps set for each of the 5 consecutive years after the commencement of the terminal operation.

The exercise price of the put option is determined using market approach with key inputs applied including the projected financial position and EBITDA of CSP Chancay Terminal using management's business plans and market multiples. As at 31 December 2024, the carrying amount of the put option liability is US$253.2 million (equivalent to approximately RMB1,820.0 million) (2023: US$246.0 million (equivalent to approximately RMB1,742.4 million)).

Movements of put option liabilities are as follows:

	2024 **RMB'000**	2023 RMB'000
As at 1 January	**1,742,435**	1,664,811
Remeasurement	**51,059**	49,157
Currency translation differences	**26,538**	28,467
	1,820,032	1,742,435
Current portion of put option liability	**(1,820,032)**	–
As at 31 December	**–**	1,742,435

29. Pension and retirement liabilities

The Group operates a number of defined benefit and defined contribution pension and retirement schemes in the main countries in which the Group operates.

Notes:

(a) Retirement benefits obligations of the Company, COSCO SHIPPING Lines Limited and its subsidiaries, and COSCO SHIPPING Ports and its subsidiaries

	2024 RMB'000	2023 RMB'000
Balances sheet obligation for:		
Early-retirement benefits for PRC employees	63,803	54,385
Post-retirement benefits for PRC employees	324,002	303,463
Total pension and retirement liabilities	387,805	357,848
Less: Current portion included in provisions and other liabilities (note 27)	(37,376)	(36,999)
Non-current portions of pension and retirement liabilities	350,429	320,849
Expensed in income statement for:		
Early-retirement benefits for PRC employees	27,500	16,254
Post-retirement benefits for PRC employees	42,726	46,874
	70,226	63,128

The Group recognized a liability for the present value of the unfunded obligations relating to retirement benefits payable to certain normal retired or early retired employees in the consolidated balance sheet. The liability related to the benefit obligations for eligible retired employees existing at year end is calculated by independent actuaries, using the projected unit credit method. The actuarial liabilities of early retirement and post retirement as at 31 December 2024 totalled RMB387,805,000 (2023: RMB357,848,000).

The principal actuarial assumptions used were as follows:

	2024		2023	
	Early retirement	Post retirement	Early retirement	Post retirement
Discount rate	1.00%	1.75%	2.25%	2.50%
Retirement benefits inflation rates	3.00%-4.50%	0.00%-8.00%	3.00%-4.50%	0.00%-8.00%

29. Pension and retirement liabilities (Continued)

Notes: (Continued)

(b) Defined benefit scheme of OOIL

The amounts recognised in the consolidated balance sheet are as follows:

	2024 RMB'000	2023 RMB'000
Net scheme assets	**122,006**	95,546

Net funded scheme assets

The defined benefit scheme is operated in the United Kingdom which was valued by Barnett Waddingham LLP. The defined benefit scheme (the "Scheme") covers less than 1% of OOIL's employees and is funded. The assets of the Scheme are held in trust funds separate from OOIL. Contributions to the Scheme are assessed in accordance with the advice of qualified actuaries in compliance with local practice and regulations. The actuarial assumptions used to calculate the projected benefit obligations of OOIL's pension schemes vary according to the economic conditions of the countries in which they are situated.

The net scheme assets of the Scheme recognised in the consolidated balance sheet are determined as follows:

	2024 RMB'000	2023 RMB'000
Fair value of plan assets	**1,005,787**	1,087,407
Present value of funded obligations	**(883,781)**	(991,861)
Surplus of funded plan	**122,006**	95,546

Movements in the fair value of the plan assets of the Scheme during the year are as follows:

	2024 RMB'000	2023 RMB'000
Balance at beginning of year	**1,087,407**	982,420
Currency translation differences	**4,794**	76,608
Interest income on plan assets	**47,265**	48,270
Remeasurement (loss)/gain on assets	**(60,533)**	21,457
Contributions from OOIL	**6,040**	30,394
Contributions from the plan members	**640**	670
Benefits paid	**(79,826)**	(72,412)
Balance at end of year	**1,005,787**	1,087,407

29. Pension and retirement liabilities (Continued)

Notes: (Continued)

(b) Defined benefit scheme of OOIL (Continued)

Movements in the present value of obligations of the Scheme during the year are as follows:

	2024 RMB'000	2023 RMB'000
Balance at beginning of year	**991,861**	912,126
Currency translation differences	**4,592**	70,598
Current service cost	**7,377**	5,463
Interest expense	**42,990**	44,147
Experience (gains)/losses on liabilities	**(5,172)**	14,690
Gains from changes in demographic assumptions	**(2,092)**	(16,600)
(Gains)/losses from changes in financial assumptions	**(76,589)**	33,179
Contributions from the plan members	**640**	670
Benefits paid	**(79,826)**	(72,412)
Balance at end of year	**883,781**	991,861

The charges of the Scheme recognised in the consolidated income statement are as follows:

	2024 RMB'000	2023 RMB'000
Current service cost	**7,377**	5,463
Interest expense	**42,990**	44,147
Interest income on plan assets	**(47,265)**	(48,270)
Net expense recognised for the year	**3,102**	1,340

The main actuarial assumptions made for the Scheme are as follows:

	2024	2023
Discount rate	**5.40%**	4.50%
Inflation rate	**3.50%**	3.40%
Expected future salary increases	**2.70%**	2.60%
Expected future pension increases	**2.60%**	2.60%
Actual return on plan assets (RMB'000)	**(13,268)**	69,727

29. Pension and retirement liabilities (Continued)

Notes: (Continued)

(b) Defined benefit scheme of OOIL (Continued)

At 31 December 2024, if discount rate had been 0.5% higher/lower, with all other variables held constant, the present value of the funded obligations would have been RMB38,415,600 lower/RMB41,972,600 higher. At 31 December 2024, if inflation rate had been 0.2% higher/lower, with all other variables held constant, the fair value of the funded obligations would have been RMB7,825,400 higher/lower. The sensitivities show the likely effect of a single assumption being adjusted while holding all other assumptions constant.

Plan assets of the Scheme comprise the following:

	2024 RMB'000	2023 RMB'000
Equity	65,091	135,372
Debt	695,269	767,991
Others	245,427	184,044
	1,005,787	1,087,407

Expected normal and deficit reduction contributions to the Scheme for the year ending 31 December 2025 is RMB3,594,200.

Through its defined benefit pension plan, OOIL is exposed to a number of risks as follows:

- Investment risk. The Scheme holds investments in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if deficit emerges.
- Interest rate and market risk. The Scheme's liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the Scheme holds assets such as equities, the value of the assets and liabilities may not move in the same way.
- Inflation risk. A significant proportion of the benefits under the Scheme are linked to inflation. Although the Scheme's assets are expected to provide a good hedge against inflation over the long term, movements over the short-term could lead to deficits emerging.
- Longevity and other demographic risk. If members live longer than assumed, a deficit will emerge in the Scheme.

30. Trade and other payables and contract liabilities

	2024 RMB'000	2023 RMB'000 (Restated)
Trade and bills payables (note a)		
– third parties	**14,830,371**	17,530,313
– fellow subsidiaries	**412,513**	497,933
– joint ventures	**70,240**	170,187
– associates	**19,119**	84,147
– other related companies	**236,758**	218,020
	15,569,001	18,500,600
Accrued expenses	**70,469,951**	73,004,716
Other payables		
– third parties	**15,018,407**	12,873,694
– fellow subsidiaries	**2,243,532**	75,864
– joint ventures (note c)	**288,047**	368,590
– associates (note d)	**1,164**	30,869
– other related companies	**32,231**	518,646
	17,583,381	13,867,663
Contract liabilities	**646,722**	676,487
Total	**104,269,055**	106,049,466

Notes:

(a) As at 31 December 2024, the aging analysis of trade and bills payables on the basis of the date of relevant invoice or demand note is as follows:

	2024 RMB'000	2023 RMB'000 (Restated)
Within 1 year	**15,522,978**	18,381,291
1 – 2 years	**11,045**	55,260
2 – 3 years	**2,433**	34,526
Above 3 years	**32,545**	29,523
	15,569,001	18,500,600

Trade balances with related companies are unsecured, interest free and have similar terms of repayment as those of third party suppliers.

30. Trade and other payables and contract liabilities (Continued)

Notes: (Continued)

(b) The carrying amounts of trade and other payables (excluding contract liabilities) are denominated in the following currencies:

	2024 RMB'000	2023 RMB'000 (Restated)
RMB	**40,454,198**	79,318,272
US dollar	**55,832,126**	15,310,803
HK dollar	**500,550**	4,156,503
EURO	**3,092,389**	1,303,416
Other currencies	**3,743,070**	5,283,985
Total	**103,622,333**	105,372,979

(c) The balance at 31 December 2023 included a loan from a joint venture, which are unsecured, bear interest at 2.30% per annum, was repaid in 2024.

