

CHINA MERCHANTS PORT GROUP CO., LTD.

FINANCIAL STATEMENTS AND AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

CHINA MERCHANTS PORT GROUP CO., LTD.

FINANCIAL STATEMENTS AND AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

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AUDITOR'S REPORT

De Shi Bao (Shen) Zi (23) No. P03194
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To all the shareholders of China Merchants Port Group Co., Ltd.,

I. Audit Opinion

We have audited the financial statements of China Merchants Port Group Co., Ltd. (hereinafter referred to as "the Company"), which comprise the consolidated and Company's balance sheets as at 31 December 2022, and the consolidated and Company's income statements, the consolidated and Company's cash flow statements and the consolidated and Company's statements of changes in shareholders' equity for the year then ended, and the notes to the financial statements.

In our opinion, the accompanying financial statements of the Company are prepared and present fairly, in all material respects, the consolidated and Company's financial position as at 31 December 2022, and the consolidated and Company's results of operations and cash flows for the year then ended in accordance with the Accounting Standards for Business Enterprises.

II. Basis for the Opinion

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with China Code of Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. We determine the followings are key audit matters that need to be addressed in our report.

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

As disclosed in Note (VIII) 13 to the consolidated financial statements, as at 31 December 2022, the carrying amount of the Company's long-term equity investments in associates amounts to RMB 82,647,500,863.33, accounting for 64.44% of the total shareholder's equity. In 2022, the investment income from associates recognized under the equity method amounts to RMB 6,765,840,426.95, accounting for 82.19% of the consolidated net profit. Since the amount of income from investments in associates recognized by the Company for the year is significant, and its correctness depends on the financial status and operating results of the investee, we determine the above-mentioned subsequent measurement of the long-term equity investments in associates as a key audit matter of the consolidated financial statements.

AUDITOR'S REPORT - continued

De Shi Bao (Shen) Zi (23) No. P03194
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III. Key Audit Matters - continued

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

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

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

2. Goodwill impairment

As disclosed in Note (VIII) 22 to the consolidated financial statements, as at 31 December 2022, the goodwill presented in the consolidated financial statements of the Company is RMB 6,411,426,891.09. The management of the Company uses the net amount of fair value less costs of disposal or the present value of the estimated future cash flows to determine the recoverable amount of the relevant asset group when testing the goodwill for impairment, of which the fair value assessment is based on the market approach, and the forecast of future cash flows and the calculation of the present value include key assumptions, such as growth rate and discount rate. We determine goodwill impairment as a key audit matter of the consolidated financial statements due to the significant amount of goodwill and that the management needs to make significant judgments and estimates when conducting goodwill impairment testing.

III. Key Audit Matters - continued

2. Goodwill impairment - continued

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

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

IV. Other Information

The management of the Company is responsible for the other information. The other information comprises the information included in the 2022 annual report, but does not include the consolidated financial statements and our auditor's report.

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

AUDITOR'S REPORT - continued

De Shi Bao (Shen) Zi (23) No. P03194
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IV. Other Information - continued

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

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

V. Responsibilities of the Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes an audit opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with China Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

AUDITOR'S REPORT - continued

De Shi Bao (Shen) Zi (23) No. P03194
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VI. Auditor's Responsibilities for the Audit of the Financial Statements - continued

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

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

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

AUDITOR'S REPORT - continued

De Shi Bao (Shen) Zi (23) No. P03194
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VI. Auditor's Responsibilities for the Audit of the Financial Statements - continued

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

Deloitte Touche Tohmatsu CPA LLP

Shanghai, China

Chinese Certified Public Accountant
(Engagement Partner)

Li Weihua

Chinese Certified Public Accountant

Wang Hongmei

31 March 2023

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

CHINA MERCHANTS PORT GROUP CO., LTD.

