NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

COSCO SHIPPING Ports Limited (the "Company") and its subsidiaries (collectively the "Group") are principally engaged in the businesses of managing and operating terminals and their related businesses. The Company is a limited liability company incorporated in Bermuda with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and its registered office is Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda.

The intermediate holding company of the Company is COSCO SHIPPING Holdings Co., Ltd. ("COSCO SHIPPING Holdings"), a company established in the People's Republic of China (the "PRC") with its H-Shares and A-Shares listed on the Main Board of the Stock Exchange and the Shanghai Stock Exchange respectively. The immediate holding company and ultimate holding company of COSCO SHIPPING Holdings are China Ocean Shipping Co., Ltd ("COSCO") and China COSCO SHIPPING Corporation Limited ("COSCO SHIPPING"), state-owned enterprises established in the PRC, respectively.

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

2 BASIS OF PREPARATION

The consolidated financial statements for the year ended 31 December 2024 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") as issued by Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance Cap.622. These accounting policies have been consistently applied to all the years presented unless otherwise mentioned.

The consolidated financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities (including financial asset at fair value through profit or loss, financial assets at fair value through other comprehensive income and derivative instruments) and investment properties measured at fair value.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

2.1 Adoption of amendments and interpretation to existing standards

In 2024, the Group has adopted the following amendments and interpretation issued by the HKICPA which are mandatory for the financial year beginning on 1 January 2024:

Amendments and interpretation

HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current
HKAS 1 (Amendments)	Non-current Liabilities with Covenants
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback
HK Int 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The adoption of the above amendments and interpretation in the current year did not have any significant effect on the consolidated financial statements or result in any substantial changes in the Group's accounting policies.

2 BASIS OF PREPARATION (CONTINUED)

2.2 New standards, interpretation and amendments to existing standards that are not yet effective for the year ended 31 December 2024 and have not been early adopted by the Group

The HKICPA has issued the following new standards, amendments and interpretation which are not yet effective for the year ended 31 December 2024:

New standards, interpretation and amendments		Effective for accounting periods beginning on or after
HKFRS 1 and HKAS 21 (Amendments)	Lack of exchangeability	1 January 2025
HKFRS 7 and 9 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 1, 7, 9, 10 and HKAS 7 (Amendments)	Annual Improvements to HKFRS Accounting Standards – 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
HK Int 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	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 determined

The Group has not early adopted the above new standards, interpretation and amendments and will apply when they become effective. The Group has already commenced an assessment of the related impact to the Group, certain of which may give rise to change in presentation and disclosure of certain items in the consolidated financial statements.

3 MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these consolidated financial statements are set out below.

3.1 Principles of consolidation and equity accounting

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where 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 fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

(b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(c) Joint ventures

Joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

(d) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy stated in note 3.8.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Principles of consolidation and equity accounting (Continued)

(e) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Company. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in capital reserve within equity attributable to owners of the Company.

(f) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

3.2 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, assessing performance of the operating segments and making strategic decisions, is identified as the executive directors of the Company.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Foreign currency translation

(a) 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 United States dollar ("US dollar"), which is Company's functional and presentation currency.

(b) 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 of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses are presented in the consolidated income statement on a net basis within other operating income/(expenses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

(c) Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this 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
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised 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 charged to the consolidated income statement during the financial period in which they are incurred.

Freehold land with unlimited useful life is not depreciated.

Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate cost or revalued amounts to the residual values of respective property, plant and equipment over their estimated useful lives, as follows:

Leasehold land	Remaining period of the lease
Buildings	25 to 50 years
Leasehold improvements	5 years or the remaining period of the lease, whichever is shorter
Other property, plant and equipment	5 to 30 years

Other property, plant and equipment includes plant and machinery with estimated useful lives ranging from 5 to 30 years, and furniture, fixtures and equipment and motor vehicles with estimated useful lives ranging from 5 to 10 years.

No depreciation is provided for construction in progress. Construction in progress is transferred to relevant categories of property, plant and equipment upon the completion of the related construction works and depreciation will then be commenced accordingly.

The assets' residual values and 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.

The gain or loss on disposal of property, plant and equipment is the difference between the net sale proceeds and the carrying amount of the relevant asset, and is recognised in the consolidated income statement.

3.5 Leases

Leases are recognised 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.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Leases (Continued)

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.

Extension and termination options are included in a number of leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to decide on whether to exercise an extension option (or not to exercise a termination option). Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

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.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, and
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and makes adjustments specific to the lease, e.g. term, country, currency and security.

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.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Leases (Continued)

Some concession leases contain variable payment terms that are linked to revenue or throughput generated from a port. For individual ports, lease payments are on the basis of variable payment terms with a wide range of percentages applied. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for port operations. Variable lease payments that depend on revenue or throughput are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

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; and
- 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 recognised 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 mainly comprise IT equipment.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term.

3.6 Investment properties

Land and buildings that are held for long term rental yields or for capital appreciation or both, and that is not occupied by the companies of the Group, is classified as investment property.

Investment properties are measured initially at cost, including related transaction costs. After initial recognition, investment properties are carried at fair value representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Change in fair value is recognised in the consolidated income statement. The fair value of investment properties reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

Subsequent expenditure is charged to the asset's carrying amount 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 repair and maintenance costs are expensed in the consolidated income statement during the financial period in which they are incurred.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purpose.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Intangible assets

(a) Goodwill

Goodwill is measured as described in note 3.1(f) above. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

(b) Computer software

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

Costs associated with developing or maintaining computer software programmes which do not generate economic benefits exceeding costs beyond one year are recognised 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 recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer systems under development are transferred to computer software upon the completion of the respective development and amortisation will then be commenced accordingly over the estimated useful lives of 5 years on a straight-line basis.

(c) 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.

(d) Customer relationships

Customer relationships, which are acquired in a business combination, are recognised 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 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised 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 of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3.9 Investments and other financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI 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.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. 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.

Financial assets at FVPL include financial assets held for trading and financial assets designated upon recognition as financial assets at FVPL. Financial assets at FVPL are carried in the consolidated balance sheet at fair value with net changes in fair value recognised in the consolidated income statement in the period in which they arise. These net fair value changes do not include any interest income on these financial assets. Financial assets at FVPL are designated at the date of initial recognition and only if the criteria under HKFRS 9 are satisfied.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised 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.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.9 Investments and other financial assets (Continued)

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at 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.

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. The Group classifies its debt instruments as amortised cost for assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest and measures at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other operating income/(expenses) together with foreign exchange gains and losses.

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 OCI, 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 recognised in profit or loss as other operating income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other operating income/(expenses) in the consolidated income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) 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, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. For other financial assets at amortised cost and debt instruments at FVOCI, the provision for these financial assets will be determined based on whether their credit risk are low at each reporting date, and, if so, by recognising a 12-month expected losses amount. If the financial asset is not subsequently of a low credit risk, the corresponding provision for doubtful debts will be recognised as equal to lifetime expected losses.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise 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.

3.11 Inventories

Inventories include resaleable containers and consumable parts for terminal operations. Inventories are stated at the lower of cost and net realisable value. Costs are calculated on weighted average basis. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

3.12 Trade and other receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

3.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts (if any).

3.14 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised 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 recognised 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 recognised as interest expense.

3.15 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.16 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 are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

3.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.18 Borrowings

Borrowings are recognised 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 recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

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 balance sheet date.

3.19 Current and deferred taxation

The taxation expense or credit for the year comprises current and deferred taxation. Taxation is recognised in the consolidated income statement, except to the extent that it relates to items recognised in OCI or directly in equity. In this case, the taxation is also recognised in OCI or directly in equity, respectively.

(a) Current taxation

The current 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 Group, its joint ventures and its 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.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.19 Current and deferred taxation (Continued)

(b) Deferred taxation

Inside basis differences

Deferred taxation is recognised (provided) 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 recognised if they arise from the initial recognition of goodwill; deferred taxation is not accounted for if it arises from initial recognition of an asset or 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 tax asset is realised or the deferred tax liability is settled.

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

Outside basis differences

Deferred tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint ventures, except for deferred 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. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint ventures only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) Offsetting

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 taxes assets and liabilities relate to taxation 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 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.20 Employee benefits

(a) Retirement benefit costs

The Group contributes to both defined contribution and defined benefit retirement schemes. The assets of the schemes are held separately from those of the Group in independently administered funds.

Defined contribution retirement schemes

Pursuant to the relevant regulations of the government authorities in different territories where the Group has employees, the Group participates in respective government benefit schemes whereby the Group is required to contribute to the schemes for the retirement benefits of eligible employees. The government authorities of the respective countries are responsible for the entire benefit obligations payable to the retired employees. The only obligation of the Group with respect to the schemes is to pay the ongoing contributions required by the schemes.

Contributions made to the schemes are calculated either based on certain percentages of the applicable payroll costs or fixed sums that are determined with reference to salary scale as stipulated under the requirements of the respective countries.

The Group's contributions to the aforesaid defined contribution retirement schemes are charged to the consolidated income statement as incurred.

Defined benefit retirement schemes

The liability recognised in the consolidated balance sheet in respect of defined benefit retirement schemes is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

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 approximating to the terms of the related 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 retirement scheme, recognised in the consolidated income statement in staff costs, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements.

Past-service costs are recognised immediately in the consolidated income statement.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in staff costs in the consolidated income statement.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.20 Employee benefits (Continued)

(a) Retirement benefit costs (Continued)

Defined benefit retirement schemes (Continued)

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited directly to other comprehensive income in the period in which they occur.

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.

Certain defined benefit schemes require employees to contribute to reduce the cost of the benefits to the Group. Contributions from employees are linked to service and hence, the contributions reduce service cost. The Group attributes the contributions from employees to periods of service on a straight-line basis.

(b) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(c) Bonus entitlements

The expected cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

3.21 Revenue recognition

(a) Revenue for ports and related services

Revenue for ports and related services is recognised 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. Revenue is recognised 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 revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A contract liability (included in trade and other payables and contract liabilities) is recognised for expected volume discounts to customers in relation to sales made until the end of the reporting period.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.21 Revenue recognition (Continued)

(b) Rental income from investment properties

Rental income from investment properties is recognised on a straight-line basis over the period of each lease and is recognised in the consolidated income statement within other operating income.

(c) Interest 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).

(d) Dividend income

Dividend income is recognised when the right to receive payment is established and is recognised in the consolidated income statement within other operating income.

3.22 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset, until such time as the asset is substantially ready for its intended use or sale.

All other borrowing costs are charged to the consolidated income statement in the period in which they are incurred.

3.23 Subsidy

Subsidies are recognised at their fair value where there is a reasonable assurance that the subsidy will be received and the Group will comply with all attached conditions. Subsidies relating to costs are deferred and recognised in the consolidated income statement over the period necessary to match them with the costs that they are intended to compensate.

Subsidy relating to property, plant and equipment are included in non-current liabilities as deferred income and are credited to the consolidated income statement on a straight-line basis over the expected lives of the related assets.

3.24 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

4 FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit 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 programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out under direction by the Boards of Directors. The directors and management identify, evaluate and hedge financial risks in close co-operation with the Group's operating units. The Group has principles for overall risk management, such as foreign exchange risk, interest rate risk, credit risk and use of derivative financial instruments.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Renminbi and Euro. Foreign exchange risk mainly arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The foreign exchange risk faced by the Group primarily arises from 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 significant foreign currency exposure should the need arise.

Under the Linked Exchanged Rate System in Hong Kong and the monetary policy of the Central Bank of the United Arab Emirates, Hong Kong dollar and United Arab Emirates Dirham are pegged to the US dollar respectively, management therefore considers that there are no significant foreign exchange risk with respect to Hong Kong dollar and United Arab Emirates Dirham.

With all other variables held constant, if the currencies (except for Hong Kong dollar and United Arab Emirates Dirham) of Non-Functional Currency Items had weakened/strengthened by 5% against the US dollar, the Group's profit after taxation for the year would have increased/decreased US$660,000 (2023: US$2,839,000) as a result of the translation of those Non-Functional Currency Items.

(ii) Price risk

The Group is exposed to price risk arises from investments held by the Group and classified in the consolidated balance sheet as financial assets at FVPL and FVOCI. Management monitors the market conditions and securities price fluctuations and response so as to minimise adverse effects on the Group's financial performance.

A 10% increase/decrease in the price of the financial asset at FVPL would increase/decrease the Group's profit after taxation by US$4,193,000 (2023: US$4,031,000).

A 10% increase/decrease in the price of the financial assets at FVOCI would increase/decrease the other comprehensive income by US$11,699,000 (2023: US$10,617,000).

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(iii) Interest rate risk

Other than bank balances and loans to a joint venture and associates (collectively "Interest Bearing Assets"), the Group has no significant interest bearing assets. The Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from loans from a joint venture, loans from an associate, loans from non-controlling shareholders of subsidiaries, long term and short term borrowings (collectively "Interest Bearing Liabilities"). Borrowings are primarily issued at variable rates which therefore expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Generally, the Group raises long term and short term borrowings at floating rates as well as fixed rates, based upon the capital market conditions and the Group's internal requirements. Interest rate swaps with financial institutions are used to achieve the optimum ratio between fixed and floating rates and to manage the related interest rate exposure.

With all other variables held constant, if the interest rate had increased/decreased by 50 basis-points, the corresponding increase/decrease in net finance costs (representing interest expenses on Interest Bearing Liabilities net of interest income on the Interest Bearing Assets) would have been approximately US$9,400,000 (2023: US$8,746,000).

(b) Credit risk

(i) Risk management

The Group's maximum exposure to credit risk in relation to financial assets at the reporting date is the carrying amounts of bank balances and cash, restricted bank deposits, trade and other receivables and contract assets, loans to associates and loan to a joint venture.

There is no concentration of credit risk with respect to trade receivables from third party customers as the Group has a large number of customers which are internationally dispersed. The Group limits its exposure to credit risk through performing credit reviews and monitoring the financial strength of its major customers and generally does not require collateral on trade receivables.

Customer credit limit is assessed by the credit and risk management department with reference to their financial positions, historical credit references and other factors. This limit will be reviewed and adjusted, if circumstances required, to comply with the Group's credit and risk management policy.

No credit limits were exceeded during the year, and management does not expect any significant losses from non-performance by these relevant parties.

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Risk management (Continued)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. Trade receivables are measured at an amount equal to the lifetime expected credit losses. Other receivables are measured as either 12 months expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. 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. No significant increase in credit risk since initial recognition, and therefore the impairment provision is determined as 12 months expected credit losses.

For bank balances and cash, the Group has limited its credit exposure by restricting their selection of financial institution on those reputable local banks or state-owned banks with sound credit ratings. Management considers theses balances are subject to low credit risk.

No other financial assets carry a significant exposure to credit risk.

(ii) Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which was mainly based on past due information unless other information was available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets.

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Maximum exposure and year-end staging (Continued)

	12-month ECLs	Lifetime ECLs			
	Stage 1 US$'000	Stage 2 US$'000	Stage 3 US$'000	Simplified approach US$'000	Total US$'000
2024					
Trade receivables and contract assets	**–**	**–**	**–**	**132,070**	**132,070**
Bills receivables, loans to associates and financial assets included in other receivables – Normal*	**175,874**	**–**	**–**	**–**	**175,874**
Restricted bank deposits	**21,823**	**–**	**–**	**–**	**21,823**
Cash and cash equivalents	**1,007,410**	**–**	**–**	**–**	**1,007,410**
	1,205,107	**–**	**–**	**132,070**	**1,337,177**

	12-month ECLs	Lifetime ECLs			
	Stage 1 US$'000	Stage 2 US$'000	Stage 3 US$'000	Simplified approach US$'000	Total US$'000
2023					
Trade receivables and contract assets	–	–	–	115,926	115,926
Bills receivables, loans to associates and financial assets included in other receivables – Normal*	199,529	–	–	–	199,529
Restricted bank deposits	45,113	–	–	–	45,113
Cash and cash equivalents	1,162,926	–	–	–	1,162,926
	1,407,568	–	–	115,926	1,523,494

* The credit quality of the bills receivables, loans to associates and financial assets included in other receivables was considered to be "normal" when they were not past due and there was no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets had been considered to be "doubtful".