(d) The balance at 31 December 2023 included a loan from an associate, which are unsecured, bears interest at 2.30% per annum, was repaid in 2024.

The remaining balances are unsecured, interest free and have no fixed terms of repayment.

31. Expenses by nature

	2024 RMB'000	2023 RMB'000 (Restated)
Cost of services (note a)		
Container shipping business		
– Equipment and cargo transportation costs	74,169,532	57,531,766
– Voyage costs (note b)	37,637,766	38,419,999
– Vessel costs (note c)	31,695,046	31,588,261
	143,502,344	127,540,026
Other related business costs	13,571,116	12,034,432
Cost of services related to container shipping business	157,073,460	139,574,458
Terminal business costs	7,700,963	7,172,080
Tax and surcharges	1,400,800	1,105,199
Total	166,175,223	147,851,737
Selling, administrative and general expense		
Administrative staff costs	7,958,618	5,671,688
Depreciation and amortisation	816,637	745,088
Expense relating to short-term lease and lease with low value assets	131,493	51,514
Office expense	350,301	346,990
Transportation and travelling expense	115,094	113,878
Auditors' remuneration	57,386	80,936
Telecommunication and utilities	106,829	103,157
Repair and maintenance expense	217,599	296,366
Others	783,520	834,200
Total	10,537,477	8,243,817

Notes:

(a) Cost of services included depreciation and amortisation expenses of RMB17,853,394,000 (2023: RMB18,741,774,000).

(b) Voyage costs mainly comprised bunkers and port charges.

(c) Vessel costs included expense relating to short-term lease and lease with low value assets of RMB8,037,524,000 (2023: RMB6,974,390,000).

32. Other income and other expenses

	2024 RMB'000	2023 RMB'000 (Restated)
Dividend income from financial assets at FVOCI	**28,989**	27,239
Gain on disposal of property, plant and equipment	**150,424**	111,188
Income from financial assets at FVPL		
– Fair value gain	**38,344**	9,185
– Distribution	**127**	1,976
– Dividend income	**7,526**	5,302
Interest income from financial assets at amortised cost	**19,110**	20,690
Subsidies	**1,207,563**	3,011,927
Exchange gain	**612,922**	1,918,786
Others	**55,208**	37,056
Other income	**2,120,213**	5,143,349
Loss on disposal of property, plant and equipment	**(17,289)**	(17,790)
Fair value loss on financial assets at FVPL	**(12,566)**	(3,485)
Donations	**(24,565)**	(42,854)
Loss on disposal of joint ventures and associates	**(14,035)**	–
Others	**(107,033)**	(11,259)
Other expenses	**(175,488)**	(75,388)

33. Finance income and costs

	2024 RMB'000	2023 RMB'000 (Restated)
Finance income		
Interest income from:		
– other financial institutions	**4,163,093**	5,177,485
– deposits in related parties	**2,086,585**	2,249,226
– loans to a joint venture and associates	**47,401**	42,962
Net exchange gain	**–**	4,414
Total finance income	**6,297,079**	7,474,087
Finance costs		
Interest expenses on:		
– loans from third parties	**(1,846,654)**	(2,145,474)
– loans from related parties	**(58,096)**	(85,962)
– loans from non-controlling shareholders of subsidiaries	**(20,495)**	(20,636)
– lease liabilities	**(1,715,307)**	(1,782,517)
– notes/bonds	**–**	(17,231)
Transaction costs arising from borrowings	**(118,963)**	(142,761)
	(3,759,515)	(4,194,581)
Less: amount capitalised in construction in progress (note 7(b))	**582,320**	459,060
Total finance costs	**(3,177,195)**	(3,735,521)
Net finance income	**3,119,884**	3,738,566

34. Income tax expenses

	2024 RMB'000	2023 RMB'000 (Restated)
Current income tax (note a)		
– PRC enterprise income tax	**9,498,542**	3,572,746
– Hong Kong profits tax	**22,385**	34,456
– Overseas taxation	**570,751**	385,188
Under/(over) provision in prior years	**37,192**	(250,387)
	10,128,870	3,742,003
Deferred income tax (note 19)	**1,365,219**	940,971
	11,494,089	4,682,974

Notes:

(a) Current income tax

Taxation has been provided at the appropriate rates of taxation prevailing in the countries in which the Group operates. These rates range from 5% to 39% (2023: 2.5% to 39%).

The statutory rate for PRC enterprise income tax is 25% and certain PRC companies enjoy preferential tax treatment with the reduced rates ranging from 5% to 20% (2023: 2.5% to 20%).

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits derived from or arising in Hong Kong for the year.

(b) The taxation on the Group's profit before tax differs from the theoretical amount that would arise using the tax rate of the home country of the Company as follows:

	2024 RMB'000	2023 RMB'000 (Restated)
Profit before income tax	**67,086,756**	33,079,791
Less: Share of profits less losses of joint ventures and associates	**(4,943,718)**	(4,690,679)
	62,143,038	28,389,112
Calculated at a tax rate of 25% (2023: 25%)	**15,535,760**	7,097,278
Effect of different tax rates of domestic and overseas entities	**(2,355,269)**	(988,147)
Income not subject to income tax	**(4,916,118)**	(4,072,438)
Expenses not deductible for taxation purposes	**2,506,961**	1,755,541
Utilisation of previously unrecognised tax losses	**(91,935)**	(16,809)
Tax losses not recognised	**67,665**	185,307
Income tax for distribution of profits	**856,960**	911,722
Others	**(109,935)**	(189,480)
Income tax expense	**11,494,089**	4,682,974

34. Income tax expenses (Continued)

Notes: (Continued)

(c) OECD Pillar Two model rules

In December 2021, the Organisation for Economic Co-operation and Development (OECD) released the Pillar Two Model Rules (the Global Anti-Base Erosion Proposal, or "GloBE") to reform international corporate taxation. Large multinational enterprises with consolidated revenue of over EUR750 million are subject to the rules. They are required to calculate their GloBE effective tax rate for each jurisdiction where they operate and will be liable to pay a minimum effective tax rate of 15%.

The Group is within the scope of the GloBE. However, international shipping income and certain qualified ancillary international shipping income are excluded from the GloBE. Certain jurisdictions where the Group has operations, such as the United Kingdom, countries under the European Union, Australia and Canada, etc. have their Pillar Two legislation being effective in 2024, but the Group has no material current tax exposures in respect of these jurisdictions for the year ended 31 December 2024. Subject to approval by the Legislative Council of HKSAR, the Pillar Two legislation in Hong Kong will be effective from 1 January 2025 and as it was not effective for the year ended 31 December 2024, the Group has no related current tax exposures for the year. The Group also applies the exception from recognising and disclosing information about deferred tax assets and liabilities related to the Pillar Two income taxes, as provided in the Amendments to HKAS 12 issued in July 2023.

As the Group operates worldwide and the types of international shipping income and ancillary income covered by the exclusion are subject to complicated rules and restrictions, the Group would continue to assess the full impact of the rules, covering Hong Kong and other jurisdictions.

35. Dividend

On 21 March 2025, both the board of directors and board of supervisors proposed a final dividend in respect of 2024 of RMB1.03 per ordinary share (tax inclusive); based on the Company's total share capital of 15,661,307,924 shares (which is the Company's total shares of 15,961,686,166 excluding 92,307,742 A shares and 208,070,500 H shares repurchased but not yet cancelled) as at the date hereof, the final cash dividends for 2024 of RMB16.131 billion shall be distributed. If there is a change in the number of shares between the disclosure date of this announcement and the registration date of dividend distribution, the dividend per share shall remain unchanged, with a corresponding adjustment to the total entitled amount of distribution. Based on the above profit distribution plan, together with the interim cash dividends of around RMB8.3 billion for 2024 already distributed, the total cash dividends of around RMB24.431 billion will be distributed for 2024, accounting for approximately 50% of the net profit attributable to Shareholders of the Company for 2024.

The final dividend in respect of 2023 was RMB0.23 per ordinary share (tax inclusive), with total amount of RMB3.671 billion. The total dividend in respect of 2023 amounted to approximately RMB11.867 billion, accounting for approximately 50% of the consolidated net profit attributable to equity holders of the Company for 2023.

36. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares during the year.