AT 31 DECEMBER 2022

Consolidated Balance Sheet

RMB

Item	Notes	31/12/2022	31/12/2021
Current Assets:			
Cash and bank balances	(VIII)1	13,615,928,739.40	12,772,349,406.77
Held-for-trading financial assets	(VIII)2	2,998,781,599.63	6,921,831,502.55
Notes receivable	(VIII)3	36,395,000.00	6,081,611.95
Accounts receivable	(VIII)4	1,276,149,689.44	1,320,577,577.81
Receivables financing	(VIII)5	163,766,913.10	238,429,402.71
Prepayments	(VIII)6	63,627,425.42	51,606,794.20
Other receivables	(VIII)7	948,842,094.30	696,276,595.87
Inventories	(VIII)8	225,122,821.48	194,920,136.12
Assets held-for-sale	(VIII)9	-	337,442,757.28
Non-current assets due within one year	(VIII)10	902,225,293.93	102,356,461.97
Other current assets	(VIII)11	185,903,140.53	339,684,297.41
Total current assets		20,416,742,717.23	22,981,556,544.64
Non-current Assets:			
Long-term receivables	(VIII)12	5,661,327,499.07	6,162,713,861.02
Long-term equity investments	(VIII)13	92,364,293,919.05	70,353,451,824.52
Investments in other equity instruments	(VIII)14	171,945,275.02	180,251,798.43
Other non-current financial assets	(VIII)15	1,745,740,896.41	809,515,244.87
Investment properties	(VIII)16	5,123,690,119.56	5,298,238,414.88
Fixed assets	(VIII)17	32,033,326,083.50	31,710,513,230.29
Construction in progress	(VIII)18	2,413,844,407.64	2,557,584,953.92
Right-of-use assets	(VIII)19	9,342,642,222.33	8,743,077,542.19
Intangible assets	(VIII)20	19,277,065,115.61	18,475,412,380.93
Development expenditure	(VIII)21	17,412,196.16	82,391,225.85
Goodwill	(VIII)22	6,411,426,891.09	6,024,160,942.07
Long-term prepaid expenses	(VIII)23	986,356,904.90	975,994,541.52
Deferred tax assets	(VIII)24	372,927,261.40	398,145,710.84
Other non-current assets	(VIII)25	1,186,789,378.79	1,231,092,952.69
Total non-current assets		177,108,788,170.53	153,002,544,624.02
TOTAL ASSETS		197,525,530,887.76	175,984,101,168.66

CHINA MERCHANTS PORT GROUP CO., LTD.

AT 31 DECEMBER 2022

Consolidated Balance Sheet - continued

RMB

Item	Notes	31/12/2022	31/12/2021
Current liabilities:			
Short-term borrowings	(VIII)26	7,164,338,366.18	13,651,452,805.36
Notes payable	(VIII)27	-	1,895,987.17
Accounts payable	(VIII)28	811,149,397.66	843,820,438.51
Receipts in advance	(VIII)29	9,886,531.59	9,313,166.01
Contract liabilities	(VIII)30	141,899,551.03	196,784,525.26
Employee benefits payable	(VIII)31	936,834,718.13	820,416,415.47
Taxes payable	(VIII)32	917,933,169.09	2,162,719,251.68
Other payables	(VIII)33	1,755,885,258.26	2,140,108,341.08
Non-current liabilities due within one year	(VIII)34	11,641,223,688.95	8,268,209,284.17
Other current liabilities	(VIII)35	3,161,147,525.96	2,158,497,775.85
Total current liabilities		26,540,298,206.85	30,253,217,990.56
Non-current Liabilities:			
Long-term borrowings	(VIII)36	12,390,099,177.85	7,144,839,870.89
Bonds payable	(VIII)37	19,088,293,099.02	16,670,872,414.14
Including: Preferred shares		-	-
Perpetual bonds		-	-
Lease liabilities	(VIII)38	948,350,914.04	1,055,194,906.09
Long-term payables	(VIII)39	3,551,315,590.31	3,422,179,366.40
Long-term employee benefits payable	(VIII)40	639,095,931.43	588,681,492.63
Provisions	(VIII)41	35,365,156.43	24,247,302.42
Deferred income	(VIII)42	1,031,273,189.74	1,075,957,884.91
Deferred tax liabilities	(VIII)24	4,853,271,307.86	4,550,417,470.61
Other non-current liabilities	(VIII)43	186,383,117.00	163,065,578.53
Total non-current liabilities		42,723,447,483.68	34,695,456,286.62
TOTAL LIABILITIES		69,263,745,690.53	64,948,674,277.18
Shareholders' equity:			
Share capital	(VIII)44	2,499,074,661.00	1,922,365,124.00
Capital reserve	(VIII)45	34,751,640,835.25	23,592,702,758.70
Other comprehensive income	(VIII)46	-691,536,248.44	-890,125,318.18
Special reserve	(VIII)47	26,358,259.97	9,184,429.12
Surplus reserve	(VIII)48	1,001,917,449.15	961,182,562.00
Unappropriated profit	(VIII)49	16,679,688,347.09	14,205,879,106.49
Total equity attributable to shareholders of the Company		54,267,143,304.02	39,801,188,662.13
Minority interests		73,994,641,893.21	71,234,238,229.35
TOTAL SHAREHOLDERS' EQUITY		128,261,785,197.23	111,035,426,891.48
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		197,525,530,887.76	175,984,101,168.66