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (Continued)

(c) Liquidity risk

The Group's cash management policy is to regularly monitor its current and expected liquidity positions to ensure adequate funds are available for its short term and long term requirements.

The table below analyses the Group's non-derivative and derivative financial liabilities which will be settled into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year US$'000	**Between 1 and 2 years US$'000**	**Between 2 and 5 years US$'000**	**Over 5 years US$'000**
At 31 December 2024				
Bank and other borrowings	**399,679**	**724,271**	**1,318,840**	**1,353,073**
Lease liabilities	**49,774**	**47,891**	**138,678**	**1,094,814**
Loans from non-controlling shareholders of subsidiaries	**2,820**	**2,820**	**64,641**	**714**
Trade and other payables	**528,907**	**–**	**–**	**–**
Put option liability	**280,000**	**–**	**–**	**–**

	Less than 1 year US$'000	Between 1 and 2 years US$'000	Between 2 and 5 years US$'000	Over 5 years US$'000
At 31 December 2023				
Bank and other borrowings	1,095,098	349,602	1,366,136	1,103,829
Lease liabilities	45,358	93,645	127,585	1,165,723
Loans from non-controlling shareholders of subsidiaries	64,043	586	1,757	880
Loans from a joint venture	17,332	–	–	–
Loans from an associate	4,334	–	–	–
Trade and other payables	485,017	–	–	–
Put option liability	–	280,000	–	–

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.2 Capital 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 equity holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the net debt (total bank borrowings less cash and cash equivalents and restricted bank deposits) to total equity ratio. The Group aims to maintain a manageable net debt to total equity ratio. As at 31 December 2024, the net debt-to-total equity ratio is 29.6% (2023: 29.6%).

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to equity holders, return capital to equity holders, issue new shares or capital or sell assets to reduce debt.

(a) Loan covenants

Under the terms of the major bank loans, which have carrying amounts of US$2,170,460,000 (2023: US$1,705,066,000) 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 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.

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.3 Fair value estimation

(a) Fair value hierarchy

The Group's assets that are measured at fair value is disclosed by levels of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets that are measured at fair value at 31 December 2024 and 2023:

As at 31 December 2024

	Level 1 US$'000	**Level 2 US$'000**	**Level 3 US$'000**	**Total US$'000**
Financial assets				
Financial asset at FVPL	**55,905**	**–**	**–**	**55,905**
Financial assets at FVOCI	**127,756**	**–**	**24,411**	**152,167**
Non financial asset				
Investment properties	**–**	**–**	**88,839**	**88,839**

As at 31 December 2023

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Financial assets				
Financial asset at FVPL	53,745	–	–	53,745
Financial assets at FVOCI	116,565	–	22,457	139,022
Derivative financial instruments – interest rate swap	–	2,698	–	2,698
Non financial asset				
Investment properties	–	–	90,580	90,580

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.3 Fair value estimation (Continued)

(b) Valuation techniques used to determine fair value

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 convertible bonds or equity investments classified as financial assets at FVPL or FVOCI.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data 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.

There were no changes made to the valuation techniques applied as of 31 December 2024, except for the valuation technique of certain investment properties changed from replacement cost method to income capitalization method.

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.

For the year ended 31 December 2024, there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities.

The movements in assets included in level 3 are as follows:

Unlisted financial assets at FVOCI

	2024 **US$'000**	2023 US$'000
At 1 January	**22,457**	21,838
Fair value gain recognised in OCI	**2,338**	946
Exchange differences	**(384)**	(327)
At 31 December	**24,411**	22,457

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.3 Fair value estimation (Continued)

(b) Valuation techniques used to determine fair value (Continued)

The valuation technique and inputs used in the fair value measurements within Level 3 for unlisted financial assets at FVOCI are summarised as follows:

Description	Fair value at 31 December 2024 US$'000	Fair value at 31 December 2023 US$'000	Valuation techniques	Unobservable inputs
Unlisted equity security:				
Port industry	**24,411**	22,457	Market multiples	Price/book multiples (i), discount for lack of marketability (ii)

(i) Represents amounts used when the entity has determined that market participants would use such multiples when pricing the investment.

(ii) Represents amounts used when the entity has determined that market participants would take into account the discount when pricing the investment.

Investment properties

	2024 US$'000	2023 US$'000
At 1 January	**90,580**	9,535
Fair value loss recognised in consolidated income statement	**(4,740)**	–
Transfer	**4,308**	–
Acquisition of subsidiaries	**–**	84,965
Exchange differences	**(1,309)**	(3,920)
At 31 December	**88,839**	90,580

The valuation technique and inputs used in the valuation of investment properties are summarised in note 8.

The carrying amounts of receivables and payables are assumed to approximate their fair values.

The fair values of financial liabilities for disclosure purposes are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial instruments.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements 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 discussed below.

(a) Impairment of terminal assets, investments in joint ventures and associates

Management determines whether terminal assets, 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.

(b) Assessment of goodwill impairment

The Group tests annually whether goodwill have suffered any impairment and when there is indication that they may be impaired, in accordance with the accounting policy stated in note 3.8. 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 10.

(c) Taxation

Deferred tax liabilities have not been recognised for the withholding taxation that would be payable on the undistributed profits of certain subsidiaries which were under certain jurisdictions as the directors consider that the timing of the reversal of related temporary differences can be controlled (Note 15).

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Group is subject to taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises or writes back liabilities for anticipated tax issues based on estimates of whether additional taxes will be due or reversal to be made. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the taxation and deferred taxation provisions in the period in which such determination is made.

(d) Fair value of financial assets at FVOCI

If information on current or recent prices of financial assets at FVOCI is not available, the fair values of financial assets at FVOCI are determined using valuation techniques (market multiples derived from a set of comparable companies). The Group uses assumptions that are mainly based on market conditions existing at each balance sheet date.

6 REVENUES AND SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. The operating segments were determined based on the reports reviewed by management. Terminals and related businesses were identified as the operating segment in accordance with the Group's business.

The performance of the operating segments was assessed based on their segment profit/loss attributable to equity holders of the Company and segment assets, which is measured in a manner consistent with that in the consolidated financial statements.

The segment of "Others" primarily includes corporate level activities. Assets under the segment of "Others" comprise property, plant and equipment, right-of-use assets, investment properties, intangible assets, inter-segment loans, other receivables and prepayments and cash and cash equivalents.

Revenues of single major customers which individually contribute 10% or more of total revenue of the Group amount to US$422,819,000, US$205,500,000 and US$149,147,000 (2023: US$440,400,000, US$179,975,000 and US$150,802,000), respectively.

Additions to non-current assets comprise additions to property, plant and equipment, right-of-use assets, investment properties and intangible assets.

(a) Operating segments

Segment assets

	Terminals and related businesses US$'000	Others US$'000	Elimination US$'000	Total US$'000
At 31 December 2024				
Segment assets	**11,428,916**	**850,425**	**(257,955)**	**12,021,386**
Segment assets include:				
Joint ventures	**1,083,123**	**–**	**–**	**1,083,123**
Associates	**3,392,014**	**–**	**–**	**3,392,014**
Financial asset at FVPL	**55,905**	**–**	**–**	**55,905**
Financial assets at FVOCI	**152,167**	**–**	**–**	**152,167**
At 31 December 2023				
Segment assets	11,208,772	939,316	(216,207)	11,931,881
Segment assets include:				
Joint ventures	1,060,374	–	–	1,060,374
Associates	3,343,432	–	–	3,343,432
Financial asset at FVPL	53,745	–	–	53,745
Financial assets at FVOCI	139,022	–	–	139,022

6 REVENUES AND SEGMENT INFORMATION (CONTINUED)

(a) Operating segments (Continued)

Segment revenues, results and other information

	Terminals and related businesses US$'000	Others US$'000	Elimination US$'000	Total US$'000
Year ended 31 December 2024				
Revenues	**1,502,989**	**–**	**–**	**1,502,989**
Segment profit/(loss) attributable to equity holders of the Company	**438,565**	**(129,749)**	**–**	**308,816**
Segment profit/(loss) includes:				
Finance income	**8,079**	**29,900**	**(8,776)**	**29,203**
Finance costs	**(96,327)**	**(64,900)**	**8,776**	**(152,451)**
Share of profits less losses of				
– joint ventures	**57,173**	**–**	**–**	**57,173**
– associates	**262,942**	**–**	**–**	**262,942**
Taxation	**(57,975)**	**(15,082)**	**–**	**(73,057)**
Depreciation and amortisation	**(250,641)**	**(4,821)**	**–**	**(255,462)**
Additions to non-current assets	**(533,810)**	**(2,936)**	**–**	**(536,746)**

100% (2023: 100%) of the costs of sales, and 55% (2023: 55%) of the administrative expense are from terminals and related businesses.

6 REVENUES AND SEGMENT INFORMATION (CONTINUED)

(a) Operating segments (Continued)

Segment revenues, results and other information (Continued)

	Terminals and related businesses US$'000	Others US$'000	Elimination US$'000	Total US$'000
Year ended 31 December 2023				
Revenues	1,454,353	–	–	1,454,353
Segment profit/(loss) attributable to equity holders of the Company	431,601	(107,044)	–	324,557
Segment profit/(loss) includes:				
Finance income	8,345	27,444	(7,791)	27,998
Finance costs	(97,431)	(81,549)	7,791	(171,189)
Share of profits less losses of				
– joint ventures	61,805	–	–	61,805
– associates	236,056	–	–	236,056
Taxation	(52,237)	17,031	–	(35,206)
Depreciation and amortisation	(246,527)	(4,946)	–	(251,473)
Additions to non-current assets	(424,185)	(7,292)	–	(431,477)
Additions to non-current assets arising from a business combination	(175,982)	–	–	(175,982)

6 REVENUES AND SEGMENT INFORMATION (CONTINUED)

(b) Geographical information

(i) Revenues

In respect of terminals and related businesses, revenues are based on the geographical areas in which the business operations are located.

	2024 US$'000	2023 US$'000
Terminals and related businesses		
– Mainland China (excluding Hong Kong)	**718,921**	706,534
– Europe	**690,755**	670,517
– Others	**93,313**	77,302
	1,502,989	1,454,353

(ii) Non-current assets

The Group's non-current assets, other than financial instruments and deferred tax assets ("Geographical Non-Current Assets"), consist of property, plant and equipment, right-of-use assets, investment properties, intangible assets, joint ventures, associates and other non-current assets.

In respect of the Geographical Non-Current Assets, they are presented based on the geographical areas in which the business operations/assets are located.

	Subsidiaries and corporate US$'000	Joint ventures and associates US$'000	Total US$'000
2024			
Mainland China (excluding Hong Kong)	**2,765,108**	**3,357,294**	**6,122,402**
Europe	**1,282,830**	**76,052**	**1,358,882**
Others	**1,809,044**	**1,041,791**	**2,850,835**
	5,856,982	**4,475,137**	**10,332,119**
2023			
Mainland China (excluding Hong Kong)	2,881,453	3,264,424	6,145,877
Europe	1,406,947	118,428	1,525,375
Others	1,374,313	1,020,954	2,395,267
	5,662,713	4,403,806	10,066,519

7 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings outside Hong Kong US$'000	Leasehold improvements US$'000	Other property, plant and equipment US$'000	Construction in progress US$'000	Total US$'000
Cost					
At 1 January 2024	2,768,395	7,197	1,823,922	833,698	5,433,212
Exchange differences	(51,180)	(100)	(50,742)	(2,851)	(104,873)
Additions	2,161	–	14,600	489,018	505,779
Disposals	(133)	–	(30,915)	(512)	(31,560)
Transfers	64,105	120	59,125	(129,837)	(6,487)
At 31 December 2024	2,783,348	7,217	1,815,990	1,189,516	5,796,071
Accumulated depreciation and impairment					
At 1 January 2024	570,416	4,728	713,258	891	1,289,293
Exchange differences	(15,134)	(59)	(20,763)	–	(35,956)
Depreciation charge for the year	80,260	380	104,470	–	185,110
Disposals	(53)	–	(27,392)	–	(27,445)
Transfers	(1,876)	–	1,876	–	–
At 31 December 2024	633,613	5,049	771,449	891	1,411,002
Net book value					
At 31 December 2024	2,149,735	2,168	1,044,541	1,188,625	4,385,069

7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land and buildings outside Hong Kong US$'000	Leasehold improvements US$'000	Other property, plant and equipment US$'000	Construction in progress US$'000	Total US$'000
Cost					
At 1 January 2023	2,612,324	7,101	1,688,177	651,371	4,958,973
Exchange differences	(25,790)	(68)	4,185	(3,506)	(25,179)
Additions	1,297	13	10,602	403,501	415,413
Acquisition of subsidiaries	89,240	–	1,313	–	90,553
Disposals	(370)	–	(7,292)	(292)	(7,954)
Transfers	91,694	151	126,937	(217,376)	1,406
At 31 December 2023	2,768,395	7,197	1,823,922	833,698	5,433,212
Accumulated depreciation and impairment					
At 1 January 2023	497,969	4,404	618,335	891	1,121,599
Exchange differences	(6,007)	(54)	(702)	–	(6,763)
Depreciation charge for the year	78,720	378	101,353	–	180,451
Disposals	(259)	–	(6,108)	–	(6,367)
Transfers	(7)	–	380	–	373
At 31 December 2023	570,416	4,728	713,258	891	1,289,293
Net book value					
At 31 December 2023	2,197,979	2,469	1,110,664	832,807	4,143,919

Notes:

(a) As at 31 December 2024, certain other property, plant and equipment with an aggregate net book value of US$1,216,090,000 (2023: US$803,286,000) were pledged as security for banking facilities granted to the Group (note 21(d)).

(b) As at 31 December 2024, a freehold land amounting to US$105,883,000 (2023: US$102,796,000) was included in land and buildings outside Hong Kong.

(c) As at 31 December 2024, management has performed impairment assessment for the terminal assets with impairment indication. The recoverable amounts of the terminal assets are determined based on value-in-use calculations which are based on discounted cash flows on a cash generating unit. The key assumptions adopted in the value-in-use calculations included revenue growth rate, terminal growth rate, EBITDA margin and discount rate.

Assuming discount rate increased or revenue growth rate, terminal growth rate, EBITDA margin decreased by 50 basis points, impairment charge of US$5,039,000, US$2,466,000, US$3,655,000 or nil respectively would be required for the terminal assets at 31 December 2024 (2023: US$6,790,000, US$4,303,000, US$5,347,000 or US$762,000 respectively).

8 INVESTMENT PROPERTIES

	2024 US$'000	2023 US$'000
At 1 January	**90,580**	9,535
Exchange differences	**(1,309)**	(3,920)
Acquisition of subsidiaries	**–**	84,965
Fair value loss	**(4,740)**	–
Transfer	**4,308**	–
At 31 December	**88,839**	90,580

Notes:

(a) The investment property amounted to US$88,087,000 as at 31 December 2024 (2023: US$5,010,000) was revalued on 31 December 2024 based on valuation performed by Jones Lang LaSalle, Inc (2023: Kroll (HK) Limited), independent professional property valuer who holds recognised relevant professional qualifications and has recent experiences in the locations and segments of the investment properties valued.

Investment properties arising from the acquisition of subsidiaries on 28 February 2023 were valued by Shanghai Orient Appraisal Co., Ltd., an independent professional property valuer who holds recognised relevant professional qualifications and has recent experiences in the locations and segments of the investment properties valued. Management assessed and considered that there was no fair value change since the acquisition date to the year end date as at 31 December 2023.

For all investment properties, their current use equates to the highest and best use.

(b) The Group's interests in investment properties are office units situated in Guangzhou, office units and warehouse situated in Xiamen, the PRC on leases of 50 years, and a residential property in Hong Kong on leases of over 50 years. For minimum lease payments receivable on leases of investment properties, refer to note 35.

(c) The valuations for Guangzhou office units, Xiamen office units and warehouse are derived using income capitalisation method. The valuation for the Hong Kong residential property is derived using direct comparison method.