	2024	2023 (Restated)
Profit attributable to equity holders of the Company (RMB)	**49,172,465,000**	23,860,169,000
Weighted average number of ordinary shares	**15,950,222,368**	16,114,681,903
Basic earnings per share (RMB)	**3.08**	1.48

(b) Diluted

Diluted earnings per share is calculated based on the profit attributable to equity holders of the Company and the weighted average number of ordinary shares during the year, after adjusting for the number of dilutive potential ordinary shares deemed to be issued at no considerations as if all outstanding dilutive share options granted by the Company had been exercised.

	2024	2023 (Restated)
Profit attributable to equity holders of the Company (RMB)	**49,172,465,000**	23,860,169,000
Weighted average number of ordinary shares	**15,950,222,368**	16,114,681,903
Adjustments for assumed issuance of shares on exercise of dilutive share options	**5,281,618**	38,907,096
	15,955,503,986	16,153,588,999
Diluted earnings per share (RMB)	**3.08**	1.48

For the years ended 31 December 2023, the outstanding share options granted by COSCO SHIPPING Ports did not have dilutive effect on the Company's diluted earnings per share.

37. Staff costs

An analysis of staff costs including Directors', Supervisors' and key management's emoluments, is set out below:

	2024 RMB'000	2023 RMB'000
Wages, salaries and crew expenses (including bonus and share-based payments)	**12,768,919**	8,346,426
Housing benefits (note a)	**543,905**	514,369
Retirement benefits costs		
– defined benefit plans	**42,955**	30,550
– defined contribution plans (note b)	**1,923,966**	1,703,951
Welfare and other expenses	**1,824,372**	2,006,811
	17,104,117	12,602,107

Notes:

(a) These included contributions to PRC government sponsored housing funds for full time employees in the PRC during the year.

(b) The employees of the subsidiaries in the PRC participate in various retirement contribution plans organized by the relevant municipal and provincial governments in the PRC under which the Group was required to make monthly contributions to these plans at rates ranging from 8% to 20%, depending on the applicable local regulations, of the employees' basic salaries for the year.

In addition, the Group participates in various defined contribution retirement schemes for its qualified employees in certain countries outside the PRC. Employees' and employers' contributions are calculated based on various percentages of employees' gross salaries or fixed sums and length of service. The assets of the schemes are held separately from those of the administered funds independently.

No forfeited contributions were available as at 31 December 2024 and 2023 to reduce future contributions.

Contributions totalling RMB62,906,000 (2023: RMB64,630,000) payable to various retirement benefit plans as at 31 December 2024 are included in pension and retirement liabilities and trade and other payables.

38. Emoluments of directors, supervisors and senior management

(a) Directors', chief executive's and supervisors' emoluments

Details of the remuneration of each of the directors, the chief executive and the supervisors are set out below:

	Year ended 31 December 2024					
Name	Fees RMB'000	Salaries and allowances RMB'000	Discretionary bonuses RMB'000	Benefits in kind*3 RMB'000	Retirement benefits contributions RMB'000	Total RMB'000
Wan Min	–	–	–	–	–	–
Chen Yangfan	–	–	–	–	–	–
Yang Zhijian*2	–	2,648	–	28	142	2,818
Zhang Wei*2	–	700	–	22	95	817
Zhu Tao*1	–	859	263	22	154	1,298
Tao Weidong	–	840	1,260	–	146	2,246
Yu De	–	–	–	–	–	–
MA Si-hang Frederick	464	–	–	–	–	464
Shen Dou	164	–	–	–	–	164
HAI Chi Yuet	464	–	–	–	–	464
Zhang Feng*1*2	–	306	–	–	195	501
Yang Shicheng	–	–	–	–	–	–
Xu Weifeng	–	509	1,630	–	275	2,414
Song Tao	–	370	1,412	–	293	2,075
Si Yuncong	–	–	–	–	–	–
Xu Donggen	129	–	–	–	–	129
	1,221	6,232	4,565	72	1,300	13,390

*1 Appointed during the year of 2024.
*2 Resigned during the year 2024.
*3 Benefits in kind mainly include share-based compensation.

38. Emoluments of directors, supervisors and senior management (Continued)

(a) Directors', chief executive's and supervisors' emoluments (Continued)

	Year ended 31 December 2023					
Name	Fees RMB'000	Salaries and allowances RMB'000	Discretionary bonuses RMB'000	Benefits in kind*3 RMB'000	Retirement benefits contributions RMB'000	Total RMB'000
Wan Min	–	–	–	–	–	–
Chen Yangfan*1	–	–	–	–	–	–
Huang Xiaowen*2	–	–	–	–	–	–
Yang Zhijian	–	5,133	2,003	103	274	7,513
Zhang Wei	–	1,968	500	83	274	2,825
Tao Weidong*1	–	–	–	–	–	–
Yu De*1	–	–	–	–	–	–
MA Si-hang Frederick	463	–	–	–	–	463
Shen Dou*1	19	–	–	–	–	19
Ms. HAI Chi Yuet*1	56	–	–	–	–	56
Wu Dawei*2	151	–	–	–	–	151
Zhou Zhonghui*2	151	–	–	–	–	151
TEO Siong Seng*2	422	–	–	–	–	422
Yang Shicheng	–	–	–	–	–	–
Xu Weifeng*1	6	55	55	–	23	139
Deng Huangjun*2	–	–	–	–	–	–
Song Tao	–	370	1,740	–	282	2,392
Si Yuncong*1	15	–	–	–	–	15
Xu Donggen*1	15	–	–	–	–	15
Meng Yan*2	263	–	–	–	–	263
Zhang Jianping*2	263	–	–	–	–	263
	1,824	7,526	4,298	186	853	14,687

*1 Appointed during the year of 2023.
*2 Resigned during the year 2023.
*3 Benefits in kind mainly include share-based compensation.

38. Emoluments of directors, supervisors and senior management (Continued)

(a) Directors', chief executive's and supervisors' emoluments (Continued)

Notes:

(i) Directors' retirement benefits

None of the directors received or will receive any retirement benefits during the year ended 31 December 2024 (2023: Nil).

(ii) Directors' termination benefits

None of the directors received or will receive any termination benefits during the year ended 31 December 2024 (2023: Nil).

(iii) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2024, the Company did not pay consideration to any third parties for making available directors' services (2023: Nil).

(iv) Information about loans, quasi-loans and other dealings in favour of directors, bodies corporate controlled by or entities connected with directors

No loans, quasi-loans and other dealings were made available in favour of directors, bodies corporate controlled by and entities connected with directors subsisted at the end of the year or at any time during the year (2023: Nil).

(v) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2024 (2023: Nil).

(b) Five highest paid individuals

	Number of individuals	
	2024	2023
Directors	**–**	1
Employees	**5**	4
	5	5

38. Emoluments of directors, supervisors and senior management (Continued)

(b) Five highest paid individuals (Continued)

The details of emoluments paid to five highest paid individuals have included none of directors of the Company as disclosed in note 38(a) above (2023: one). Details of emoluments paid to the five (2023: four) highest paid non-director individuals for the year ended 31 December 2024 are as follows:

	2024 RMB'000	2023 RMB'000
– Salaries and allowances	**14,042**	13,816
– Discretionary bonuses	**17,366**	39,881
– Retirement benefit contributions	**3,165**	5,170
– Share-based compensation	**–**	199
– Others	**3,357**	268
	37,930	59,334

The emoluments of the above non-director individuals fell within the following bands:

	Number of individuals	
	2024	2023
HK$6,000,001 to HK$6,500,000 (equivalent to approximately RMB5,500,000 to RMB6,100,000)	**2**	–
HK$6,500,001 to HK$7,000,000 (equivalent to approximately RMB6,100,000 to RMB6,400,000)	**1**	–
HK$7,500,001 to HK$8,000,000 (equivalent to approximately RMB6,900,000 to RMB7,400,000)	**1**	–
HK$10,000,001 to HK$10,500,000 (equivalent to approximately RMB9,200,000 to RMB9,700,000)	**–**	1
HK$13,500,001 to HK$14,000,000 (equivalent to approximately RMB12,500,000 to RMB12,900,000)	**1**	–
HK$14,500,001 to HK$15,000,000 (equivalent to approximately RMB13,400,000 to RMB13,800,000)	**–**	1
HK$15,000,001 to HK$15,500,000 (equivalent to approximately RMB13,800,000 to RMB14,400,000)	**–**	1
HK$25,000,001 to HK$25,500,000 (equivalent to approximately RMB23,100,000 to RMB23,600,000)	**–**	1
Total	**5**	4

39. Notes to the consolidated cash flow statement

(a) Reconciliation of profit before income tax to cash generated from operations:

	2024 RMB'000	2023 RMB'000 (Restated)
Profit before income tax	**67,086,756**	33,079,791
Depreciation		
– property, plant and equipment	**7,796,293**	7,247,774
– investment properties	**73,913**	74,262
– right-of-use assets	**10,463,492**	11,839,467
Amortisation		
– intangible assets	**306,577**	320,045
Dividend income from listed and unlisted investments	**(40,590)**	(43,666)
Share of profits less losses of		
– joint ventures	**(565,522)**	(599,488)
– associates	**(4,378,196)**	(4,091,191)
Interest expense	**3,058,232**	3,592,760
Interest income	**(6,316,189)**	(7,490,363)
Transaction costs arising from borrowings	**118,963**	142,761
Net gain on disposal of property, plant and equipment	**(133,135)**	(93,398)
Fair value gain from financial assets at FVPL, net	**(25,778)**	(5,700)
Provision/(reversal of) for impairment losses on financial assets, net	**67,950**	(225,164)
Provision for impairment losses on intangible assets, net	**10,396**	–
Net losses on disposal of associates, joint ventures and subsidiaries	**14,035**	–
Net exchange gain	**(612,922)**	(1,923,200)
Others	**36,259**	(27,907)
Operating profit before working capital changes	**76,960,534**	41,796,783
Decrease in inventories	**225,685**	455,682
(Increase)/decrease in trade and other receivables and contract assets	**(1,738,090)**	3,339,252
Decrease in trade and other payables and contract liabilities	**(3,850,968)**	(16,960,576)
Decrease in provisions and other liabilities and pension and retirement liabilities	**(164,181)**	(2,844,471)
(Increase)/decrease in restricted bank deposits	**(8,233)**	77,306
Cash generated from operations	**71,424,747**	25,863,976

39. Notes to the consolidated cash flow statement (Continued)

(b) The reconciliation of liabilities arising from financing activities is as follows:

	Borrowings and loans from non-controlling shareholders of subsidiaries RMB'000	Notes/bonds RMB'000	Loans form investment in an associate and a joint venture RMB'000	Lease liabilities RMB'000	Total RMB'000
Balance as at 31 December 2022, as previously reported	39,790,358	3,088,957	285,186	50,917,982	94,082,483
Business combinations under common control	–	–	–	382	382
Balance as at 31 December 2022, as restated	39,790,358	3,088,957	285,186	50,918,364	94,082,865
Changes form financing cash flows					
Loans draw down	9,704,738	–	–	–	9,704,738
Loans repaid	(6,939,747)	(3,089,834)	–	–	(10,029,581)
Repayment of loans from non-controlling shareholders of subsidiaries	(277,904)	–	–	–	(277,904)
Loans from an associate and a joint venture	–	–	273,264	–	273,264
Repayment of loans form an associate and a joint venture	–	–	(405,000)	–	(405,000)
Addition of lease liabilities	–	–	–	2,557,735	2,557,735
Payment of lease liabilities	–	–	–	(14,568,816)	(14,568,816)
Interest paid	(2,197,080)	(25,000)	–	–	(2,222,080)
Other non-cash movements (note)	197,122	25,423	–	385,036	607,581
Foreign exchange difference	3,450,018	454	(3,339)	1,816,459	5,263,592
Balance as at 31 December 2023	43,727,505	–	150,111	41,108,778	84,986,394
Changes from financing cash flows					
Loans draw down	**8,544,272**	**–**	**–**	**–**	**8,544,272**
Loans repaid	**(17,325,111)**	**–**	**(150,660)**	**–**	**(17,475,771)**
Addition of lease liabilities	**–**	**–**	**–**	**11,400,545**	**11,400,545**
Payment of lease liabilities	**–**	**–**	**–**	**(13,148,891)**	**(13,148,891)**
Interest paid	**(1,951,609)**	**–**	**(3,450)**	**–**	**(1,955,059)**
Other non-cash movements (note)	**1,979,332**	**–**	**3,345**	**1,614,340**	**3,597,017**
Foreign exchange difference	**(298,703)**	**–**	**654**	**571,813**	**273,764**
Balance as at 31 December 2024	**34,675,686**	**–**	**–**	**41,546,585**	**76,222,271**

Note:

Other non-cash movements mainly include interest and loan arrangement fee amortisation.

40. Financial instruments by category

	2024 RMB'000	2023 RMB'000 (Restated)
Financial assets as per consolidated balance sheet		
Financial assets at fair value through other comprehensive income	4,916,682	1,918,241
Financial assets at amortised cost		
– Loans to associates	840,964	227,932
– Financial assets at amortised costs	386,006	380,609
– Trade and other receivables	14,257,649	13,259,498
– Cash and cash equivalents	184,189,078	181,165,440
– Restricted bank deposits	873,538	1,190,697
Financial assets at fair value through profit or loss	510,709	520,459
Derivative financial assets	–	19,106
Total	205,974,626	198,681,982
Financial liabilities as per consolidated balance sheet		
Financial liabilities at amortised cost		
– Trade and other payables	33,152,382	32,368,263
– Borrowings	34,675,686	43,276,918
– Lease liabilities	41,546,585	41,108,778
– Put option liability	1,820,032	1,742,435
Total	111,194,685	118,496,394

41. Acquisition of subsidiaries

During the year, the Group completed the following acquisitions:

(a) On 21 November 2024, COSCO SHIPPING LINES (Dalian) Co., Ltd. ("COSCO Dalian", a wholly-owned subsidiary of the Company) entered into an agreement on the capital reduction of Dalian Wanjie International Logistics Co., Ltd ("Dalian Wanjie") with Dalian Port Jifa Logistics Company Limited ("Dalian Jifa"), pursuant to which, Dalian Jifa will reduce the investment and fully withdraw its capital from Dalian Wanjie. Prior to the capital reduction by Dalian Jifa, Dalian Wanjie was accounted as a joint venture and upon completion of the above transaction on 4 December 2024, Dalian Wanjie has became a wholly-owned subsidiary of the Group.

41. Acquisition of subsidiaries (Continued)

(a) (Continued)

The major components of assets and liabilities arising from the business combination are as follows:

	Fair value RMB'000
Property, plant and equipment	76,201
Right-of-use assets	70,196
Intangible assets	5
Deferred income tax assets	33
Current assets	58,736
Deferred income tax liabilities	(5,305)
Trade and other payables and contract liabilities	(151,888)
Tax payables	(443)
Total identifiable net assets acquired	47,535

(b) On 16 March 2023, COSCO SHIPPING LINES (Europe) GmbH ("COSCO Europe", a wholly-owned subsidiary of the Company) entered into an equity transfer agreement for issuance and subscription of 75% of the share capital of COSCO SHIPPING Lines (Morocco), at a total consideration of approximately RMB1,301,000.

The equity transfer was completed, and consideration was transferred on 1 February 2024, thereafter COSCO SHIPPING Lines (Morocco) has become a subsidiary of the Group with 75% shareholdings.

Details of net asset acquired are as follows:

	RMB'000
Purchase consideration	1,301
Fair value of net assets acquired shown as below	(1,301)
Goodwill	–

41. Acquisition of subsidiaries (Continued)

(b) (Continued)

The major components of assets and liabilities arising from the business combination are as follows:

	Fair value RMB'000
Property, plant and equipment	1,143
Intangible assets	18
Trade and other receivables and contract assets	8,711
Cash and cash equivalents	13,523
Trade and other payables and contract liabilities	(17,328)
Tax payables	(4,332)
Total identifiable net assets acquired	1,735
Less: non-controlling interests	(434)
	1,301
Purchase consideration settled in cash	(1,301)
Cash and cash equivalents acquired	13,523
Net cash inflow on acquisition	12,222

The acquired businesses contributed revenue of MAD113,367,000 (equivalent to approximately RMB81,000,000) and net profit of MAD25,566,000 (equivalent to approximately RMB18,267,000) to the Group for the period from 1 February 2024 to 31 December 2024. If the acquisition had occurred on 1 January 2024, consolidated revenue and profit for the year ended 31 December 2024 would have been increased by MAD122,774,000 (equivalent to approximately RMB87,721,000) and increased by MAD26,927,000 (equivalent to approximately RMB19,240,000) respectively.

For details of the acquisition of subsidiaries during the year ended 31 December 2023, please refer to the consolidated financial statements for the year ended 31 December 2023.

42. Contingent liabilities

(a) As at 31 December 2024, the Group was involved in a number of claims. The Group was unable to ascertain the likelihood and amounts of these claims. However, based on advice of legal counsel and/or information available to the Group, the Directors are of the opinion that the related claims amounts should not be material to the Group's consolidated financial statements for the year ended 31 December 2024.

(b) Guarantee

A subsidiary of COSCO SHIPPING Ports provided corporate guarantee to an associate. The Directors consider that it is not probable for a claim to be made against the Group and the fair value of the guarantee contract is not significant to the Group, and has not been recognised at the balance sheet date.

43. Commitments

(a) Capital commitments

	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000
Contracted but not provided for		
– Container vessels	42,321,931	36,821,081
– Container	181,117	–
– Terminal equipment	2,575,101	4,539,921
– Other property, plant and equipment	41,071	32,847
– Investments in terminals and other companies	921,660	1,830,099
– Intangible assets	87,712	12,333
	46,128,592	43,236,281

Amounts of capital commitments relating to the Group's interest in the joint ventures not included in the above are as follows:

	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000
Contracted but not provided for	55,121	60,522

(b) Lease commitments – where the Group is the lessee

The non-cancellable lease commitments include leases of low-value assets, short-term leases with a term of twelve months or less and long-term leases with a term of over twelve months not yet commenced at 31 December 2024. The future aggregate minimum lease payments of these leases are as follows, payable in the following years:

	As at 31 December 2024 RMB'000		
	Containers and container vessels	Leasehold land, buildings and other property, plant and equipment	Total
– not later than one year	4,851,637	40,561	4,892,198
– later than one year	17,023,114	98,704	17,121,818
	21,874,751	139,265	22,014,016

43. Commitments (Continued)

(b) Lease commitments – where the Group is the lessee (Continued)

	As at 31 December 2023 RMB'000		
	Containers and container vessels	Leasehold land, buildings and other property, plant and equipment	Total
– not later than one year	3,080,951	114,492	3,195,443
– later than one year	5,165,582	116,364	5,281,946
	8,246,533	230,856	8,477,389

44. Significant related party transactions

The Company is controlled by COSCO SHIPPING, the ultimate parent company and a state-owned enterprise established in the PRC.

COSCO SHIPPING itself is controlled by the PRC government, which also owns a significant portion of the productive assets in the PRC. Government-related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government are defined as related parties of the Group. On that basis, related parties include COSCO SHIPPING Group, other government-related entities and their subsidiaries, other entities and corporations in which the Company is able to control or exercise significant influence and key management personnel of the Company and COSCO SHIPPING as well as their close family members. The disclosure in relation to related party transactions and outstanding balances with other government-related entities and their subsidiaries are exempted. The Group's transaction with other state-controlled entities include but are not limited to sales or purchases of goods, purchases or sales of property and other assets, rendering or receiving of services, lease of assets, provision of guarantees and receiving of bank deposits and borrowings. The detailed disclosure in relation to these transactions and outstanding balances are exempted. The Directors believe that the information of related party transactions has been adequately disclosed in the consolidated financial statements.

These transactions were conducted either (i) based on terms as governed by the master agreements and subsisting agreements entered into between the Group and COSCO SHIPPING Group or (ii) based on terms as set out in the underlying agreements, statutory rates or market prices or actual cost incurred, or as mutually agreed between the Group and the parties in concern.

In addition to the related party information and transactions disclosed elsewhere in the consolidated financial statements, the following is a summary of significant related party transactions entered into the ordinary course of business between the Group and its related parties during the year.

44. Significant related party transactions (Continued)

	2024 RMB'000	2023 RMB'000 (Restated)
Transactions with COSCO SHIPPING		
Revenues		
Vessel service income	–	2,468
Transactions with subsidiaries of COSCO SHIPPING Group and its related entities (including joint ventures and associates of COSCO SHIPPING)		
Revenues		
Container shipping income	3,485,013	1,895,918
Freight forwarding income	873,692	896,085
Vessel services income	92,991	131,910
Crew service income	6,942	7,347
Terminal handling fee and storage income	110,647	626,178
Shipping related service income	–	32,079
Other income	2,328	7,955
Expenses		
Vessel costs		
Expenses relating to short-term leases and service components included in the rentals – Vessel	376,030	393,741
Vessel services expenses	3,217,470	2,385,629
Crew expenses	2,624,030	2,585,457
Voyage costs		
Bunker costs	20,561,468	19,680,156
Port charges	2,271,770	2,932,257
Equipment and cargo transportation costs		
Commission and rebates	17,733	15,619
Cargo and transhipment and equipment and repositioning expenses	247,969	772,180
Freight forwarding expenses	455,934	732,888
General service expenses	374,632	325,316
Expenses relating to short-term leases and leases with low-value assets-Building	67,590	10,698
Expenses relating to short-term leases and leases with low-value assets-Container	1,752,631	1,721,210
Interest expense of lease liabilities	847,125	819,361
Other expense	20,855	202,750
Others		
Payment of lease liabilities	2,431,154	2,240,211
Concession rights fee	509,373	552,639
Purchase of containers	2,006,848	27,058
Installment of vessel under construction	15,845,950	10,710,029
Equity acquisition	2,142,606	–

44. Significant related party transactions (Continued)

	2024 RMB'000	2023 RMB'000 (Restated)
Transactions with joint ventures of the Group		
Revenues		
Management fee and service fee income	**32,672**	28,034
Other income	**148,751**	52,138
Expenses		
Port charges	**2,340,306**	2,860,258
Expenses relating to short-term leases or leases with low-value assets	**5,168**	4,758
Equipment and cargo transportation costs		
Commission and rebates	**6,704**	1,616
Cargo and transhipment and equipment and repositioning expenses	**13,231**	21,341
Transactions with associates of the Group		
Revenues		
Freight forwarding and other income	**2,371,870**	146,812
Interest income from COSCO SHIPPING Finance (note a)	**2,086,585**	2,308,610
Expenses		
Port charges	**2,856,395**	529,489
Cargo and transhipment and equipment and repositioning expenses	**638,373**	676,875
COSCO SHIPPING Finance interest expense	**57,406**	72,877
Other handling fee	**1,538**	2,500
Others		
Equity disposal	**82,975**	–
Transactions with other non-controlling shareholders of subsidiaries		
Revenues		
Terminal handling and storage income	**2,413,411**	842,864
Other income	**9,829**	2,914
Expenses		
Electricity charge and supply of fuel	**9,645**	8,749
Container handling and logistics services fee	**547,918**	418,170
Transactions with other related party (note b)		
Revenues		
Other income	**–**	94,588
Expenses		
Cargo and transhipment and equipment and repositioning expenses	**–**	14,622

44. Significant related party transactions (Continued)

Notes:

(a) As at 31 December 2024 and 2023, cash and cash equivalents deposited in COSCO SHIPPING Finance were disclosed in note 21, majority of the Group's other bank balances and bank borrowings are with state-owned banks.

(b) On 16 November 2023, Mr. Songsheng Zhang stepped down as an independent director of the Group, and Pacific International Lines (Pte) Ltd., which he controls, is no longer considered as a related party of the Group.

45. Business combinations under common control

During the year ended 31 December 2024, COSCO Europe entered into the concert party agreement with Penavico & CL (Hong Kong) Co., Limited and COSCO SHIPPING (Europe) GmbH, another two shareholders of OCEAN RAIL LOGISTICS S.A.. As both Penavico & CL (Hong Kong) Co., Limited and COSCO SHIPPING (Europe) GmbH are controlled by China COSCO SHIPPING Corporation Limited, the aforesaid transaction was regarded as business combinations under common control. The comparative information in these consolidated financial statements has been restated accordingly under merger accounting.

45. Business combinations under common control (Continued)

Statements of adjustments for business combinations under common control on the Group's financial position as 31 December 2023, and the results for the year ended 31 December 2023 are summarized as follows:

	As previously reported RMB'000	Acquired Entities RMB'000	Adjustments RMB'000	Total RMB'000
Year ended 31 December 2023				
Continuing operations				
Revenue	175,447,747	109,992	(104,764)	175,452,975
Profit before income tax	33,076,671	3,743	(623)	33,079,791
Income tax expenses	(4,681,012)	(1,962)	–	(4,682,974)
Profit for the year	28,395,659	1,781	(623)	28,396,817
As at 31 December 2023				
ASSETS				
Non-current assets	259,948,002	99,559	(56,468)	259,991,093
Current assets	202,481,379	98,148	–	202,579,527
Total assets	462,429,381	197,707	(56,468)	462,570,620
EQUITY				
Equity attributable to the equity holders of the Company				
Share capital	16,071,058	152,054	(152,054)	16,071,058
Reserves	180,044,199	35,922	(35,950)	180,044,171
	196,115,257	187,976	(188,004)	196,115,229
Non-controlling interests	47,104,215	–	131,581	47,235,796
Total equity	243,219,472	187,976	(56,423)	243,351,025
LIABILITIES				
Non-current liabilities	91,883,130	143	(45)	91,883,228
Current liabilities	127,326,779	9,588	–	127,336,367
Total liabilities	219,209,909	9,731	(45)	219,219,595
Total equity and liabilities	462,429,381	197,707	(56,468)	462,570,620

46. Particulars of principal subsidiaries, joint ventures and associates

At 31 December 2024, the Group had the following principal subsidiaries, joint ventures and associates which, in the opinion of the Directors, materially affect the results and/or assets of the Group.