Income capitalisation method is based on the capitalisation of the net rental income derived from the existing leases and/or achievable in existing market with reversionary income potential by adopting appropriate capitalisation rates. Capitalisation rates are estimated by valuer based on the risk profile of the properties being valued. The higher the rates, the lower the fair value. Prevailing market rents are estimated based on recent lettings within the subject properties and other comparable properties. The lower the rents, the lower the fair value. As at 31 December 2024, capitalisation rates of 5.50% (2023: 7.5%) and 5.75% (2023: nil) are used in income capitalisation method for Guangzhou, PRC office units and Xiamen, PRC office units and warehouse, respectively.

Direct comparison method is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration. As at 31 December 2024, unit price of HK$25,670 (2023: of HK$27,508) per square feet is used in the direct comparison method.

9 LEASES

(a) Amounts recognised in the consolidated balance sheet

The consolidated balance sheet shows the following amounts relating to leases:

	2024 US$'000	2023 US$'000
Right-of-use assets		
Concession	**620,816**	654,075
Buildings	**17,524**	16,334
Plant and machinery	**332**	371
Land use rights (note a)	**319,681**	333,025
	958,353	1,003,805
Lease liabilities		
Current	**46,633**	48,197
Non-current	**744,318**	762,332
	790,951	810,529

Notes:

(a) The Group has land lease arrangements with the PRC government.

(b) Additions to the right-of-use assets during the year were US$23,892,000 (2023: US$10,586,000).

(c) Increase of the right-of-use assets due to extension of lease and remeasurement were US$5,435,000 (2023: US$13,002,000).

(d) For the year ended 31 December 2023, acquisition of subsidiaries increased right-of-use assets by US$389,000.

9 LEASES (CONTINUED)

(b) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

	Note	2024 US$'000	2023 US$'000
Depreciation charge of right-of-use assets			
Concession		**26,871**	26,174
Buildings		**9,552**	10,390
Plant and machinery		**194**	182
Land use rights		**10,472**	10,526
	28	**47,089**	47,272
Interest expense (included in finance costs)		**29,176**	28,213
Expense relating to short-term leases (included in cost of sales and administrative expenses)		**6,105**	5,321
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses)		**104**	115
Expense relating to variable lease payments not included in lease liabilities (included in cost of sales)		**92,977**	96,583

The total cash outflow for leases in 2024 was US$150,231,000 (2023: US$151,895,000).

(c) The Group's leasing activities and how these are accounted for

The Group leases various concession, buildings, plant and machinery and land use rights. Rental contracts are typically made for fixed periods of 3 to 50 years, but may have extension options as described in (e) below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

(d) Variable lease payments

Some of the concession agreements consist of variable payments based on the performance of the entity. Variable lease payments that based on revenue or throughput are recognised in profit or loss in the year in which the condition that triggers those payments occurs.

A 1% increase in revenue or throughput relating to concession in the Group with such variable lease arrangements would increase total lease payments by approximately US$870,000 and US$76,000 (2023: US$917,000 and US$72,000) respectively.

(e) Extension and termination options

Extension and termination options are included in a number of concession rights across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. Extension options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

10 INTANGIBLE ASSETS

	Computer software		Computer systems under development		Concession		Customer relationships		Goodwill		Total	
	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000
Cost												
At 1 January	45,940	40,175	2,248	2,815	257,423	248,789	46,604	44,763	186,543	165,302	538,758	501,844
Exchange differences	(1,301)	384	(118)	104	(11,875)	8,468	(2,635)	1,841	(7,265)	3,950	(23,194)	14,747
Additions	3,604	1,179	3,471	4,293	–	6	–	–	–	–	7,075	5,478
Acquisition of subsidiaries	–	75	–	–	–	–	–	–	–	17,291	–	17,366
Disposals	(222)	(69)	–	–	–	–	–	–	–	–	(222)	(69)
Transfers	3,168	4,196	(3,047)	(4,964)	23	160	–	–	–	–	144	(608)
At 31 December	51,189	45,940	2,554	2,248	245,571	257,423	43,969	46,604	179,278	186,543	522,561	538,758
Accumulated amortization and impairment												
At 1 January	29,691	23,896	4	4	92,434	75,584	21,896	17,621	–	–	144,025	117,105
Exchange differences	(573)	685	(27)	–	(4,416)	1,741	(3)	803	–	–	(5,019)	3,229
Amortisation for the year	4,695	5,179	–	–	15,097	15,099	3,471	3,472	–	–	23,263	23,750
Disposals	(222)	(69)	–	–	–	–	–	–	–	–	(222)	(69)
Transfers	–	–	–	–	–	10	–	–	–	–	–	10
Provision for impairment	–	–	1,461	–	–	–	–	–	–	–	1,461	–
At 31 December	33,591	29,691	1,438	4	103,115	92,434	25,364	21,896	–	–	163,508	144,025
Net book value												
At 31 December	17,598	16,249	1,116	2,244	142,456	164,989	18,605	24,708	179,278	186,543	359,053	394,733

10 INTANGIBLE ASSETS (CONTINUED)

Impairment test for goodwill

Goodwill is allocated to the Group's CGUs that are expected to benefit from business combination which primarily arises from acquisition of terminal operations and terminal related operations. Impairment testing is performed annually on goodwill allocated to the CGUs included in the terminals and related business segment.

For the year ended 31 December 2024 and 2023, the recoverable amount of the CGUs is determined based on value-in-use calculations or fair value less costs of disposal calculations. These calculations use cash flow projections based on the financial budget and future forecast.

Forecast profitability is based on past performance and expected future changes in costs and revenue. The Group's significant CGUs cash flow projections are based on financial forecasts covering a five to ten year period using an estimated 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%) average terminal growth rate. In general, a projection period of five years is used for developed terminals. Projection for a period of greater than five years for developing terminals may be used on the basis that these terminals require a longer period to achieve their optimal operation level and it is a more appropriate reflection of the future cash flows generated from these terminals. Future cash flows are discounted at a rate equivalent to an average 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, US$19,765,000, US$4,286,000 or nil respectively would be required for the goodwill in terminals and related business segment at 31 December 2024 (2023: US$27,269,000, US$39,800,000, US$11,967,000 or nil respectively).

11 JOINT VENTURES

	2024 US$'000	2023 US$'000
Investment in joint ventures (including goodwill on acquisitions) (note a)	**940,364**	917,615
Equity loan to a joint venture (note b)	**142,759**	142,759
	1,083,123	1,060,374

Notes:

(a) The carrying amount of goodwill on acquisitions of joint ventures amounted to US$66,457,000 (2023: US$66,219,000).

(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 and 2023. The financial information below represents the Group's interests in respective joint ventures:

	Net assets US$'000	Share of the joint ventures' profits less losses for the year US$'000	Share of the joint ventures' other comprehensive loss US$'000	Total share of the joint ventures' comprehensive income US$'000
2024	**1,083,123**	**57,173**	**(485)**	**56,688**
2023	1,060,374	61,805	(139)	61,666

(d) There are no contingent liabilities relating to the Group's interest in joint ventures.

(e) Details of the principal joint ventures as at 31 December 2024 are set out in note 42 to the consolidated financial statements.

(f) As at 31 December 2024, management has performed impairment assessment for the investment in joint ventures with impairment indication. The recoverable amounts of the investment in joint ventures are determined based on value-in-use calculations which are based on discounted cash flows on a cash generating unit. The key assumptions adopted in the value-in-use calculations included revenue growth rate, terminal growth rate, EBITDA margin and discount rate.

Assuming discount rate increased or revenue growth rate, terminal growth rate, EBITDA margin decreased by 50 basis points, impairment charge of US$20,846,000, US$18,370,000, US$17,242,000 or US$3,778,000 respectively would be required for the investment in joint ventures at 31 December 2024 (2023: US$20,057,000, US$16,762,000, US$16,513,000 or US$3,249,000 respectively).

12 ASSOCIATES

	2024 US$'000	2023 US$'000
Investment in associates (including goodwill on acquisitions) (note b)	**3,302,014**	3,253,432
Equity loan to an associate (note d)	**90,000**	90,000
	3,392,014	3,343,432
Loans to associates – non-current (note c)	**116,989**	32,181

Notes:

(a) Qingdao Port International Co., Ltd. ("QPI"), Success Enterprises Limited ("Success") and Wattrus Limited ("Wattrus") and their subsidiaries (collectively "Success and Wattrus Related Companies") are associates that are material to the Group. Both QPI and Success and Wattrus Related Companies are engaged in the operation, management and development of terminal related business. There are no quoted market prices for Success and Wattrus Related Companies. As at 31 December 2024, the quoted market price of the Group's interest in QPI amounted to US$1,519,915,000 (2023: US$1,063,656,000).

Set out below are the summarised consolidated financial information for QPI as at and for the year ended 31 December 2024 and 2023 which is accounted for using the equity method:

Summarised consolidated balance sheet

	QPI 2024 US$'000	2023 US$'000
Non-current assets	**6,415,375**	6,429,449
Current assets	**2,313,932**	2,076,608
Non-current liabilities	**(1,050,992)**	(1,009,948)
Current liabilities	**(1,168,927)**	(1,207,736)

Summarised consolidated statement of comprehensive income

	QPI 2024 US$'000	2023 US$'000
Revenues	**2,662,496**	2,578,187
Profit attributable to equity holders for the year	**741,034**	699,009
The Group's share of profits of the associate	**143,720**	135,192

12 ASSOCIATES (CONTINUED)

(a) **Reconciliation of summarised financial information**

Reconciliation of summarised financial information presented to the carrying amount of the Group's interest in the associate.

Summarised consolidated financial information

	QPI	
	2024	2023
	US$'000	US$'000
Attributable to equity holders		
Opening net assets	**5,718,009**	5,374,194
Profit for the year	**741,034**	699,009
Other comprehensive loss for the year	**(7,692)**	(19,449)
Other reserve for the year	**(23,212)**	2,344
Dividends	**(370,542)**	(247,993)
Exchange difference	**(87,432)**	(90,096)
Closing net assets	**5,970,165**	5,718,009
Interest in the associate at 20.06% (2023: 19.79%)	**1,197,615**	1,131,594
Fair value adjustment	**72,474**	76,707
Goodwill	**199,475**	205,556
Carrying amount	**1,469,564**	1,413,857

Set out below are the summarised consolidated financial information for Success and Wattrus Related Companies as at and for the year ended 31 December 2024 and 2023 which is accounted for using the equity method:

Summarised consolidated balance sheet

	Success and Wattrus Related Companies	
	2024	2023
	US$'000	US$'000
Non-current assets	**3,204,931**	3,331,894
Current assets	**1,066,293**	1,007,941
Non-current liabilities	**(74,434)**	(80,045)
Current liabilities	**(690,257)**	(627,448)

12 ASSOCIATES (CONTINUED)

(a) **Reconciliation of summarised financial information (Continued)**

Summarised consolidated statement of comprehensive income

	Success and Wattrus Related Companies	
	2024	2023
	US$'000	US$'000
Revenues	**1,150,839**	1,024,075
Profit attributable to equity holders for the year	**296,088**	245,708
Group's share of profits of associates	**60,846**	50,493
Group's share of the comprehensive loss	**(912)**	(3,159)

Reconciliation of summarised financial information presented to the carrying amount of the Group's interest in these associates.

Summarised consolidated financial information

	Success and Wattrus Related Companies	
	2024	2023
	US$'000	US$'000
Capital and reserves attributable to equity holders	**2,689,562**	2,778,978
Group's effective interest	**20.55%**	20.55%
Group's share of capital and reserves attributable to equity holders	**552,705**	571,080
Adjustment to cost of investment	**46,860**	46,860
Carrying amount	**599,565**	617,940

(b) The carrying amount of goodwill on acquisitions of associates amounted to US$319,034,000 (2023: US$323,877,000).

(c) A balance of US$87,942,000 is unsecured, which bears interest at the aggregate of 2.0% per annum and EURIBOR, and is repayable in 2029. A balance of US$8,117,000 (2023: US$9,997,000) is unsecured, bears interest at 2.5% per annum above 10-year EURIBOR ICE swap rate (2023: 2.5% per annum above 10-year EURIBOR ICE swap rate) and has no fixed terms of repayment. A balance of US$20,930,000 (2023: US$22,184,000) is unsecured, bears interest at 4.45% per annum and is repayable in 2028.

As at 31 December 2023, the balance of US$93,209,000 was unsecured, which bore interest at the aggregate of 2% per annum and EURIBOR, and was repayable in 2024 and reclassified to trade and other receivables, prepayment and contract assets (note 17(c)).

12 ASSOCIATES (CONTINUED)

(d) The balance is equity in nature, unsecured, interest free and has no fixed terms of repayment.

(e) The financial information below, represents the Group's interests in respective associates other than QPI and Success and Wattrus Related Companies disclosed above:

	Net assets US$'000	Share of the associates' profits less losses for the year US$'000	Share of the associates' other comprehensive loss US$'000	Share of the associates' total comprehensive income US$'000
2024	**1,322,885**	**58,376**	**(4,882)**	**53,494**
2023	1,311,635	50,371	(1,547)	48,824

(f) Details of the Group's associates as at 31 December 2024 are set out in note 43 to the consolidated financial statements.

13 FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 US$'000	2023 US$'000
Non-current asset		
Listed convertible bonds	**55,905**	53,745

14 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024 US$'000	2023 US$'000
Non-current assets		
Listed shares (note i)		
Qinhuangdao Port Co., Ltd.	**11,470**	7,595
Guangzhou Port Company Limited	**116,286**	108,970
	127,756	116,565
Unlisted investments (note ii)	**24,411**	22,457
	152,167	139,022

Notes:

(i) Listed shares represent equity interests in entities which are principally engaged in provision of port and port related services.

(ii) Unlisted investments mainly comprise equity interests in terminal operating companies, and port information system engineering companies.

(iii) Financial assets at FVOCI are denominated in the following currencies:

	2024 US$'000	2023 US$'000
Hong Kong dollar	**11,470**	7,595
Renminbi	**139,985**	130,672
Euro	**712**	755
	152,167	139,022

(iv) Movements of the financial assets at FVOCI during the year are as follows:

	2024 US$'000	2023 US$'000
At 1 January	**139,022**	139,557
Fair value gain recognised in OCI	**15,154**	1,661
Exchange differences	**(2,009)**	(2,196)
At 31 December	**152,167**	139,022

15 DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method using tax rates substantively enacted by the balance sheet date.

The movements on the net deferred tax liabilities during the year are as follows:

	2024 US$'000	2023 US$'000
At 1 January	**40,371**	30,936
Exchange differences	**3,391**	(5,587)
Charged/(credited) to consolidated income statement	**1,452**	(8,765)
Charged to reserves	**2,838**	62
Acquisition of subsidiaries (note 38(a))	**–**	23,725
At 31 December	**48,052**	40,371

Deferred tax assets are recognised for tax losses carry forwards to the extent that realisation of the related tax benefit through the future taxable profits is probable.

As at 31 December 2024, the Group has unrecognised tax losses of US$182,280,000 (2023: US$165,796,000) to carry forward. Except for the tax losses of US$97,516,000 (2023: US$77,987,000) of the Group which will be expired between 2025 and 2029 (2023: between 2024 and 2028), all other tax losses have no expiry dates.

As at 31 December 2024, undistributed earnings from subsidiaries of US$1,229,913,000 (2023: US$1,096,330,000) which, if paid out as dividends, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but no deferred tax liability has been recognised as the Group is able to control the timing of distributions from the subsidiaries and is not expected to distribute these profits in the foreseeable future.