(a) Subsidiaries

As at 31 December 2024, the Group had direct and indirect equity interests in the following principal subsidiaries:

Name	Place of incorporation/ establishment and operations	Principal activities	Issued/registered and fully paid up capital	Attributable equity interest to the equity holders of the Company 2024	2023
Capital held directly					
COSCO SHIPPING Lines Co., Ltd.# (v)	China/Worldwide	Container transportation	RMB23,664,337,165	100.00%	100.00%
China COSCO (Hong Kong) Limited #	Hong Kong, China	Investment holding	RMB64,100	100.00%	100.00%
COSCO SHIPPING Holdings (Hong Kong) Limited #	Hong Kong, China	Investment holding	US$10,000	100.00%	100.00%
Shanghai Shenhongli Enterprise Management Co., Ltd.# (v)	China	Consulting	RMB10,000	100.00%	100.00%
Capital held indirectly					
Shanghai PAN-ASIA Shipping Co., Ltd. (v)	China	Container transportation	RMB1,536,565,663	62.00%	62.00%
Shanghai COSCO Information & Technology Co., Ltd. (v)	China	Design and manufacture computer software, providing technology service and solution	RMB2,069,685	60.00%	60.00%
COSCO SHIPPING Container Lines Agencies Limited	Hong Kong, China	Shipping agency	RMB1,063,700	100.00%	100.00%
COSCO International Freight Co., Ltd. (v)	China	Freight forwarding and transportation	RMB377,170,094	100.00%	100.00%
COSCO SHIPPING Lines (Shanghai) Co., Ltd. (v)	China	Freight forwarding and transportation	RMB1,305,683,453	100.00%	100.00%
COSCO SHIPPING Lines (Ningbo) Co., Ltd. (v)	China	Freight forwarding and transportation	RMB30,000,000	100.00%	100.00%
Sanlly Container Service Co., Ltd. (v)	China	Technical services, container maintenance, container yard warehousing services	RMB50,000,000	100.00%	90.00%
COSCO SHIPPING Lines (Qingdao) Co., Ltd. (v)	China	Freight forwarding and transportation	RMB84,300,000	100.00%	100.00%
COSCO SHIPPING Lines (Tianjin) Co., Ltd. (v)	China	Freight forwarding and transportation	RMB62,825,653	100.00%	100.00%

46. Particulars of principal subsidiaries, joint ventures and associates (Continued)

(a) Subsidiaries (Continued)

As at 31 December 2024, the Group had direct and indirect interests in the following principal subsidiaries: (Continued)

Name	Place of incorporation/ establishment and operations	Principal activities	Issued/registered and fully paid up capital	Attributable equity interest to the equity holders of the Company 2024	2023
Capital held indirectly (Continued)					
COSCO SHIPPING Lines (Wuhan) Co., Ltd. (v)	China	Freight forwarding and transportation	RMB44,681,134	**51.00%**	51.00%
COSCO Wuhan Logistics Co., Ltd. (v)	China	Logistics	RMB109,400,000	**49.00%**	49.00%
COSCO SHIPPING Lines (Dalian) Co., Ltd. (v)	China	Freight forwarding and transportation	RMB60,000,000	**100.00%**	100.00%
COSCO SHIPPING Lines (Xiamen) Co., Ltd. (v)	China	Freight forwarding and transportation	RMB215,000,000	**100.00%**	100.00%
Shanghai Haizhilan Real Estate Co., Ltd. (formerly known as Container Shipping Agency Co., Ltd. (v))	China	Freight forwarding and transportation	RMB804,717,009	**100.00%**	100.00%
COSCO Shanghai Container Shipping Agency Co., Ltd. (v)	China	Shipping agency	RMB10,000,000	**100.00%**	100.00%
COSCO SHIPPING Lines South-China Co., Ltd. (v)	China	Freight forwarding and transportation	RMB627,470,000	**100.00%**	100.00%
COSCO SHIPPING Lines (Hainan) Co., Ltd. (v)	China	Freight forwarding and transportation	RMB62,820,000	**100.00%**	100.00%
COSCO SHIPPING Lines (Korea) Co., Ltd.	South Korea	Freight forwarding and shipping agency	KRW306,800,000	**100.00%**	100.00%
COSCO SHIPPING (North America) Inc.	United States of America	Shipping agency	US$2,900,000	**100.00%**	100.00%
COSCO SHIPPING Lines (EUROPE) GmbH	German/Europe	Shipping agency	EURO1,500,000	**100.00%**	100.00%
COSCO (Hong Kong) Shipping Co., Ltd.	Hong Kong, China	Freight forwarding and shipping agency	HK$1,000,000	**100.00%**	100.00%
COSCO SHIPPING (Oceania) Pty Ltd.	Australia	Shipping agency, freight forwarding and other international sea transport services	AUD100,000	**100.00%**	100.00%
Coheung Marine Shipping Company Limited	Hong Kong, China	Container transportation	US$2,980,000	**100.00%**	100.00%
COSCO (CAYMAN) Mercury Co., Ltd.	Cayman Islands/ Hong Kong, China	Vessel chartering	US$50,000	**100.00%**	100.00%
COSCO SHIPPING Lines (Japan)	Japan	Marine services	JPY40,000,000	**100.00%**	100.00%

46. Particulars of principal subsidiaries, joint ventures and associates (Continued)

(a) Subsidiaries (Continued)

As at 31 December 2024, the Group had direct and indirect interests in the following principal subsidiaries: (Continued)

Name	Place of incorporation/ establishment and operations	Principal activities	Issued/registered and fully paid up capital	Attributable equity interest to the equity holders of the Company 2024	2023
Capital held indirectly (Continued)					
New Golden Sea Shipping Pte. Co., Ltd.	Singapore	Container transportation	SGD22,543,400	100.00%	100.00%
Shanghai COSCO SHIPPING Lines Global Service Centre Ltd. (v)	China	Document services	RMB1,000,000	100.00%	100.00%
COSCO SHIPPING LINES (Brazil) S.A.	Brazil	Freight forwarding and shipping agency	BRL520,500	100.00%	100.00%
COSCO SHIPPING LINES (PANAMA) INC.	Panama	Freight forwarding and shipping agency	US$10,000	100.00%	100.00%
Shanghai Ocean Shipping Co., Ltd. (v)	China	Vessel management and manning service	RMB482,843,450	100.00%	100.00%
China Shipping Container Lines Hainan Co., Ltd. (v)	China	Freight forwarding and shipping agency	RMB10,000,000	100.00%	100.00%
COSCO SHIPPING Lines (South Africa) Co., Ltd.	South Africa	Cargo and liner agency	ZAR100	100.00%	100.00%
COSCO SHIPPING Lines (Western Asia) Co., Ltd.	United Arab Emirates	Cargo and liner agency	US$820,000	100.00%	100.00%
COSCO SHIPPING (CENTRAL AMERICA) INC..	Panama	Cargo and liner agency	US$10,000	100.00%	100.00%
Tangshan COSCO SHIPPING Lines Logistics Co., Ltd. (v)	China	Logistics	RMB170,000,000	51.00%	51.00%
Shanghai Tianhongli Asset Management Limited (v)	China	Asset Management	RMB1,497,460,000	100.00%	100.00%
Xinsanli Smart Container Service Co., Ltd. (v)	China	Technical services, container maintenance, container yard warehousing services	RMB50,000,000	100.00%	100.00%
COSCO SHIPPING Ports Limited	Bermuda	Investment holding	HK$400,000,000	71.55%	66.13%
COSCO Investment Limited	British Virgin Islands/ Hong Kong China	Investment holding	1 ordinary share of US$1	100.00%	100.00%
COSCO Asset Management Limited	Hong Kong, China	Vessel management	10,000 shares of US$1 each	100.00%	100.00%

46. Particulars of principal subsidiaries, joint ventures and associates (Continued)

(a) Subsidiaries (Continued)