15 DEFERRED TAXATION (CONTINUED)

The movements in deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year, were as follows:

Deferred tax liabilities

	Accelerated tax depreciation		Undistributed profits		Fair value gains		Right-of-use assets		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000	**US$'000**	US$'000	**US$'000**	US$'000	**US$'000**	US$'000
At 1 January	**118,367**	98,124	**24,793**	27,727	**27,544**	28,219	**84,115**	84,941	**254,819**	239,011
Exchange differences	**(1,981)**	(2,329)	**(98)**	25	**(771)**	773	**(4,652)**	3,526	**(7,502)**	1,995
Charged/(credited) to consolidated income statement	**13,378**	(1,158)	**2,788**	(2,959)	**(1,089)**	(1,510)	**(2,148)**	(4,352)	**12,929**	(9,979)
Acquisition of subsidiaries	**–**	23,730	**–**	–	**–**	–	**–**	–	**–**	23,730
Charged to reserve	**–**	–	**–**	–	**2,838**	62	**–**	–	**2,838**	62
At 31 December	**129,764**	118,367	**27,483**	24,793	**28,522**	27,544	**77,315**	84,115	**263,084**	254,819

Deferred tax assets

	Tax losses		Future deductible finance costs		Others		Lease liabilities		Fair value loss – Investment properties		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	US$'000	US$'000	**US$'000**	US$'000	**US$'000**	US$'000	**US$'000**	US$'000	**US$'000**	US$'000	**US$'000**	US$'000
At 1 January	**53,812**	60,363	**22,709**	22,290	**35,871**	24,899	**102,056**	100,523	**–**	–	**214,448**	208,075
Exchange differences	**(2,122)**	1,579	**(1,173)**	905	**(1,867)**	896	**(5,719)**	4,202	**(12)**	–	**(10,893)**	7,582
Credited/(charged) to consolidated income statement	**12,241**	(8,130)	**(3,160)**	(486)	**1,881**	10,071	**(598)**	(2,669)	**1,113**	–	**11,477**	(1,214)
Acquisition of subsidiaries	**–**	–	**–**	–	**–**	5	**–**	–	**–**	–	**–**	5
At 31 December	**63,931**	53,812	**18,376**	22,709	**35,885**	35,871	**95,739**	102,056	**1,101**	–	**215,032**	214,448

Deferred 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 taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet:

	2024	2023
	US$'000	US$'000
Deferred tax assets	**96,135**	102,115
Deferred tax liabilities	**144,187**	142,486

16 INVENTORIES

Inventories of the Group mainly include consumable parts for terminal operations at their carrying amount.

17 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND CONTRACT ASSETS

	2024 US$'000	2023 US$'000
Trade receivables (note a)		
– third parties	**73,964**	65,719
– fellow subsidiaries (note b)	**32,673**	23,550
– non-controlling shareholders of subsidiaries (note b)	**223**	1,001
– associates (note b)	**7**	2
– a joint venture (note b)	**1**	–
– related companies (note b)	**25,007**	24,806
	131,875	115,078
Bills receivables (note a)	**736**	3,337
	132,611	118,415
Less: provision for impairment (note a)	**(2,084)**	(1,441)
	130,527	116,974
Prepayments	**22,002**	22,121
Other receivables	**36,232**	43,842
Contract assets	**195**	848
Loan to an associate (note c)	**–**	93,209
Amounts due from		
– fellow subsidiaries (note b)	**3,351**	3,253
– a non-controlling shareholder of a subsidiary (note b)	**485**	485
– joint ventures (note d)	**209**	638
– associates (note d)	**17,400**	22,117
– related companies (note b)	**472**	467
	210,873	303,954

17 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND CONTRACT ASSETS (CONTINUED)

Notes:

(a) The Group grants credit periods of 30 to 90 days to its customers. The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Expected credit losses on trade receivables are calculated by using the provision matrix approach. The ageing analysis of the combined trade receivables and bills receivables based on invoice date and issuance date respectively is as follows:

	Expected loss rate	**Gross carrying amount 31 December 2024 US$'000**	**Loss allowance 31 December 2024 US$'000**
Within 30 days	**0.3%**	**106,235**	**342**
31-60 days	**–**	**16,693**	**8**
61-90 days	**0.1%**	**4,800**	**6**
Over 90 days	**35.4%**	**4,883**	**1,728**
		132,611	**2,084**

	Expected loss rate	Gross carrying amount 31 December 2023 US$'000	Loss allowance 31 December 2023 US$'000
Within 30 days	0.1%	82,941	118
31-60 days	0.1%	19,858	11
61-90 days	–	8,231	–
Over 90 days	17.8%	7,385	1,312
		118,415	1,441

Movements on the provision for impairment of trade receivables are as follows:

	2024 US$'000	**2023 US$'000**
At 1 January	**(1,441)**	(628)
Exchange differences	**57**	(12)
Provision for impairment of trade receivables	**(781)**	(696)
Write back of provision for impairment of trade receivables	**81**	555
Receivables written off during the year as uncollectable	**–**	610
Acquisition of subsidiaries	**–**	(1,270)
At 31 December	**(2,084)**	(1,441)

17 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND CONTRACT ASSETS (CONTINUED)

Notes: (Continued)

(b) The balances are unsecured and interest free. Trading balances have credit periods ranging from 30 to 90 days while other balances have no fixed terms of repayment.

(c) As at 31 December 2023, the balance was unsecured, which bore interest at the aggregate of 2.0% per annum and EURIBOR, and was repayable in 2024. The maturity date of the balance was extended to 2029 during the year (note 12(c)).

(d) The amounts receivable mainly represent interest, dividend and other receivable from joint ventures and associates.

(e) The carrying amounts of trade and other receivables, prepayments and contract assets are denominated in the following currencies:

	2024 US$'000	2023 US$'000
US dollar	**12,770**	14,433
Renminbi	**84,518**	76,452
Hong Kong dollar	**774**	992
Euro	**91,671**	198,686
Other currencies	**21,140**	13,391
	210,873	303,954

18 FINANCIAL INSTRUMENTS BY CATEGORY

	2024 US$'000	2023 US$'000
Financial assets as per balance sheet		
Financial asset at FVPL	**55,905**	53,745
Financial assets at FVOCI	**152,167**	139,022
Financial assets at amortised cost		
Loans to associates	**116,989**	125,390
Trade and other receivables	**172,073**	176,377
Cash and cash equivalents	**1,007,410**	1,162,926
Restricted bank deposits	**21,823**	45,113
Other financial assets		
Derivative financial instruments	**–**	2,698
Total	**1,526,367**	1,705,271
Financial liabilities as per balance sheet		
Financial liabilities at amortised cost		
Borrowings	**3,114,481**	3,234,631
Loans from non-controlling shareholders of subsidiaries	**60,294**	64,174
Loans from a joint venture	**–**	16,955
Loan from an associate	**–**	4,239
Lease liabilities	**790,951**	810,529
Trade and other payables	**530,182**	485,017
Put option liability	**253,190**	246,013
Total	**4,749,098**	4,861,558

19 SHARE CAPITAL

	2024 US$'000	2023 US$'000
Issued and fully paid:		
3,761,381,850 ordinary shares (2023: 3,563,579,085 ordinary shares) of HK$0.10 each	**48,279**	45,742

The movements of the issued share capital of the Company are summarised as follows:

	Number of ordinary shares	Nominal Value US$'000
At 1 January 2024	**3,563,579,085**	**45,742**
Issue of scrip dividend for 2023 second interim dividend (note a)	**108,681,314**	**1,390**
Issue of scrip dividend for 2024 first interim dividend (note b)	**89,121,451**	**1,147**
At 31 December 2024	**3,761,381,850**	**48,279**
At 1 January 2023	3,440,657,627	44,172
Issue of scrip dividend for 2022 second interim dividend (note c)	60,152,621	768
Issue of scrip dividend for 2023 first interim dividend (note d)	62,768,837	802
At 31 December 2023	3,563,579,085	45,742

Notes:

(a) During the year ended 31 December 2024, 108,681,314 new shares were issued by the Company at HK$4.434 per share for the settlement of 2023 second interim scrip dividend.

(b) During the year ended 31 December 2024, 89,121,451 new shares were issued by the Company at HK$4.178 per share for the settlement of 2024 first interim scrip dividend.

(c) During the year ended 31 December 2023, 60,152,621 new shares were issued by the Company at HK$4.930 per share for the settlement of 2022 second interim scrip dividend.

(d) During the year ended 31 December 2023, 62,768,837 new shares were issued by the Company at HK$4.722 per share for the settlement of 2023 first interim scrip dividend.

20 SHARE-BASED PAYMENT

At a special general meeting of the Company held on 8 June 2018, the shareholders of the Company approved the adoption of a share option scheme (the "2018 Share Option Scheme"). The purposes of the 2018 Share Option Scheme are to 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 2018 Share Option Scheme, the exercise of the options is subject to a two-year vesting period during which a participant is not allowed to exercise any option granted. After the expiration of the two-year period, the participant may exercise the options in three equal batches in the 3rd, 4th and 5th year after the grant date 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 share at relevant exercise price.

Vesting of share options are subject to the satisfaction of both the Company's performance targets and the participant's performance target including (1) target rate of return on net assets (after extraordinary gains and losses) in the financial year immediately preceding the vesting of the share options and compared to the average of the selected peer benchmark enterprises; (2) target growth rate of revenue in the financial year immediately preceding the vesting of the share options as compared to that in the financial year immediately preceding the grant date and compared to the average of the selected peer benchmark enterprises; (3) the economic value added indicator accomplished for the financial year immediately preceding the vesting of the share options has reached the assessment target set by COSCO SHIPPING; and (4) required appraisal grade of the participant's personal performance appraisal in the preceding financial year.

The exercise price is determined based on the principle of fair market value. The exercise price shall be the highest of the following:

(i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Grant Date;

(ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the Grant Date; and

(iii) the nominal value of the Shares.

20 SHARE-BASED PAYMENT (CONTINUED)

			For the year ended 31 December 2023 and 2024 Number of share options						
Category	Note	Exercise price HK$	Outstanding at 1 January 2023	Granted during the year	Exercised during the year	Transfer (to)/from other categories during the year	Lapsed/ cancelled during the year	Outstanding at 31 December 2023 and 2024	Exercisable period
Directors	(i)(ii)	7.27	1,170,226	–	–	–	(1,170,226)	–	19.6.2020-18.6.2023
Continuous contract employees	(i)(ii)	7.27	22,910,070	–	–	(678,460)	(22,231,610)	–	19.6.2020-18.6.2023
	(i)(ii)	8.02	398,404	–	–	–	(398,404)	–	29.11.2020-28.11.2023
	(i)(iii)	8.48	225,201	–	–	–	(225,201)	–	29.3.2021-28.3.2024
	(i)(iii)	7.27	67,673	–	–	–	(67,673)	–	23.5.2021-22.5.2024
	(i)(iii)	7.57	425,350	–	–	–	(425,350)	–	17.6.2021-16.6.2024
Others	(i)(ii)	7.27	6,438,158	–	–	678,460	(7,116,618)	–	19.6.2020-18.6.2023
			31,635,082	–	–	–	(31,635,082)	–	

20 SHARE-BASED PAYMENT (CONTINUED)

Notes:

(i) All vested share options were lapsed/cancelled as at 31 December 2023. No share option is granted during the year.

(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
At 1 January	–	–	7.29	31,635,082
Lapsed/cancelled	–	–	7.29	(31,635,082)
At 31 December	–	–	–	–

21 BORROWINGS

	2024 US$'000	2023 US$'000
Long term borrowings		
Secured		
– bank loans	**1,103,288**	1,078,453
Unsecured		
– bank loans	**1,534,093**	1,460,518
– loans from other financial institutions	**281,849**	354,332
	1,815,942	1,814,850
	2,919,230	2,893,303
Amounts due within one year in current liabilities	**(81,468)**	(617,710)
	2,837,762	2,275,593
Short term borrowings		
Unsecured		
– bank loans	**195,251**	341,328

21 BORROWINGS (CONTINUED)

Notes:

(a) The maturity of long term borrowings is as follows:

	2024 US$'000	2023 US$'000
Bank loans		
Within one year	**72,602**	491,661
Between one and two years	**595,158**	209,843
Between two and five years	**973,641**	1,067,258
Over five years	**995,980**	770,209
	2,637,381	2,538,971
Loans from other financial institution		
Within one year	**8,866**	126,049
Between one and two years	**10,572**	23,631
Between two and five years	**109,065**	43,063
Over five years	**153,346**	161,589
	281,849	354,332
	2,919,230	2,893,303

(b) The exposure of long term borrowings to interest rate changes and the contractual repricing dates are as follows:

	Within five years US$'000
At 31 December 2024	
Total borrowings	**2,919,230**
At 31 December 2023	
Total borrowings	2,893,303

21 BORROWINGS (CONTINUED)

Notes: (Continued)

(c) The carrying amounts of the long term borrowings and short term borrowings are denominated in the following currencies:

	2024 US$'000	2023 US$'000
US dollar	**1,536,836**	1,776,704
Renminbi	**985,035**	738,352
Euro	**502,051**	619,325
Hong Kong dollar	**90,559**	100,250
	3,114,481	3,234,631

The effective interest rates per annum at the balance sheet date were as follows:

	2024				2023			
	US$	**RMB**	**Euro**	**HK$**	US$	RMB	Euro	HK$
Bank loans and loans from other financial institution	**6.7%**	**3.0%**	**4.1%**	**5.1%**	6.4%	3.1%	4.1%	5.6%

(d) As at 31 December 2024, bank loans of US$1,103,288,000 (2023: US$1,078,453,000) granted to subsidiaries of the Group were secured by certain other property, plant and equipment of the Group (note 7(a)) and the Company's interests in subsidiaries.

(e) As at 31 December 2023, the Group had a bank loan of US$20,133,000 with restricted deposits of US$21,360,000 pledged as security, which was fully repaid in 2024.

22 LOANS FROM NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES

As at 31 December 2024, the balance mainly included US$57,581,000 which is unsecured, bears interest at 1% above the 3 months EURIBOR, and repayable on or before June 2029.

23 OTHER LONG TERM LIABILITIES

	2024 US$'000	2023 US$'000
Deferred income	**42,183**	40,571
Others	**596**	605
	42,779	41,176

24 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	2024 US$'000	2023 US$'000
Trade payables (note a)		
– third parties	**65,674**	63,217
– fellow subsidiaries (note b)	**1,556**	1,649
– non-controlling shareholders of subsidiaries (note b)	**5,965**	3,057
– joint ventures (note b)	**28**	3,013
– an associate (note b)	**3**	402
– related companies (note b)	**5,429**	7,724
	78,655	79,062
Bills payables (note a)	**6,738**	11,534
	85,393	90,596
Accruals	**71,315**	65,468
Other payables	**361,240**	320,104
Contract liabilities (note c)	**5,769**	7,065
Dividend payable	**4**	4
Loans from a joint venture (note d)	**–**	16,955
Loans from an associate (note f)	**–**	4,239
Loans from a non-controlling shareholder of a subsidiary (note e)	**2,030**	63,618
Amounts due to (note b)		
– fellow subsidiaries	**1,382**	1,817
– non-controlling shareholders of subsidiaries	**8,302**	3,665
– a joint venture	**38**	38
– related companies	**3,120**	3,858
	538,593	577,427

24 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES (CONTINUED)

Notes:

(a) The ageing analysis of the trade payables and bills payables based on invoice date and issuance date respectively is as follows:

	2024 US$'000	2023 US$'000
Within 30 days	**53,756**	48,261
31-60 days	**15,888**	14,110
61-90 days	**4,141**	3,828
Over 90 days	**11,608**	24,397
	85,393	90,596

(b) The balances are unsecured and interest free. Trading balances have similar credit periods granted as those of other third party suppliers while the other balances have no fixed terms of repayment.

(c) Liabilities related to contracts with customers

The Group has recognised the following liabilities related to contracts with customers:

	2024 US$'000	2023 US$'000
Contract liabilities		
– expected volume discounts	**320**	1,451
– receipts in advance from customers	**5,449**	5,614
	5,769	7,065

Revenues recognised in relation to contract liabilities

The following table shows the revenues recognised in the current year which are related to carried-forwards contract liabilities:

	2024 US$'000	2023 US$'000
Revenues recognised that were included in the contract liabilities balance at the beginning of the year	**4,566**	9,808

(d) Loans from a joint venture were unsecured, borne interest at 2.30% per annum and were fully repaid in 2024.

24 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES (CONTINUED)

Notes: (Continued)

(e) Balance of US$2,030,000 (31 December 2023: US$2,588,000) represents interest payable on loans from a non-controlling shareholder of a subsidiary.

As at 31 December 2023, balance of US$61,030,000 represented loans from a non-controlling shareholder of a subsidiary, which was unsecured, interest bearing and repayable within twelve months. During the year, the loan term was extended and is repayable on or before June 2029.

(f) Loans from an associate were unsecured, borne interest at 2.30% per annum and were fully repaid in 2024.

(g) The carrying amounts of trade and other payables and contract liabilities are denominated in the following currencies:

	2024 **US$'000**	2023 US$'000
US dollar	**210,843**	117,383
Renminbi	**171,692**	249,886
Euro	**125,709**	174,385
Hong Kong dollar	**9,335**	16,160
Other currencies	**21,014**	19,613
	538,593	577,427

25 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 the Group. Such put option is exercisable any time during a 5-year period from the commercial operation date. The Group 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$253,190,000 (2023: US$246,013,000).

26 PENSION AND RETIREMENT LIABILITIES

The Group operates a number of defined benefit and defined contribution retirement schemes in the main countries in which the Group operates. The retirement benefit costs charged to the consolidated income statement for the defined contribution retirement schemes represent contributions payable by the Group to the schemes and amounted to US$32,692,000 (2023: US$32,390,000). The costs charged to the consolidated income statement for the defined benefit retirement schemes amounted to US$6,814,000 (2023: US$3,180,000). At 31 December 2024, contributions totalling US$884,000 (2023: US$1,124,000) and US$2,373,000 (2023: US$2,168,000) to the defined contribution and defined benefit retirement schemes were included in trade and other payables and contract liabilities. No forfeited contributions were available as at 31 December 2024 and 2023 to reduce future contributions.

26 PENSION AND RETIREMENT LIABILITIES (CONTINUED)

Defined benefit retirement scheme

The amounts recognised in the consolidated balance sheet were as follow:

	2024			2023		
	Current US$'000	**Non-current US$'000**	**Total US$'000**	Current US$'000	Non-current US$'000	Total US$'000
Defined benefit retirement scheme – PRC (note)	**2,373**	**17,418**	**19,791**	2,168	13,014	15,182
Defined benefit retirement scheme – Overseas	**–**	**802**	**802**	–	881	881
As at 31 December	**2,373**	**18,220**	**20,593**	2,168	13,895	16,063

Note:

Defined benefit retirement scheme of a PRC subsidiary

	2024 US$'000	2023 US$'000
Consolidated balance sheet liabilities for:		
Early-retirement benefits for PRC employees	**6,657**	5,747
Post-retirement benefits for PRC employees	**13,134**	9,435
Total pension and retirement liabilities	**19,791**	15,182
Less: Current portion of pension and retirement liabilities included in trade and other payables and contract liabilities	**(2,373)**	(2,168)
Non-current portion of pension and retirement liabilities	**17,418**	13,014
Charged in consolidated income statement for:		
Early-retirement benefits for PRC employees	**3,206**	1,992
Post-retirement benefits for PRC employees	**3,237**	1,049
	6,443	3,041

The Group recognised liabilities 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 benefits as at 31 December 2024 totaled US$19,791,000 (2023: US$15,182,000).

26 PENSION AND RETIREMENT LIABILITIES (CONTINUED)

Defined benefit retirement scheme (Continued)

Notes: (Continued)

Defined benefit retirement scheme of a PRC subsidiary (Continued)

Movements of the liabilities recognised in the consolidated balance sheet were as follows:

	2024			2023		
	Early retirement US$'000	**Post retirement US$'000**	**Total US$'000**	Early retirement US$'000	Post retirement US$'000	Total US$'000
As at 1 January	**5,747**	**9,435**	**15,182**	6,071	6,539	12,610
Charged to the consolidated income statement	**3,206**	**3,237**	**6,443**	1,992	1,049	3,041
Charged to the consolidated statement of comprehensive income	**–**	**1,084**	**1,084**	–	2,341	2,341
Benefits paid	**(2,202)**	**(441)**	**(2,643)**	(2,215)	(370)	(2,585)
Exchange difference	**(94)**	**(181)**	**(275)**	(101)	(124)	(225)
As at 31 December	**6,657**	**13,134**	**19,791**	5,747	9,435	15,182

The amounts of retirement benefit costs recognised in the consolidated income statement comprise:

	2024			2023		
	Early retirement US$'000	**Post retirement US$'000**	**Total US$'000**	Early retirement US$'000	Post retirement US$'000	Total US$'000
Interest expense	**105**	**236**	**341**	126	180	306
Past service costs	**3,493**	**3,001**	**6,494**	1,607	869	2,476
Immediate recognition of actuarial (gains)/losses	**(392)**	**–**	**(392)**	259	–	259

The principal actuarial assumptions used were as follows:

	2024		2023	
	Early retirement	**Post retirement**	Early retirement	Post retirement
Discount rate	**1.00%**	**1.75%**	2.50%	2.75%
Mortality rate	**China Life Insurance Mortality Table (2010-2013) – CL5/CL6**		China Life Insurance Mortality Table (2010-2013) – CL5/CL6	
Annual withdraw rate	**N/A**	**N/A**	N/A	N/A
Annual increase rate of supplemental medical insurance contribution	**6%**	**6%**	6%	6%
Annual increase rate of early-retirement basic salary, social security insurance, housing fund and enterprise annuity contributions for early retirees	**5%**	**N/A**	5%	N/A

26 PENSION AND RETIREMENT LIABILITIES (CONTINUED)

Defined benefit retirement scheme (Continued)

Notes: (Continued)

Defined benefit retirement scheme of a PRC subsidiary (Continued)

The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

	Impact on defined benefit retirement obligations	
	Increase in assumption US$'000	Decrease in assumption US$'000
Discount rate – change by 0.25%	(538)	570
Annual increase rate of supplemental medical insurance contribution – change by 1%	1,724	(1,383)
Annual increase rate of early retirement basic salary, social security insurance, housing fund and enterprise annuity contributions for early retirees – change by 1%	104	(100)

The defined benefit retirement scheme caused many risks to the Group, and the primary risk is the fluctuation of the interest rates of government bonds. Decreasing in interest rates of government bonds results in increasing in the defined benefit obligation.

The expected maturity analysis of the undiscounted defined benefit obligation is as follows:

	2024 US$'000	2023 US$'000
Within one year	**2,373**	2,168
Over one year	**22,102**	18,638
	24,475	20,806

27 OTHER OPERATING INCOME

	2024 US$'000	2023 US$'000
Management fee and other service income	**7,462**	8,564
Dividends income from listed and unlisted financial assets at FVOCI	**2,346**	2,154
Gain on deemed disposal of an associate	**27,724**	–
Gain on disposal of property, plant and equipment and right-of-use assets	**303**	125
Exchange gain, net	**–**	2,017
Fair value gain on a financial asset at FVPL	**2,980**	1,303
Others[note]	**18,430**	25,303
	59,245	39,466

Note: Including rental income, subsidies and additional value-added tax credits, etc.

28 OPERATING PROFIT

Operating profit is stated after charging the followings:

	2024 US$'000	2023 US$'000
Charging:		
Amortisation of intangible assets (note 10)	**23,263**	23,750
Depreciation		
– right-of-use assets (note 9(b))	**47,089**	47,272
– property, plant and equipment (note 7)	**185,110**	180,451
Exchange loss, net	**8,106**	–
Loss on disposal of property, plant and equipment	**952**	335
Auditor's remuneration	**1,200**	1,222
Provision for inventories	**497**	195
Provision for impairment of trade receivables	**781**	696
Rental expenses under leases of		
– land and buildings leased from third parties	**2,936**	1,743
– land and buildings leased from non-controlling shareholders of subsidiaries	**2**	520
– land and buildings leased from related parties	**406**	–
– plant and machinery leased from third parties	**2,853**	3,145
– concession from a fellow subsidiary (note a)	**71,601**	78,402
– concession from third parties (note a)	**7,611**	7,156
– concession from a non-controlling shareholder of a subsidiary (note a)	**13,765**	11,025
Fair value loss of investment properties	**4,740**	–
Provision for impairment of intangible assets	**1,461**	–
Total staff costs (including directors' emoluments and retirement benefit costs)		
– wages, salaries and other benefits	**422,614**	435,339
– share-based payment reversal, net (note b)	**–**	(57)
	422,614	435,282

Notes:

(a) The amounts represent variable lease payments linked to revenues/throughput.

(b) It represented the amounts of benefit in kind provided to the Company's directors and the Group's employees in respect of the Company's share options granted.

29 FINANCE INCOME AND COSTS

	2024 US$'000	2023 US$'000
Finance income		
Interest income on		
– bank balances and deposits	**15,196**	13,661
– deposits with other financial institution	**7,344**	8,242
– loans to a joint venture and associates	**6,663**	6,095
	29,203	27,998
Finance costs		
Interest expenses on		
– bank loans	**(148,386)**	(137,439)
– notes wholly repayable within five years	**–**	(1,094)
– loans from other financial institution	**(10,151)**	(13,826)
– loans from non-controlling shareholders of subsidiaries	**(2,881)**	(2,928)
– loans from a joint venture	**(95)**	(488)
– loans from an associate	**(2)**	(580)
– lease liabilities	**(30,831)**	(30,332)
Amortised amount of		
– discount on issue of notes	**–**	(10)
– transaction costs on bank loans and notes	**(1,683)**	(4,215)
	(194,029)	(190,912)
Less: amount capitalised in construction in progress	**42,823**	21,422
	(151,206)	(169,490)
Other incidental borrowing costs and charges	**(1,245)**	(1,699)
	(152,451)	(171,189)
Net finance costs	**(123,248)**	(143,191)

30 TAXATION

	2024 US$'000	2023 US$'000
Current taxation		
– Hong Kong profits tax	**(433)**	–
– Mainland China taxation	**(49,457)**	(45,920)
– Overseas taxation	**(14,377)**	(20,981)
– (Under)/over provision in prior years	**(7,338)**	22,930
	(71,605)	(43,971)
Deferred taxation (charge)/credit	**(1,452)**	8,765
	(73,057)	(35,206)

Hong Kong profits tax was provided at a rate of 16.5% (2023: 16.5%) on the estimated assessable profit for the year. Taxation on overseas and Mainland China profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

Deferred taxation is calculated in full on temporary differences under the liability method using tax rates substantively enacted by the balance sheet date.

Below is a reconciliation between taxation in the consolidated income statement and aggregate tax expense at the domestic rates applicable to profits in respective territories concerned:

	2024 US$'000	2023 US$'000
Profit before taxation	**463,990**	429,486
Less: Share of profits less losses of joint ventures and associates	**(320,115)**	(297,861)
	143,875	131,625
Aggregate tax at domestic rates applicable to profits in respective territories concerned	**44,255**	48,236
Income not subject to taxation	**(12,479)**	(8,922)
Expenses not deductible for taxation purposes	**15,780**	12,133
Under/(over) provision in prior years	**7,338**	(22,930)
Tax losses not recognised	**6,881**	4,346
Provision for withholding taxation upon distribution of profits and payment of interest	**14,033**	5,587
Recognition of temporary difference previously unrecognised	**(629)**	(5,407)
Others	**(2,122)**	2,163
Taxation charged	**73,057**	35,206

30 TAXATION (CONTINUED)

Except for the taxation of US$2,838,000 relating to the deferred tax charged (2023: US$62,000) on the fair value changes on financial assets at FVOCI in 2024, there was no taxation relating to other components of OCI for the year ended 31 December 2024 (2023: US$nil).

(a) Pillar Two income taxes

The Group is within the scope of the Organisation for Economic Co-operation and Development Pillar Two model rules, and it applies the HKAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. Under the legislation, the Group is liable to pay a top-up tax for the difference between its Global Anti-Base Erosion Proposal effective tax rate in each jurisdiction and the 15% minimum rate.

Based on the overall assessment performed by the ultimate holding company of the Group, the Group has no significant tax exposure for the relevant jurisdictions which it operates and have Pillar Two legislation enacted or substantively enacted. The Group is continuing to cooperate with the ultimate holding company in assessing its impact from the Pillar Two legislation in other jurisdictions in which the Group has operations and for when it comes into effect.

31 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 in issue during the year.

	2024	2023
Profit attributable to equity holders of the Company	**US$308,816,000**	US$324,557,000
Weighted average number of ordinary shares in issue	**3,631,223,113**	3,478,999,193
Basic earnings per share	**US8.50 cents**	US9.33 cents

(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 in issue 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.

The Group had no potentially dilutive ordinary shares in issue during 2024 and 2023.

32 DIVIDENDS

	2024 US$'000	2023 US$'000
First interim dividend paid of US1.560 cents (2023: US1.744 cents) per ordinary share	**57,287**	61,054
Second interim dividend declared of US1.840 cents (2023: US1.988 cents) per ordinary share	**69,209**	70,844
	126,496	131,898

Note:

At a meeting held on 21 March 2025, the directors declared a second interim dividend for the year ended 31 December 2024 (in lieu of a final dividend) of HK14.2 cents (equivalent to US1.840 cents) per ordinary share. The dividend will be payable in cash and with a scrip dividend alternative. The second interim dividend declared is not reflected as dividend payable in these consolidated financial statements but will be reflected as an appropriation of retained profits for the year ending 31 December 2025.

33 DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' emoluments

The aggregate amounts of emoluments paid to directors of the Company during the year are set out as follows:

	2024 US$'000	2023 US$'000
Fees	**245**	244
Salaries, housing and other allowances	**526**	636
Bonuses	**313**	181
Contributions to retirement benefit schemes	**2**	2
	1,086	1,063

Directors' fees disclosed above include US$245,000 (2023: US$244,000) paid to independent non-executive directors. The fees comprises, among others, an annual fee of US$36,000 (2023: US$36,000) paid to each independent non-executive director and fees paid to them for acting as chairman or members of the committees established under the Board (as applicable).

As at 31 December 2023, all share options of the Company were forfeited.

For the year ended 31 December 2024, no share option was exercised (2023: Nil).

Details and movements of share options granted and exercised during the year are set out in note 20 to the consolidated financial statements.

33 DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (CONTINUED)

(a) Directors' emoluments (Continued)

The directors' emoluments are analysed as follows:

Name of directors	Note	Fees US$'000	Salary US$'000	Discretionary bonuses US$'000	Housing and other allowances US$'000	Estimated money value of other benefits US$'000	Contributions to retirement benefit schemes US$'000	Remunerations paid or receivable in respect of accepting office as director US$'000	As management (note e) US$'000	Total US$'000
		Year ended 31 December 2024								
Mr. YANG Zhijian	i	–	–	–	–	–	–	–	–	–
Mr. ZHU Tao		–	67	124	158	–	–	–	–	349
Mr. ZHANG Wei	ii	–	–	–	–	–	–	–	–	–
Mr. CHEN Dong	iii	–	–	–	–	–	–	–	–	–
Mr. MA Xianghui	iv	–	–	–	–	–	–	–	–	–
Mr. CHEN Shuai	v	–	–	–	–	–	–	–	–	–
Dr. WONG Tin Yau, Kelvin	vi	–	287	189	14	–	2	–	–	492
Dr. FAN HSU Lai Tai, Rita		53	–	–	–	–	–	–	–	53
Mr. Adrian David LI Man Kiu		59	–	–	–	–	–	–	–	59
Mr. LAM Yiu Kin		42	–	–	–	–	–	–	–	42
Prof. CHAN Ka Lok		50	–	–	–	–	–	–	–	50
Mr. YANG Liang Yee Philip		41	–	–	–	–	–	–	–	41
		245	354	313	172	–	2	–	–	1,086

Name of directors	Note	Fees US$'000	Salary US$'000	Discretionary bonuses US$'000	Housing and other allowances US$'000	Estimated money value of other benefits US$'000	Contributions to retirement benefit schemes US$'000	Remunerations paid or receivable in respect of accepting office as director US$'000	As management (note e) US$'000	Total US$'000
		Year ended 31 December 2023								
Mr. YANG Zhijian		–	–	–	–	–	–	–	–	–
Mr. ZHU Tao		–	102	64	159	–	–	–	–	325
Mr. ZHANG Wei		–	–	–	–	–	–	–	–	–
Mr. CHEN Dong		–	–	–	–	–	–	–	–	–
Dr. WONG Tin Yau, Kelvin		–	353	117	22	–	2	–	–	494
Dr. FAN HSU Lai Tai, Rita		52	–	–	–	–	–	–	–	52
Mr. Adrian David LI Man Kiu		59	–	–	–	–	–	–	–	59
Mr. LAM Yiu Kin		42	–	–	–	–	–	–	–	42
Prof. CHAN Ka Lok		50	–	–	–	–	–	–	–	50
Mr. YANG Liang Yee Philip		41	–	–	–	–	–	–	–	41
		244	455	181	181	–	2	–	–	1,063

Notes:

(i) Resigned as Executive Director on 26 June 2024

(ii) Resigned as Non-Executive Director on 24 December 2024

(iii) Retired as Non-Executive Director on 24 May 2024

(iv) Appointed as Non-Executive Director on 26 June 2024

(v) Appointed as Non-Executive Director on 24 December 2024

(vi) Resigned as Executive Director on 14 October 2024

The above analysis includes one (2023: two) directors whose emoluments were among the five highest in the Group.