As at 31 December 2024, the Group had direct and indirect interests in the following principal subsidiaries: (Continued)

Name	Place of incorporation/ establishment and operations	Principal activities	Issued/registered and fully paid up capital	Attributable equity interest to the equity holders of the Company 2024	2023
Capital held indirectly (Continued)					
Orient Overseas (International) Limited	Bermuda	Investment holding	US$66,037,300	71.07%	71.07%
Faulkner Global Holdings Limited	British Virgin Island/ Hong Kong, China	Investment holding	US$10,000	100.00%	100.00%
Supply Riches Limited	Hong Kong, China	Investment holding	US$10,000	100.00%	100.00%
Supply Wealth Limited	Hong Kong, China	Investment holding	US$10,000	100.00%	100.00%
Supply Fortune Limited	Hong Kong, China	Investment holding	US$10,000	100.00%	100.00%
Supply Abundance Limited	Hong Kong, China	Investment holding	US$10,000	100.00%	100.00%
Supply Treasure Limited	Hong Kong, China	Investment holding	US$10,000	100.00%	100.00%
Supply Valuable Limited	Hong Kong, China	Investment holding	US$10,000	100.00%	100.00%
Supply Glory Limited	Hong Kong, China	Investment holding	US$10,000	100.00%	100.00%
Supply Prosperity Limited	Hong Kong, China	Investment holding	US$10,000	100.00%	100.00%
Supply Lucky Limited	Hong Kong, China	Investment holding	US$10,000	100.00%	100.00%
Shanghai Haiji Changlian Supply Chain Management Co., Ltd. (v)	China	Supply chain management	RMB4,000,000	80.00%	80.00%

46. Particulars of principal subsidiaries, joint ventures and associates (Continued)

(b) Joint ventures

As at 31 December 2024, the Company had indirect interests in the following principal joint ventures:

Name	Place of incorporation/ establishment and operations	Principal activities	Issued/registered and fully paid up capital	Attributable equity interest to the equity holders of the Company 2024	2023
Asia Container Terminals Holdings Limited	Cayman Islands	Investment holding	HK$1,000 divided into 1,000 ordinary shares	**20.00%**	20.00%
CONTE RAIL, S.A.	Spain	Operation of rail terminals	45,000 ordinary shares Euro34.3 each	**50.00%**	50.00%
COSCO-HIT Terminal (Hong Kong) Limited	Hong Kong, China	Operation of container terminals	HK$20 divided into 2 "A" ordinary shares, HK$20 divided into 2 "B" ordinary shares and HK$40 divided into 4 non-voting 5% deferred shares	**50.00%**	50.00%
COSCO-HPHT ACT Limited	British Virgin Islands	Investment holding	1,000 ordinary shares of US$1 each	**50.00%**	50.00%
COSCO-PSA Terminal Private Limited	Singapore	Operation of container terminals	SGD286,213,000	**49.00%**	49.00%
Dalian Dagang Container Terminal Co., Ltd. (formerly known as Dalian Dagang China Shipping Container Co., Ltd.) (iv)	China	Operation of container terminals	RMB10,000,000	**35.00%**	35.00%
Euro-Asia Oceangate S.a.r.l	Luxembourg	Investment holding	US$40,000	**40.00%**	40.00%
Lianyungang Port Railway International Container Multimodal Transport Co., Ltd. (v)	China	Logistics	RMB3,400,000	**30.00%**	30.00%
Nansha Stevedoring Corporation Limited of Port of Guangzhou (v)	China	Operation of container terminals	RMB1,260,000,000	**40.00%**	40.00%
Ningbo Yuan Dong Terminals Limited (iv)	China	Operation of container terminals	RMB2,500,000,000	**40.00%**	40.00%
Piraeus Consolidation and Distribution Center S.A.	Greece	Storage, consolidation and distribution	EURO1,000,000	**50.00%**	50.00%
Qingdao Port Dongjiakou Ore Terminals Co., Ltd. (iv)	China	Operation of iron ore terminal	RMB2,000,000,000	**25.00%**	25.00%

46. Particulars of principal subsidiaries, joint ventures and associates (Continued)

(b) Joint ventures (Continued)

As at 31 December 2024, the Company had indirect interests in the following principal joint ventures: (Continued)

Name	Place of incorporation/ establishment and operations	Principal activities	Issued/registered and fully paid up capital	Attributable equity interest to the equity holders of the Company 2024	2023
Shanghai Pudong International Container Terminal Co., Ltd (iv)	China	Operation of container terminals	RMB1,900,000,000	30.00%	30.00%
Yingkou Container Port Co., Ltd. (iv)	China	Operation of container terminals	RMB8,000,000	50.00%	50.00%
Yingkou New Century Container Terminal Co., Ltd. (v)	China	Operation of container terminals	RMB40,000,000	40.00%	40.00%
OOCL (U.A.E.) L.L.C	Dubai	Liner agency	300 ordinary shares AED300,000	49.00%	49.00%
Sinovnl Company Limited (formerly known as Tan Cang-COSCO-OOCL Logistics Company Limited) (iii)	Vietnam	Container depot	Legal capital US$1,000,000	30.00%	30.00%
Qingdao Orient International Container Storage & Transportation Co. Ltd. (iv)	China	Container depot	Registered capital RMB69,900,000	55.00%	55.00%
Red Sea Gateway Terminals Overseas Limited	England and Wales	Investment holding	35,000,000 ordinary shares of US$1 each	25.00%	–

46. Particulars of principal subsidiaries, joint ventures and associates (Continued)

(c) Associates

As at 31 December 2024, the Company had indirect interests in the following principal associates:

Name	Place of incorporation/ establishment and operations	Principal activities	Issued/registered and fully paid up capital	Attributable equity interest to the equity holders of the Company 2024	2023
Antwerp Gateway NV	Belgium	Operation of container terminals	EURO17,900,000	**20.00%**	20.00%
APM Terminals Vado Holdings B.V.	Netherlands	Investment holding	10 ordinary shares of EURO100 each	**40.00%**	40.00%
Beibu Gulf Port Co., Ltd. (iv)	China	Operation of terminals	RMB2,277,553,199	**9.86%**	9.82%
COSCO SHIPPING Terminals (USA) LLC	USA	Investment holding	US$200,000	**40.00%**	40.00%
Dalian Automobile Terminal Co., Ltd. (iv)	China	Construction and operation of automobile terminals	RMB400,000,000	**24.00%**	24.00%
Dalian Container Terminal Co., Ltd. (iv)	China	Operation of container terminals	RMB3,480,000,000	**19.00%**	19.00%
Damietta International Port Company S.A.E	Egypt	Operation of container terminals	20,000,000 ordinary shares of US$10 each	**20.00%**	20.00%
Dawning View Limited (formerly known as Dawning Company Limited)	British Virgin Islands	Investments holding	200 "A" shares of US$1 each and 800 "B" shares of US$1 each	**20.00%**	20.00%
Euromax Terminal Rotterdam B.V.	Netherlands	Operation of container terminals	65,000 "A" shares of Euro1 each, 35,000 "B" shares of Euro1 each and 25,000 "C" shares of Euro1 each	**28.00%**	35.00%
Fangchenggang Chisha Wharf Co., Ltd. (iv)	China	Operation of container terminals	RMB910,000,000	**20.00%**	20.00%
Global Shipping Business Network Limited	Hong Kong, China	Business Network Services	US$8,000,000	**12.50%**	12.50%
Guangxi Beibu Gulf International Container Terminal Co., Ltd. (iv)	China	Operation of container terminals	RMB2,371,600,000	**26.00%**	26.00%
HHLA Container Terminal Tollerort GmbH	German	Operation of container terminals	7,700,000 ordinary shares of Euro1 each	**24.99%**	24.99%
Kao Ming Container Terminal Corp.	China Taiwan	Operation of container terminals	TWD6,800,000,000	**30.00%**	30.00%
Nezha Smart Technology (Shanghai) Co., Ltd (formerly known as Nezha Smart Port of Shipping Technology (Shanghai) Co. Ltd) (v)	China	Operation of technology	RMB94,861,008	**15.00%**	–
Qingdao Port International Co., Ltd. (iv)	China	Operation of container terminals	RMB6,491,100,000	**20.06%**	19.79%
Qinhuangdao Port New Harbour Container Terminal Co., Ltd. (v)	China	Operation of container terminals	RMB400,000,000	**30.00%**	30.00%

46. Particulars of principal subsidiaries, joint ventures and associates (Continued)

(c) Associates (Continued)

As at 31 December 2024, the Company had indirect interests in the following principal associates: (Continued)