33 DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (CONTINUED)

(b) Five highest paid individuals

Details of the aggregate emoluments paid to four (2023: three) individual whose emoluments were the highest in the Group and have not been included in the directors' emoluments above are set out below:

	2024 US$'000	2023 US$'000
Salaries, share options, and other allowances	**1,040**	770
Bonuses	**671**	377
Contributions to retirement benefit schemes	**8**	4
	1,719	1,151

The emoluments of the highest paid individuals fell within the following bands:

	Number of individuals 2024	2023
Emolument bands		
US$256,321-US$320,402 (HK$2,000,001-HK$2,500,000)	**–**	–
US$320,403-US$384,482 (HK$2,500,001-HK$3,000,000)	**2**	1
US$384,483-US$448,562 (HK$3,000,001-HK$3,500,000)	**1**	2
US$448,563-US$512,643 (HK$3,500,001-HK$4,000,000)	**–**	–
US$512,644-US$576,723 (HK$4,000,001-HK$4,500,000)	**1**	–
	4	3

(c) During the year, no emolument had been paid by the Group to the directors or the five highest paid individuals as compensation for loss of office. During the year, no directors waived or agreed to waive any emoluments.

(d) 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.

(e) The amounts represented emoluments paid or receivable in respect of a person's other services in connection with the management of the affairs of the Company or its subsidiary undertakings and included salaries, discretionary bonuses, employer's contributions to retirement benefit schemes and housing allowance.

34 CAPITAL COMMITMENTS

The Group has the following significant capital commitments as at 31 December 2024 and 2023:

	2024 US$'000	2023 US$'000
Contracted but not provided for		
– Investments (note)	**128,215**	258,390
– Other property, plant and equipment	**371,840**	655,413
	500,055	913,803

The Group's share of capital commitments of the joint ventures themselves not included in the above are as follows:

	2024 US$'000	2023 US$'000
Contracted but not provided for	**7,668**	8,545

Note:

The capital commitments in respect of investments of the Group as at 31 December 2024 and 2023 are as follows:

	2024 US$'000	2023 US$'000
Contracted but not provided for		
Investments in:		
– Antwerp Gateway NV	**–**	54,821
– Ningbo Yuan Dong Terminals Limited	**–**	70,595
– Laem Chabang Port	**108,840**	–
– Others	**19,375**	71,960
	128,215	197,376
Terminal projects in:		
– Shanghai Yangshan Port Phase II	**–**	56,476
– Others	**–**	4,538
	–	61,014
	128,215	258,390

35 OPERATING LEASE ARRANGEMENTS

As at 31 December 2024 and 2023, the Group had future minimum lease receipts under non-cancellable operating leases as follows:

	2024 US$'000	2023 US$'000
Buildings, leasehold land and land use rights		
– not later than one year	**1,658**	163
– between 1 and 2 years	**1,416**	2
– between 2 and 3 years	**151**	2
– between 3 and 4 years	**145**	2
– between 4 and 5 years	**146**	2
– later than five years	**691**	6
	4,207	177
Investment properties		
– not later than one year	**4,889**	2,388
– between 1 and 2 years	**2,254**	1,882
– between 2 and 3 years	**440**	756
– between 3 and 4 years	**8**	49
– between 4 and 5 years	**8**	–
– later than five years	**230**	–
	7,829	5,075
Plant and machinery		
– not later than one year	**715**	609
– between 1 and 2 years	**499**	440
– between 2 and 3 years	**24**	223
	1,238	1,272
	13,274	6,524

36 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of profit before taxation to cash generated from operations

	2024 US$'000	2023 US$'000
Profit before taxation	**463,990**	429,486
Amortised amount of		
– discount on issue of notes	**–**	10
– transaction costs on bank loans and notes	**1,683**	4,215
Depreciation and amortisation	**255,462**	251,473
Dividends income from listed and unlisted financial assets at FVOCI	**(2,346)**	(2,154)
Fair value gain on a financial asset at FVPL	**(2,980)**	(1,303)
Fair value loss on investment properties	**4,740**	–
Gain on deemed disposal of an associate	**(27,724)**	–
Interest expenses	**151,206**	165,265
Interest income	**(29,203)**	(27,998)
Loss on disposal of property, plant and equipment, net	**649**	210
Other incidental borrowing costs and charges	**1,245**	1,699
Provision for impairment of trade receivables	**781**	696
Provision for inventories	**497**	195
Share-based compensation reversal, net	**–**	(57)
Share of profits less losses of		
– joint ventures	**(57,173)**	(61,805)
– associates	**(262,942)**	(236,056)
Write back of provision for impairment of trade receivables	**(81)**	(555)
Provision for impairment of intangible assets	**1,461**	–
Operating profit before working capital changes	**499,265**	523,321
Changes in inventories	**(446)**	(658)
Changes in trade and other receivables, prepayments and contract assets	**(34,748)**	18,777
Changes in amounts due from fellow subsidiaries	**(98)**	1,748
Changes in amounts due from associates	**6,926**	4,828
Changes in amounts due from joint ventures	**1,921**	730
Changes in amounts due from non-controlling shareholders of subsidiaries	**–**	516
Changes in trade and other payables and contract liabilities	**(10,781)**	(26,403)
Changes in amounts due to fellow subsidiaries	**(435)**	1,092
Changes in amounts due to non-controlling shareholders of subsidiaries	**(3,227)**	(1,336)
Changes in amount due to related companies	**(742)**	(1,445)
Cash generated from operations	**457,635**	521,170

36 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(b) Major non-cash transactions

	2024 US$'000	2023 US$'000
Addition of right-of-use assets	**29,327**	23,588

(c) Analysis of the balances of restricted bank deposits and cash and cash equivalents

	2024 US$'000	2023 US$'000
Total time deposits, bank balances and cash (note i)	**1,029,233**	1,208,039
Restricted bank deposits included in current assets	**(21,823)**	(45,113)
	1,007,410	1,162,926
Representing:		
Time deposits with original maturity of three months or less	**2,868**	290,419
Bank balances and cash	**524,640**	391,912
Balances placed with other financial institution (note iii)	**479,902**	480,595
	1,007,410	1,162,926

Notes:

(i) As at 31 December 2024, the Group's cash and cash equivalents of US$496,673,000 (2023: US$541,726,000) denominated in Renminbi and US dollar, are placed with bank and other financial institution operating in the PRC where exchange controls apply.

(ii) The carrying amounts of time deposits, bank balances and cash are denominated in the following currencies:

	2024 US$'000	2023 US$'000
US dollar	**243,985**	399,783
Renminbi	**471,248**	538,635
Euro	**220,999**	186,251
Hong Kong dollar	**48,850**	7,408
Other currencies	**22,328**	30,849
	1,007,410	1,162,926

(iii) Balances placed with other financial institution, including a related party, bear interest at prevailing market rates.

36 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(d) Reconciliation of liabilities arising from financing activities

	Borrowings US$'000	Loans from non-controlling shareholders of subsidiaries US$'000	Loans from a joint venture and an associate US$'000	Lease liabilities US$'000
Balance as at 1 January 2024	3,234,631	64,174	21,194	810,529
Changes from financing cash flows				
Loans drawn down	1,158,880	–	–	–
Loans repaid	(1,233,415)	–	(21,178)	–
Principal elements of lease payment	–	–	–	(22,456)
Payment of lease interest	–	–	–	(28,589)
Other changes				
Addition of lease liabilities	–	–	–	23,892
Disposal of lease liabilities	–	–	–	(86)
Extension and remeasurement of right-of-use assets	–	–	–	5,435
Finance cost of lease liabilities	–	–	–	30,831
Foreign exchange differences	(48,915)	(5,910)	(16)	(28,605)
Other non-cash movements	(12,123)	–	–	–
	(135,573)	(5,910)	(21,194)	(19,578)
Balance of interest payable	15,423	2,030	–	–
Balance as at 31 December 2024	3,114,481	60,294	–	790,951

36 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(d) Reconciliation of liabilities arising from financing activities (Continued)

	Borrowings US$'000	Loans from non-controlling shareholders of subsidiaries US$'000	Loans from a joint venture and an associate US$'000	Lease liabilities US$'000
Balance as at 1 January 2023	2,908,623	76,549	40,948	785,882
Changes from financing cash flows				
Loans drawn down	1,376,793	–	38,767	–
Loans repaid	(1,078,098)	(16,946)	(57,327)	–
Principal elements of lease payment	–	–	–	(21,926)
Payment of lease interest	–	–	–	(27,950)
Other changes				
Addition of lease liabilities	–	–	–	10,334
Disposal of lease liabilities	–	–	–	(261)
Extension and remeasurement of right-of-use assets	–	–	–	13,002
Acquisition of subsidiaries	17,750	–	–	502
Finance cost of lease liabilities	–	–	–	30,332
Foreign exchange differences	(8,469)	1,983	(1,209)	20,614
Other non-cash movements	4,226	–	–	–
	312,202	(14,963)	(19,769)	24,647
Balance of interest payable	13,806	2,588	15	–
Balance as at 31 December 2023	3,234,631	64,174	21,194	810,529

Note:

During the year ended 31 December 2023, included in an amount due to a non-controlling shareholder of a subsidiary of US$22,609,000 was reclassified to amounts due to a related company. A repayment of US$22,609,000 was fully settled by the Group.

37 RELATED PARTY TRANSACTION

The Group is controlled by COSCO SHIPPING Holdings which owns 71.55% of the Company's shares as at 31 December 2024. The parent company of COSCO SHIPPING Holdings is COSCO, and the parent company of COSCO is COSCO SHIPPING.

COSCO SHIPPING is controlled by the PRC government, which also owns a significant portion of the productive assets in the PRC. PRC government related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government, are also defined as related parties of the Group. On that basis, related parties include COSCO SHIPPING and its subsidiaries, 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.

For the purpose of the related party transaction disclosures, the Directors believe that it is meaningful to disclose the related party transactions with COSCO SHIPPING group companies for the interests of financial statements' users, although certain of those transactions which are individually or collectively not significant, and are exempted from disclosure upon adoption of HKAS 24 (Revised). The Directors believe that the information of related party transactions has been adequately disclosed in the consolidated financial statements.

In addition to those disclosed elsewhere in the consolidated financial statements, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties during the year.

37 RELATED PARTY TRANSACTION (CONTINUED)

(a) Sales/purchases of goods, services and investments

	2024 US$'000	2023 US$'000
Management fee and service fee income from (note i)		
– joint ventures	**4,593**	4,546
– associates	**1,344**	1,614
Terminal handling and storage income received from (note ii, xii)		
– fellow subsidiaries	**422,819**	440,400
– non-controlling shareholders of subsidiaries	**335,864**	170,115
Container handling and logistics service fees to non-controlling shareholders of subsidiaries (note iii, xii)	**(50,553)**	(46,098)
Electricity and fuel expenses paid to (note iv, xii)		
– fellow subsidiaries	**(9,377)**	(9,425)
– non-controlling shareholders of subsidiaries	**(7,162)**	(5,519)
Handling, storage and maintenance expenses to (note v, xii)		
– fellow subsidiaries	**(1,798)**	(1,109)
– non-controlling shareholders of subsidiaries	**(8,757)**	(3,705)
Rental expenses paid to non-controlling shareholders of subsidiaries (note vi)	**(2)**	(520)
Rental income received from non-controlling shareholders of subsidiaries (note vii)	**3,374**	3,667
Purchase of materials from (note viii, xii)		
– fellow subsidiaries	**(834)**	(264)
– a non-controlling shareholder of a subsidiary	**(1,852)**	(1,776)
Insurance expenses paid to a fellow subsidiary (note ix)	**(1,339)**	(1,345)
Concession fee paid to (note x, xii)		
– a fellow subsidiary	**(71,601)**	(78,402)
– a non-controlling shareholder of a subsidiary	**(13,765)**	(11,025)
Payments of lease liabilities to (note xi, xii)		
– a fellow subsidiary	**(15,478)**	(14,870)
– non-controlling shareholders of subsidiaries	**(4,811)**	(5,757)

37 RELATED PARTY TRANSACTION (CONTINUED)

(a) Sales/purchases of goods, services and investments (Continued)

Notes:

(i) The Group provided advisory and management services to COSCO-HIT Terminals (Hong Kong) Limited, a joint venture of the Group, during the year. Management fee was charged and agreed at HK$23,024,000 (equivalent to US$2,951,000) (2023: HK$22,647,000 (equivalent to US$2,893,000)) per annum.

Other management fee and service fee income charged to joint ventures and associates were agreed between the Group and the respective parties in concern.

(ii) The terminal related service income received from fellow subsidiaries and non-controlling shareholders of subsidiaries in relation to the cargoes shipped from/to Quanzhou, Jinjiang, Xiamen, Nansha, Lianyungang, Jinzhou, Nantong, Wuhan and Tianjin were charged at rates by reference to rates as set out by the Ministry of Transport of the PRC.

The terminal related service income received from fellow subsidiaries in relation to the cargoes shipped from/to Piraeus Ports, Zeebrugge, Spain and Abu Dhabi were charged at rates as mutually agreed.

(iii) The terminal related services fee paid to non-controlling shareholders of subsidiaries were charged at rates as mutually agreed.

(iv) Electricity and fuel expenses paid to fellow subsidiaries and non-controlling shareholders of subsidiaries were charged at rates as mutually agreed.

(v) Handling, storage and maintenance expenses paid to fellow subsidiaries and non-controlling shareholders of subsidiaries were charged at rates as mutually agreed.

(vi) Rental expenses paid to non-controlling shareholders of subsidiaries were charged at rates as mutually agreed.

(vii) Rental income received from non-controlling shareholders of subsidiaries were charged at rates as mutually agreed.

(viii) The purchase of materials from fellow subsidiaries and a non-controlling shareholder of a subsidiary were conducted at terms as set out in the agreements entered into between the Group and the respective parties in concern.

(ix) Insurance expenses paid to a fellow subsidiary were charged at rates as mutually agreed.

(x) Concession fee paid to a fellow subsidiary and a non-controlling shareholder of a subsidiary were charged and mutually agreed at a variable annual concession fee based on the aggregate revenue of the terminals.

(xi) The payments of lease liabilities to a fellow subsidiary and non-controlling shareholders of subsidiaries were charged at rates as mutually agreed.

(xii) The transactions represent continuing connected transactions which has complied with the disclosure requirements in accordance with Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (“the Listing Rules”).

37 RELATED PARTY TRANSACTION (CONTINUED)

(b) Key management compensation

	2024 US$'000	2023 US$'000
Salaries, bonuses and other allowances	**2,004**	1,911
Contributions to retirement benefit schemes	**4**	4
	2,008	1,915

Key management includes directors of the Company and three (2023: three) senior management members of the Group.

The emoluments of the senior management members fell within the following bands:

	Number of individuals 2024	Number of individuals 2023
Emolument bands		
US$128,161-US$256,321 (HK$1,000,001-HK$2,000,000)	**–**	–
US$256,322-US$320,402 (HK$2,000,001-HK$2,500,000)	**2**	1
US$320,403-US$384,482 (HK$2,500,001-HK$3,000,000)	**–**	–
US$384,483-US$448,562 (HK$3,000,001-HK$3,500,000)	**–**	2
US$448,563-US$512,643 (HK$3,500,001-HK$4,000,000)	**–**	–
US$512,644-US$576,723 (HK$4,000,001-HK$4,500,000)	**1**	–
	3	3

38 BUSINESS COMBINATION AND ACQUISITION OF AN ASSOCIATE

(a) Acquisition of subsidiaries

On 30 December 2022, China Shipping Terminal Development Co., Ltd. ("CSTD", a wholly-owned subsidiary of the Company) entered into an equity transfer agreement with Xiamen Haitou Supply Chain Operation Co., Ltd. ("Xiamen Haitou Operation") in relation to the sale and purchase of 56% interest in COSCO SHIPPING Ports Supply Chain (Xiamen) Development Co., Ltd. ("Xiamen Haitou Supply Chain") (formerly known as Xiamen Haicang Free Trade Port Zone Investment and Construction Management Co., Ltd), at a total consideration of approximately RMB638,408,000 (equivalent to approximately US$94,410,000).

The equity transfer was completed, and the consideration was transferred to Xiamen Haitou Operation by CSTD on 28 February 2023. Xiamen Haitou Supply Chain has become a subsidiary of the Group since the closing date.

38 BUSINESS COMBINATIONS AND ACQUISITION OF AN ASSOCIATE (CONTINUED)

(a) Acquisition of subsidiaries (Continued)

Details of net asset acquired are as follows:

	2023 US$'000
Purchase consideration	94,410
Fair value of net assets acquired shown as below	(77,119)
Goodwill	17,291

The major components of assets and liabilities arising from the business combination are as follows:

	Fair value **US$'000**
Property, plant and equipment	90,553
Right-of-use assets	389
Investment properties	84,965
Intangible assets	75
Associates	22,347
Deferred tax assets	5
Trade and other receivables, prepayments and contract assets	2,452
Cash and cash equivalents	14,695
Deferred tax liabilities	(23,730)
Long term borrowings	(16,271)
Other long term liabilities	(5)
Current portion of lease liabilities	(502)
Current portion of long term borrowings	(1,479)
Trade and other payables and contract liabilities	(32,872)
Tax payables	(399)
Fair value of net assets acquired	140,223
Less: non-controlling interests	(63,104)
	77,119
Purchase consideration settled in cash	(94,410)
Less: Cash and cash equivalents acquired	14,695
Net cash outflow	(79,715)

38 BUSINESS COMBINATION AND ACQUISITION OF AN ASSOCIATE (CONTINUED)

(a) Acquisition of subsidiaries (Continued)

The acquired businesses contributed revenue of US$31,351,000, and net profit of US$3,017,000 to the group for the period from 1 March to 31 December 2023. If the acquisition had occurred on 1 January 2023, consolidated revenue and profit for the year ended 31 December 2023 would have been increased by US$9,216,000 and decreased by US$456,000 respectively.

(b) Acquisition of an associate

In June 2023, Grand Dragon Investment Enterprise Limited (a wholly-owned subsidiary of the Company) entered into an Amended and Restated Purchase Agreement with Hamburger Hafen und Logistik Aktiengesellschaft to acquire 24.99% interests in HHLA Container Terminal Tollerort GmbH ("CTT"). The transaction was completed on 20 June 2023 at a total consideration of approximately EURO67,127,000 (equivalent to approximately US$72,051,000) which including the consideration for the shares, closing shareholder loan and related interest. CTT has become an associate of the Group since the completion date.

39 TRANSACTION WITH NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES

In February 2023, the Group acquired an additional 30% interests in Xiamen Ocean Gate Container Terminal Co., Ltd. ("Xiamen Ocean Gate Terminal") at a total consideration of approximately RMB843,048,000 (equivalent to approximately US$124,704,000). The transaction was completed on 28 February 2023. Immediately prior to the transaction, the carrying amount of the existing 30% non-controlling interest in Xiamen Ocean Gate Terminal was US$97,185,000. The Group recognised a decrease in non-controlling interest of US$97,185,000 and a decrease in equity attributable to owners of the parent of US$27,519,000.

On 29 August 2024, the Company entered into an equity transfer agreement with OOCL Terminal Tianjin (B.V.I.) Limited ("OOCL") in relation to the disposal of 20% of the equity interest and the assignment of 20% of the shareholder's loan in COSCO SHIPPING Ports (Tianjin) Limited (the "Target Company") to OOCL (the "Disposal") at an aggregate consideration of approximately US$49,289,000. The Disposal was completed in September 2024. Upon the completion, the Target Company is owned as to 80% and 20% by the Company and OOCL, respectively, and remains as a subsidiary of the Company.

40 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

	Note	2024 US$'000	2023 US$'000
Assets			
Non-current assets			
Intangible assets		**2,705**	–
Prepayments		**2,072**	2,991
Subsidiaries		**5,571,084**	5,888,836
Amounts due from subsidiaries		**102,777**	103,099
		5,678,638	5,994,926
Current assets			
Other receivables		**1,296**	2,388
Amounts due from subsidiaries		**69,988**	87,118
Amount due from an associate		**1,332**	2,405
Amounts due from fellow subsidiaries		**3,907**	4,312
Cash and cash equivalents		**225,045**	362,744
		301,568	458,967
Total assets		**5,980,206**	6,453,893

40 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

	Note	**2024** **US$'000**	2023 US$'000
Equity			
Capital and reserves attributable to the equity holders of the Company			
Share capital		**48,279**	45,742
Reserves	(a)	**4,601,466**	4,542,526
Total equity		**4,649,745**	4,588,268
Liabilities			
Non-current liability			
Long term borrowings		**600,000**	1,070,000
Current liabilities			
Short term borrowings		**194,869**	341,179
Other payables		**56,049**	54,320
Current tax liabilities		**1,112**	145
Amounts due to subsidiaries		**478,431**	399,981
		730,461	795,625
Total liabilities		**1,330,461**	1,865,625
Total equity and liabilities		**5,980,206**	6,453,893

On behalf of the Board

ZHU Tao

Chairman and Managing Director

40 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

Note: (a) Reserve movement of the company

	Share premium US$'000	Contributed surplus (note) US$'000	Share option reserve US$'000	Retained profits US$'000	Total US$'000
At 1 January 2024	**2,076,078**	**414,214**	**–**	**2,052,234**	**4,542,526**
Profit for the year	**–**	**–**	**–**	**80,061**	**80,061**
Issued of share on settlement of scrip dividends	**107,009**	**–**	**–**	**–**	**107,009**
Dividends paid to equity holders of the Company					
– 2023 second interim	**–**	**–**	**–**	**(70,844)**	**(70,844)**
– 2024 first interim	**–**	**–**	**–**	**(57,286)**	**(57,286)**
At 31 December 2024	**2,183,087**	**414,214**	**–**	**2,004,165**	**4,601,466**
Representing:					
Reserves	**2,183,087**	**414,214**	**–**	**1,934,956**	**4,532,257**
2024 second interim dividend declared	**–**	**–**	**–**	**69,209**	**69,209**
At 31 December 2024	**2,183,087**	**414,214**	**–**	**2,004,165**	**4,601,466**
At 1 January 2023	2,001,907	414,214	4,760	2,080,521	4,501,402
Profit for the year	–	–	–	84,513	84,513
Issued of share on settlement of scrip dividends	74,171	–	–	–	74,171
Share based compensation	–	–	(57)	–	(57)
Transfer of share option reserve upon the expiry of share options	–	–	(4,703)	–	(4,703)
Dividends paid to equity holders of the Company					
– 2022 second interim	–	–	–	(51,746)	(51,746)
– 2023 first interim	–	–	–	(61,054)	(61,054)
At 31 December 2023	2,076,078	414,214	–	2,052,234	4,542,526
Representing:					
Reserves	2,076,078	414,214	–	1,981,390	4,471,682
2023 second interim dividend declared	–	–	–	70,844	70,844
At 31 December 2023	2,076,078	414,214	–	2,052,234	4,542,526

Note:

The contributed surplus of the Company represents the difference between the nominal value of the Company's shares issued in exchange for the issued share capital and the net asset value of the subsidiaries acquired. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is distributable to shareholders.

41 DETAILS OF SUBSIDIARIES

Details of the subsidiaries as at 31 December 2024 are as follows:

	Name	Place of incorporation/ establishment	Place of operation	Principal activities	Issued share capital/ paid-up capital	Group effective interest 2024	2023
2	Cheer Dragon Investment Limited	Hong Kong	Hong Kong	Investment holding	HK$3 divided into 3 ordinary shares	**66.67%**	66.67%
2, 3	China Shipping Terminal Development Co., Limited	PRC	PRC	Investment holding	RMB11,550,131,586	**100.00%**	100.00%
1	COSCO Pacific Limited	British Virgin Islands	Hong Kong	Provision of treasury services	1 ordinary share of US$1	**100.00%**	100.00%
1	COSCO Ports (Nansha) Limited	British Virgin Islands	Hong Kong	Investment holding	20,000 ordinary shares of US$1 each	**66.10%**	66.10%
	COSCO SHIPPING Ports (Abu Dhabi) Limited	British Virgin Islands	Hong Kong	Investment holding	US$20,000 divided into 20,000 ordinary shares	**44.45%**	44.45%
1, 2	COSCO SHIPPING Ports (Abu Dhabi CFS) Limited	British Virgin Islands	British Virgin Islands	Investment holding	US$17,000,001 divided into 17,000,001 ordinary shares	**100.00%**	100.00%
1	COSCO SHIPPING Ports (ACT) Limited	British Virgin Islands	Hong Kong	Investment holding	US$40,000,001 divided into 40,000,001 ordinary shares	**100.00%**	100.00%
2	COSCO SHIPPING Ports (Antwerp) NV	Belgium	Belgium	Investment holding	Euro61,500 divided into 2 shares with no face value	**100.00%**	100.00%
1	COSCO SHIPPING Ports (Belgium) Limited	Hong Kong	Hong Kong	Investment holding	HK$1 divided into 1 ordinary share and US$7,000,000 divided into 7,000,000 ordinary shares	**100.00%**	100.00%
1, 2	COSCO SHIPPING Ports (Chancay) Limited	British Virgin Islands	British Virgin Islands	Investment holding	US$5,001,000 divided into 5,001,000 ordinary shares	**100.00%**	100.00%
1, 2	COSCO SHIPPING Ports (CHT) Limited	British Virgin Islands	British Virgin Islands	Investment holding	2 ordinary shares of US$1 each	**100.00%**	100.00%
1, 2	COSCO SHIPPING Ports (Dalian) Limited	British Virgin Islands	British Virgin Islands	Investment holding	1 ordinary share of US$1	**100.00%**	100.00%
1, 2	COSCO SHIPPING Ports (Dalian RoRo) Limited	British Virgin Islands	British Virgin Islands	Investment holding	1 ordinary share of US$1	**100.00%**	100.00%

41 DETAILS OF SUBSIDIARIES (CONTINUED)

	Name	Place of incorporation/ establishment	Place of operation	Principal activities	Issued share capital/ paid-up capital	Group effective interest 2024	2023
1	COSCO SHIPPING Ports (Fangchenggang) Limited	Hong Kong	Hong Kong	Investment holding	HK$1,000 divided into 1,000 ordinary shares	**100.00%**	100.00%
1, 2	COSCO SHIPPING Ports (Greece) S.à r.l.	Luxembourg	Luxembourg	Investment holding	Euro512,500 divided into 20,500 shares of Euro25 each	**100.00%**	100.00%
1	COSCO SHIPPING Ports (Istanbul) Limited	Hong Kong	Hong Kong	Investment holding	HK$1 divided into 1 ordinary share and US$95,000,000 divided into 95,000,000 ordinary shares	**100.00%**	100.00%
1, 2	COSCO SHIPPING Ports (Jinjiang) Limited	British Virgin Islands	British Virgin Islands	Investment holding	1 ordinary share of US$1	**100.00%**	100.00%
1	COSCO SHIPPING Ports (Nansha) Supply Chain Company Limited	Hong Kong	Hong Kong	Investment holding	HK$1,000 divided into 1,000 ordinary shares	**100.00%**	100.00%
1	COSCO SHIPPING Ports (Nantong) Limited	Hong Kong	Hong Kong	Investment holding	HK$1,000 divided into 1,000 ordinary shares and US$61,071,000 divided into 61,071,000 ordinary shares	**100.00%**	100.00%
1, 2	COSCO SHIPPING Ports (Ningbo) Limited	British Virgin Islands	British Virgin Islands	Investment holding	1 ordinary share of US$1	**100.00%**	100.00%
1, 2	COSCO SHIPPING Ports (Port Said) Limited	British Virgin Islands	British Virgin Islands	Investment holding	1 ordinary share of US$1	**100.00%**	100.00%
1, 2	COSCO SHIPPING Ports (Pudong) Limited	British Virgin Islands	British Virgin Islands	Investment holding	1 ordinary share of US$1	**100.00%**	100.00%
1	COSCO SHIPPING Ports (Quanzhou) Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US$1	**100.00%**	100.00%
1	COSCO SHIPPING Ports (Rotterdam) Limited	Hong Kong	Hong Kong	Investment holding	HK$1 divided into 1 ordinary share	**51.00%**	51.00%
1, 2	COSCO SHIPPING Ports (Singapore) Limited	British Virgin Islands	British Virgin Islands	Investment holding	1 ordinary share of US$1	**100.00%**	100.00%

41 DETAILS OF SUBSIDIARIES (CONTINUED)

	Name	Place of incorporation/ establishment	Place of operation	Principal activities	Issued share capital/ paid-up capital	Group effective interest 2024	2023
1	COSCO SHIPPING Ports (Spain) Limited	Hong Kong	Hong Kong	Investment holding	HK$1,000 divided into 1,000 ordinary shares and Euro70,550,000 divided into 70,550,000 ordinary shares	**100.00%**	100.00%
	COSCO SHIPPING Ports (Spain) Holding, S.L.	Spain	Spain	Investment holding	23,147,944 ordinary shares of Euro1 each	**51.00%**	51.00%
	COSCO SHIPPING Ports (Spain) Terminals, S.L.U.	Spain	Spain	Investment holding	36,250,000 ordinary shares of Euro1 each	**51.00%**	51.00%
1	COSCO SHIPPING Ports (Tianjin) Limited	British Virgin Islands	Hong Kong	Investment holding	10 ordinary share of US$1 each	**80.00%**	100.00%
1	COSCO SHIPPING Ports (Vado) Limited	Hong Kong	Hong Kong	Investment holding	HK$1,000 divided into 1,000 ordinary shares and Euro17,000,000 into 17,000,000 ordinary shares	**100.00%**	100.00%
1	COSCO SHIPPING Ports (Xiamen) Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US$1	**100.00%**	100.00%
1, 2	COSCO SHIPPING Ports (Yangshan) Limited	British Virgin Islands	British Virgin Islands	Inactive	1 ordinary share of US$1 each	**100.00%**	100.00%
1	COSCO SHIPPING Ports (Yantian) Limited	British Virgin Islands	British Virgin Islands	Investment holding	50,000 ordinary shares of US$1 each	**100.00%**	100.00%
1	COSCO SHIPPING Ports (Yingkou) Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US$1	**100.00%**	100.00%
1	COSCO SHIPPING Ports (Zeebrugge CFS) Limited	Hong Kong	Hong Kong	Investment holding	HK$1,000 divided into 1,000 ordinary shares	**100.00%**	100.00%
2	COSCO SHIPPING Ports Chancay PERU S.A.	Peru	Peru	Operation of terminals	698,520,318 ordinary shares of Sol 1 each	**60.00%**	60.00%
1	COSCO SHIPPING Ports Development Co., Limited	Hong Kong	Hong Kong	Investment holding	HK$16,629,102,462 divided into 5,679,542,726 ordinary shares	**100.00%**	100.00%