Name	Place of incorporation/ establishment and operations	Principal activities	Issued/registered and fully paid up capital	Attributable equity interest to the equity holders of the Company 2024	2023
Red Sea Gateway Terminal Company Limited	Kingdom of Saudi Arabia	Operation of container terminals	SAR555,207,000	**20.00%**	20.00%
Shanghai Mingdong Container Terminals Limited (iv)	China	Operation of container terminals	RMB4,000,000,000	**20.00%**	20.00%
Success Enterprises Limited (formerly known as Sigma Enterprises Limited)	British Virgin Islands	Investment holding	2,005 "A" shares of US$1 each and 8,424 "B" shares of US$1 each	**16.49%**	16.49%
Suez Canal Container Terminal S.A.E.	Egypt	Operation of container terminals	1,856,250 ordinary shares of US$100 each	**20.00%**	20.00%
Taicang International Container Terminal Co., Ltd. (iv)	China	Operation of container terminals	RMB450,800,000	**39.04%**	39.04%
Tianjin Shenggang Container Technology Development Service Co., Ltd. (v)	China	Operation of container terminals	RMB3,000,000	**33.00%**	33.00%
Wattrus Limited	British Virgin Islands	Investment holding	32 "A" shares of US$1 each and 593 "B" shares of US$1 each	**5.12%**	5.12%
COSCO SHIPPING Finance Co., Ltd. (v)	China	Financial services	Registered capital RMB19,500,000,000	**22.97%**	22.97%
Shanghai International Port (Group) Co., Ltd. (iv)	China	Investment holding	Registered capital RMB23,281,365,262	**15.55%**	15.55%
COSCO SHIPPING Logistics Supply Chain Co., Ltd. (v)	China	Liner agency	Registered capital RMB1,637,978,269	**19.00%**	7.00%
COFCO Fortune Co., Ltd. (iv)	China	Wholesale of grains, beans, and potatoes	Registered capital RMB3,095,461,561	**5.81%**	5.81%

46. Particulars of principal subsidiaries, joint ventures and associates (Continued)

(c) Associates (Continued)

As at 31 December 2024, the Company had indirect interests in the following principal associates: (Continued)

Notes:

Subsidiaries held directly by the Group.

(i) The English names of certain subsidiaries, joint ventures and associates referred to in the consolidated financial statements represent management's best efforts at translating the Chinese names of these companies as no English names have been registered.

(ii) Although the Group held less than 50% or 20% effective equity interests in some subsidiaries and associates as disclosed above, respectively, the Group either owns indirectly, through its non-wholly owned subsidiaries, more than 50% of the voting power of those subsidiaries and more than or equal to 20% of the voting power of those associates or can exercise control through contractual arrangement or exercise significant influence by having board participation.

(iii) Although the Group's equity interests in some joint ventures as disclosed above are more than 50%, the Group does not have unilateral control over these joint ventures.

(iv) This entity is registered as a sino-foreign joint venture company under PRC law.

(v) This entity is registered as a wholly domestic owned enterprise under PRC law.

(vi) None of the subsidiaries had issued any debt securities at the end of the reporting period.

47. Balance sheet and reserve movement of the Company

Balance sheet of the Company

	Note	As at 31 December 2024 RMB'000	2023 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		**31**	125
Investments in associates		**33,268,313**	30,781,658
Financial assets at fair value through other comprehensive income		**827,519**	764,052
Deferred income tax assets		**–**	3,694
Investments in subsidiaries		**38,351,640**	38,351,313
Loans to a subsidiary		**3,200**	3,200
Other non-current assets		**1,000,943**	–
Total non-current assets		**73,451,646**	69,904,042
Current assets			
Trade and other receivables and contract assets		**3,298,684**	13,997,148
Taxes recoverable		**10,004**	–
Restricted bank deposits		**4,081**	–
Cash and cash equivalents		**19,706,304**	1,119,496
Total current assets		**23,019,073**	15,116,644
Total assets		**96,470,719**	85,020,686
EQUITY			
Share capital		**15,960,827**	16,071,058
Reserves	(a)	**80,039,931**	68,540,072
Total equity		**96,000,758**	84,611,130
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**12,173**	–
Total Non-current liabilities		**12,173**	–
Current liabilities			
Trade and other payables and contract liabilities		**157,692**	226,936
Short-term borrowings		**300,096**	–
Tax payables		**–**	182,620
Total current liabilities		**457,788**	409,556
Total liabilities		**469,961**	409,556
Total equity and liabilities		**96,470,719**	85,020,686

47. Balance sheet and reserve movement of the Company (Continued)

Balance sheet of the Company (Continued)

Note (a)

Reserve movement of the Company

	Capital reserve RMB'000	Statutory reserve fund RMB'000	Other reserve RMB'000	Treasury share RMB'000	Retained earning RMB'000	Total RMB'000
As at 1 January 2023	41,727,869	10,634,418	(3,342,792)	–	42,185,714	91,205,209
Changes in the fair value of financial assets at fair value through other comprehensive income, net of tax	(3,661)	–	–	–	–	(3,661)
Share of other comprehensive income of associates, net	1,330	–	–	–	–	1,330
Fair value of share options granted	5,270	–	–	–	–	5,270
Repurchase and cancellation of shares	(785,901)	–	–	(374,092)	–	(1,159,993)
Appropriate of statutory reserves	–	902,062	–	–	(902,062)	–
Profit for the year	–	–	–	–	9,020,615	9,020,615
Dividend	–	–	–	–	(30,672,892)	(30,672,892)
Share of reserve of an associate	144,194	–	–	–	–	144,194
As at 31 December 2023	41,089,101	11,536,480	(3,342,792)	(374,092)	19,631,375	68,540,072
As at 1 January 2024	**41,089,101**	**11,536,480**	**(3,342,792)**	**(374,092)**	**19,631,375**	**68,540,072**
Changes in the fair value of financial assets at fair value through other comprehensive income, net of tax	**47,601**	**–**	**–**	**–**	**–**	**47,601**
Share of other comprehensive income of associates, net	**(10,399)**	**–**	**–**	**–**	**–**	**(10,399)**
Fair value of share options granted	**327**	**–**	**–**	**–**	**–**	**327**
Repurchase and cancellation of shares	**(681,046)**	**–**	**–**	**(1,224,095)**	**–**	**(1,905,141)**
Appropriate of statutory reserves	**–**	**2,532,174**	**–**	**–**	**(2,532,174)**	**–**
Profit for the year	**–**	**–**	**–**	**–**	**25,321,742**	**25,321,742**
Dividend	**–**	**–**	**–**	**–**	**(11,970,479)**	**(11,970,479)**
Share of reserve of an associate	**16,208**	**–**	**–**	**–**	**–**	**16,208**
As at 31 December 2024	**40,461,792**	**14,068,654**	**(3,342,792)**	**(1,598,187)**	**30,450,464**	**80,039,931**

Five Year Financial Summary

	2024 RMB'000	2023 RMB'000 (Restated)	2022 RMB'000 (Restated)	2021 RMB'000	2020 RMB'000
Revenues	**233,859,079**	175,452,975	391,161,764	333,693,943	171,258,834
Profit before income tax	**67,086,756**	33,079,791	167,194,780	128,006,540	13,947,709
Income tax expenses	**(11,494,089)**	(4,682,974)	(35,642,116)	(24,101,179)	(760,215)
Profit for the year	**55,592,667**	28,396,817	131,552,664	103,905,361	13,187,494
Profit attributable to:					
– Equity holders of the Company	**49,172,465**	23,860,169	109,807,715	89,348,948	9,927,098
– Non-controlling interests	**6,420,202**	4,536,648	21,744,949	14,556,413	3,260,396
Total assets	**497,472,214**	462,570,620	512,070,859	414,275,122	271,926,074
Total liabilities	**(212,413,437)**	(219,219,595)	(258,147,580)	(234,815,076)	(193,229,017)
Total equity	**285,058,777**	243,351,025	253,923,279	179,460,046	78,697,057

Note:

(a) The financial figures for the year 2023 and 2024 were extracted from the Consolidated Financial Statements.

(b) The financial figures for the year 2020 to 2022 were extracted from the 2023 annual report and reclassified to align with the current year's presentation format, with no retrospective adjustments for common control combinations during the year made to the financial figures for 2020 to 2021 since for the comparative financial statement periods, the opening retained earnings for the earliest period should be adjusted, along with the figures for other relevant items in the financial statements.

COSCO SHIPPING Holdings Co., Ltd.

8F, No.658 Dongdaming Road, Hongkou District, Shanghai
the People's Republic of China
http://hold.coscoshipping.com