41 DETAILS OF SUBSIDIARIES (CONTINUED)

	Name	Place of incorporation/ establishment	Place of operation	Principal activities	Issued share capital/ paid-up capital	Group effective interest 2024	2023
1	COSCO SHIPPING Ports Finance (2013) Company Limited	British Virgin Islands	Hong Kong	Financing	4,600,001 ordinary share of US$1	**100.00%**	100.00%
1, 2, 4	COSCO SHIPPING Ports Finance (2018) Company Limited	British Virgin Islands	British Virgin Islands	Inactive	US$1 divided into 1 ordinary share	**–**	100.00%
1, 2, 3	COSCO SHIPPING Ports Investments (Shanghai) Co., Ltd.	PRC	PRC	Investment holding	US$236,000,000	**100.00%**	100.00%
1	COSCO SHIPPING Ports Management Company Limited	Hong Kong	Hong Kong	Investment holding and provision of management services	HK$2 divided into 2 ordinary shares and US$108,800,000 divided into 108,800,000 ordinary shares	**100.00%**	100.00%
2	COSCO SHIPPING Ports Supply Chain (Xiamen) Development Co., Ltd.	PRC	PRC	Investment holding	RMB450,933,700	**56.00%**	56.00%
	CSP Abu Dhabi CFS Limited	Abu Dhabi Free Zone, United Arab Emirates	Abu Dhabi Free Zone, United Arab Emirates	Operation of container freight station	192,498 ordinary shares of AED1,000 each	**100.00%**	100.00%
	CSP Abu Dhabi Terminal L.L.C.	Abu Dhabi, United Arab Emirates	Abu Dhabi, United Arab Emirates	Operation of terminals	150,000 ordinary shares of AED1 each	**40.00%**	40.00%
2	CSP Guinea Terminal Management SARL	Guinea	Guinea	Provision of management services	9,300 ordinary shares of GNF1,000,000 each	**100.00%**	100.00%
	CSP Iberian Bilbao Terminal, S.L.	Spain	Spain	Operation of container terminals	30,694,951 ordinary shares of Euro 0.43 each	**39.51%**	39.51%
	CSP Iberian Rail Services, S.L.U.	Spain	Spain	Provision of rail terminals services	7,160,000 ordinary shares of Euro1 each	**51.00%**	51.00%
	CSP Iberian Valencia Terminal, S.A.U.	Spain	Spain	Operation of container terminals	170,912,783 ordinary shares of Euro0.29 each	**51.00%**	51.00%
	CSP Iberian Zaragoza Rail Terminal, S.L.	Spain	Spain	Operation of rail terminals	3,000 ordinary shares of Euro1 each	**30.60%**	30.60%

41 DETAILS OF SUBSIDIARIES (CONTINUED)

	Name	Place of incorporation/ establishment	Place of operation	Principal activities	Issued share capital/ paid-up capital	Group effective interest 2024	2023
	CSP Logitren, S.A.	Spain	Spain	Provision of rail services	22,785 ordinary shares of Euro30 each	**26.02%**	26.02%
	CSP Zeebrugge Terminal NV	Belgium	Belgium	Operation of container terminals	4,270,001 ordinary shares of Euro10 each	**90.00%**	90.00%
	CSP Zeebrugge CFS NV	Belgium	Belgium	Operation of container freight station	Euro6,962,000 divided into 140,362 ordinary shares	**100.00%**	100.00%
1	Golden Chance Investment Enterprises Limited	Hong Kong	Hong Kong	Investment holding	HK$1,000 divided into 1,000 ordinary shares	**100.00%**	–
1	Golden Creation Development Limited	Hong Kong	Hong Kong	Investment holding	HK$1,000 divided into 1,000 ordinary shares	**100.00%**	100.00%
1	Grand Dragon Investment Enterprise Limited	Hong Kong	Hong Kong	Investment holding	HK$1,000 divided into 1,000 ordinary shares and Euro 23,494,537 divided into 1,000 ordinary shares	**100.00%**	100.00%
2, 3	Guangzhou South China Oceangate Container Terminal Company Limited	PRC	PRC	Operation of container terminals	RMB1,928,293,400	**39.00%**	39.00%
2, 3	Guangzhou Nansha CSP Supply Chain Co., Ltd.	PRC	PRC	Logistics	RMB200,000,000	**100.00%**	100.00%
2, 3	Jinjiang Pacific Ports Development Co., Ltd.	PRC	PRC	Operation of terminals	US$49,900,000	**80.00%**	80.00%
2	Jinzhou New Age Container Terminal Co., Ltd.	PRC	PRC	Operation of terminals	RMB320,843,634	**51.00%**	51.00%
2	Lianyungang New Oriental International Terminals Co., Ltd.	PRC	PRC	Operation of terminals	RMB470,000,000	**55.00%**	55.00%
2	Longyan International Logistics Co., Ltd.	PRC	PRC	Logistics	RMB10,000,000	**28.56%**	28.56%
	Maltransinter, S.A.U.	Spain	Spain	Inactive	14,000 ordinary shares of Euro1,000 each	**51.00%**	51.00%
2, 3	Nantong Tonghai Port Co., Ltd.	PRC	PRC	Operation of terminals	RMB790,000,000	**51.00%**	51.00%

41 DETAILS OF SUBSIDIARIES (CONTINUED)

	Name	Place of incorporation/ establishment	Place of operation	Principal activities	Issued share capital/ paid-up capital	Group effective interest 2024	Group effective interest 2023
1	Navigator Investco Limited	Hong Kong	Hong Kong	Investment holding	HK$1,000 divided into 1,000 ordinary shares, and US$80,605,443.36 divided into 1,000 ordinary shares and Euro38,408,291.67 divided into 1,000 ordinary shares	**51.00%**	51.00%
1	Nice Grand Development Limited	Hong Kong	Hong Kong	Investment holding	HK$1,000 divided into 1,000 ordinary shares	**100.00%**	100.00%
1	Ocean Bridge International Ports Management Company Limited	Hong Kong	Hong Kong	Provision of management and consultancy services	HK$1,000,000 divided into 1,000,000 ordinary shares	**51.00%**	51.00%
1	Piraeus Container Terminal Single Member S.A.	Greece	Greece	Operation of container terminals	Euro77,299,800	**100.00%**	100.00%
2, 3	Quan Zhou Pacific Container Terminal Co., Ltd.	PRC	PRC	Operation of terminals	US$80,770,000	**82.35%**	82.35%
1	Sound Joyce Enterprises Limited	Hong Kong	Hong Kong	Investment holding	HK$1,000 divided into 1,000 ordinary shares	**100.00%**	100.00%
	Sagtransinter, S.L.U	Spain	Spain	Inactive	13,631,405 ordinary shares of Euro1 each	**51.00%**	51.00%
2, 3	Shanghai China Shipping Terminal Development Co., Ltd.	PRC	PRC	Investment holding	RMB7,485,600,000	**100.00%**	100.00%
1	Sun Hope investment Enterprise Limited	Hong Kong	Hong Kong	Investment holding	HK$1,000 divided into 1,000 ordinary shares	**100.00%**	–
1, 2	Taicang Container Terminals Holdings Limited	British Virgin Islands	British Virgin Islands	Inactive	1 ordinary share of US$1	**100.00%**	100.00%
2, 3	Tianjin Port Container Terminal Co., Ltd.	PRC	PRC	Operation of terminals	RMB2,408,312,700	**42.00%**	51.00%

41 DETAILS OF SUBSIDIARIES (CONTINUED)

	Name	Place of incorporation/ establishment	Place of operation	Principal activities	Issued share capital/ paid-up capital	Group effective interest 2024	2023
2	Wuhan CSP Terminal Company Limited	PRC	PRC	Operation of terminals	RMB557,715,526	**84.94%**	84.94%
2, 3	Xiamen CSP Supply Chain Co., Limited	PRC	PRC	Logistics	RMB68,000,000	**100.00%**	100.00%
2	Xiamen Haicang Free Trade Port Area Container Inspection Co., Ltd.	PRC	PRC	Container Stevedoring, storage, inspection and auxiliary services	RMB10,000,000	**61.12%**	61.12%
2	Xiamen International Train Co., Ltd.	PRC	PRC	Logistics	RMB6,500,000	**56.00%**	56.00%
2	Xiamen Jiagong Logistics Co., Ltd.	PRC	PRC	Logistics	RMB10,000,000	**36.40%**	36.40%
2, 3	Xiamen Ocean Gate Container Terminal Co., Ltd.	PRC	PRC	Operation of container terminals	RMB1,813,680,000	**100.00%**	70.00%

Notes:

1 Shares held directly by the Company.

2 Subsidiaries not audited by PricewaterhouseCoopers.

3 China Shipping Terminal Development Co., Limited, COSCO SHIPPING Ports Investments (Shanghai) Co., Ltd., Shanghai China Shipping Terminal Development Co., Ltd., Guangzhou Nansha CSP Supply Chain Co., Ltd., Xiamen Ocean Gate Container Terminal Co., Ltd. and Xiamen CSP Supply Chain Co. Ltd. are wholly foreign owned enterprises. Guangzhou South China Oceangate Container Terminal Company Limited, Jinjiang Pacific Ports Development Co., Ltd., Quan Zhou Pacific Container Terminal Co., Ltd., Tianjin Port Container Terminal Co., Ltd. and Nantong Tonghai Port Co., Ltd. are sino-foreign equity joint ventures established in the PRC.

4 The subsidiary was dissolved during the year.

42 DETAILS OF JOINT VENTURES

Details of the principal joint ventures as at 31 December 2024, which principally affect the results and/or net assets of the Group, are as follows:

Name	Place of incorporation/ establishment	Principal activities	Paid-up capital	Percentage of interest in ownership/voting power/profit sharing 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 of Euro34.3 each	**25.50%**	25.50%
COSCO-HIT Terminals (Hong Kong) Limited	Hong Kong	Operation of container terminals	HK$20 divided into 2 "A" ordinary shares HK$20 divided into 2 "B" ordinary shares HK$40 divided into 4 non-voting 5% deferred shares	**50.00%**	50.00%
COSCO-HPHT ACT Limited (note i)	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%/ 50.00%/ 49.00%**	49.00%/ 50.00%/ 49.00%
Dalian Dagang Container Terminal Co., Ltd	PRC	Operation of container terminals	RMB7,500,000	**35.00%**	35.00%
Euro-Asia Oceangate S.à.r.l. (note ii)	Luxembourg	Investment holding	US$40,000	**40.00%**	40.00%
Lianyungang Port Railway International Container Multimodal Transport Co., Ltd.	PRC	Logistics	RMB3,400,000	**30.00%**	30.00%
Nansha Stevedoring Corporation Limited of Port of Guangzhou	PRC	Operation of container terminals	RMB1,260,000,000	**40.00%**	40.00%
Ningbo Yuan Dong Terminals Limited	PRC	Operation of container terminals	RMB2,500,000,000	**20.00%**	20.00%
Piraeus Consolidation and Distribution Centre S.A.	Greece	Storage, consolidation and distribution	Euro1,000,000	**50.00%/ 60.00%**	50.00%/ 60.00%
Qingdao Port Dongjiakou Ore Terminal Co., Ltd.	PRC	Operation of iron ore terminal	RMB2,000,000,000	**25.00%/ 22.22%/ 25.00%**	25.00%/ 22.22%/ 25.00%
Red Sea Container Terminals Overseas Limited (iii)	England and Wales	Investment holding	35,000,000 ordinary shares of US$1 each	**25.00%**	–
Shanghai Pudong International Container Terminals Limited	PRC	Operation of container terminals	RMB1,900,000,000	**30.00%**	30.00%

42 DETAILS OF JOINT VENTURES (CONTINUED)

Name	Place of incorporation/ establishment	Principal activities	Paid-up capital	Percentage of interest in ownership/voting power/profit sharing 2024	2023
Yingkou Container Terminals Company Limited	PRC	Operation of container terminals	RMB8,000,000	**50.00%/ 57.14%/ 50.00%**	50.00%/ 57.14%/ 50.00%
Yingkou New Century Container Terminal Co., Ltd.	PRC	Operation of container terminals	RMB40,000,000	**40.00%**	40.00%

Notes:

(i) COSCO-HPHT ACT Limited effectively holds 80% equity interest in Asia Container Terminal Limited, which engages in the operation, management and development of container terminals in Hong Kong, and is considered as a subsidiary of COSCO-HPHT ACT Limited.

(ii) Euro-Asia Oceangate S.à.r.l. effectively holds 65% equity interest in Kumport Liman Hizmetleri ve Lojistik Sanayi ve Ticaret A.Ş., which engages in container terminal operations in Turkey, and is considered as a subsidiary of Euro-Asia Oceangate S.à.r.l.

(iii) Red Sea Container Terminals Overseas Limited effectively holds 100% equity interest in Red Sea Container Terminals S.A.E., which engages in container terminal operations in Egypt, and is considered as a subsidiary of Red Sea Container Terminals Overseas Limited.

43 DETAILS OF ASSOCIATES

Details of the associates as at 31 December 2024, which principally affect the results and/or net assets of the Group, are as follows:

Name	Place of establishment operation	Principal activities	Issued share capital/ registered capital	Group effective interest 2024	2023
Antwerp Gateway NV	Belgium	Operation of container terminals	Euro17,900,000	**20.00%**	20.00%
APM Terminals Vado Holdings B.V. (note i)	Netherlands	Investment holding	10 ordinary shares of Euro100 each	**40.00%**	40.00%
Beibu Gulf Port Co., Ltd.	PRC	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.	PRC	Construction and operation of automobile terminals	RMB400,000,000	**24.00%**	24.00%
Dalian Container Terminal Co., Ltd.	PRC	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	British Virgin Islands	Investment holding	200 "A" shares of US$1 each and 800 "B" shares of US$1 each	**20.00%**	20.00%

43 DETAILS OF ASSOCIATES (CONTINUED)

Name	Place of establishment operation	Principal activities	Issued share capital/ registered capital	Group effective interest 2024	Group effective interest 2023
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	**14.28%**	17.85%
Fangchenggang Chisha Terminal Co., Limited	PRC	Operation of container terminals	RMB910,000,000	**20.00%**	20.00%
Global Shipping Business Network Limited	Hong Kong	Business Network Services	US$8,000,000 divided into 8,000,000 ordinary shares	**12.50%**	12.50%
Guangxi Beibu Gulf International Container Terminal Co., Ltd	PRC	Operation of container terminals	RMB2,371,600,000	**26.00%**	26.00%
HHLA Container Terminal Tollerort GmbH	Germany	Operation of container terminals	7,700,000 ordinary shares of Euro1 each	**24.99%**	24.99%
Kao Ming Container Terminal Corp.	Taiwan	Operation of container terminals	TWD6,800,000,000	**20.00%**	20.00%
Lianyungang Xinsanly Container Service Co., Ltd	PRC	Container inspection and auxiliary services	RMB1,000,000	**22.00%**	22.00%
Nezha Smart Technology (Shanghai) Co., Ltd (formerly known as Nezha Smart Port of Shipping Technology (Shanghai) Co. Ltd)	PRC	Operation of technology	RMB94,861,008	**15.00%**	–
Qingdao Port International Co., Ltd	PRC	Operation of container terminals	RMB6,491,100,000	**20.06%**	19.79%
Qinhuangdao Port New Harbour Container Terminal Co., Ltd.	PRC	Operation of container terminals	RMB400,000,000	**30.00%**	30.00%
Red Sea Gateway Terminal Company Limited	Kingdom of Saudi Arabia	Operation of container terminals	SAR555,207,000	**20.00%**	20.00%
Servicios Intermodales Bilbaoport, S.L.	Spain	Container storage and transportation	852,236 ordinary shares of Euro0.407 each	**5.53%**	5.53%
Shanghai Mingdong Container Terminals Limited	PRC	Operation of container terminals	RMB4,000,000,000	**20.00%**	20.00%
Success 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%

43 DETAILS OF ASSOCIATES (CONTINUED)

Name	Place of establishment operation	Principal activities	Issued share capital/ registered capital	Group effective interest 2024	Group effective interest 2023
Taicang International Container Terminal Co., Ltd.	PRC	Operation of container terminals	RMB450,800,000	**39.04%**	39.04%
Tianjin Shengang Container Technological Development Service Co. Ltd	PRC	Container handling	RMB3,000,000	**16.83%**	16.83%
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%
Xiamen CCIC Haitou Vehicle Inspection Services Co., Ltd.	PRC	Provision of vehicle inspection services	RMB3,000,000	**19.32%**	19.32%
Xiamen Haitou Logistics Co., Ltd.	PRC	Logistics	RMB50,000,000	**22.40%**	22.40%
Xiamen VX Haitou Cold Chain Logitics CO., Ltd.	PRC	Logistics	RMB205,000,000	**19.60%**	19.60%

Note:

(i) APM Terminals Vado Holdings B.V. holds 100% equity interest in Reefer Terminal S.p.A. and Vado Gateway S.p.A, which engages in container terminal operations, and are considered as subsidiaries of APM Terminals Vado Holdings B.V..