The accompanying notes form part of the financial statements.

The financial statements were signed by the following:

Wang Xiufeng
Legal Representative

Tu Xiaoping
Chief Financial Officer

Huang Shengchao
Head of Accounting Department

CHINA MERCHANTS PORT GROUP CO., LTD.

AT 31 DECEMBER 2022

Balance Sheet of the Company

RMB

Item	Notes	31/12/2022	31/12/2021
Current Assets:			
Cash and bank balances		3,333,936,587.44	2,913,761,567.31
Held-for-trading financial assets		1,502,601,369.86	4,355,978,026.30
Other receivables	(XVIII) 1	2,749,637,755.23	1,256,742,971.01
Other current assets		7,774,206.30	3,799,849.79
Total current assets		7,593,949,918.83	8,530,282,414.41
Non-current Assets:			
Long-term receivables		9,240,200.34	8,447,395.74
Long-term equity investments	(XVIII) 2	53,433,613,471.49	38,632,541,293.73
Investments in other equity instruments		144,700,378.28	154,017,984.69
Other non-current financial assets		950,321,309.06	-
Fixed assets		28,826,135.19	1,684,450.22
Construction in progress		15,435,512.32	8,714,886.98
Intangible assets		50,303,126.12	53,886,017.45
Development expenditure		6,219,670.14	-
Long-term prepaid expenses		873,700.49	1,223,180.69
Deferred tax assets		928,465.21	1,846,793.34
Total non-current assets		54,640,461,968.64	38,862,362,002.84
TOTAL ASSETS		62,234,411,887.47	47,392,644,417.25
Current Liabilities:			
Short-term borrowings		-	6,606,500,555.58
Employee benefits payable		38,763,907.88	36,196,999.78
Taxes payable		1,251,923.17	166,072,684.93
Other payables		373,569,651.65	1,136,030,015.25
Non-current liabilities due within one year		2,146,233,151.54	82,735,342.45
Other current liabilities		3,017,713,424.64	2,007,042,725.30
Total current liabilities		5,577,532,058.88	10,034,578,323.29
Non-current Liabilities:			
Long-term borrowings		4,988,000,000.00	-
Bonds payable		8,000,000,000.00	4,000,000,000.00
Provisions		-	1,003,584.24
Deferred tax liabilities		41,622,256.05	44,515,821.76
Total non-current liabilities		13,029,622,256.05	4,045,519,406.00
TOTAL LIABILITIES		18,607,154,314.93	14,080,097,729.29
SHAREHOLDERS' EQUITY			
Share capital		2,499,074,661.00	1,922,365,124.00
Capital reserve		37,749,723,642.07	27,594,079,596.13
Other comprehensive income		99,525,686.03	105,412,294.52
Surplus reserve		1,001,917,449.15	961,182,562.00
Unappropriated profit		2,277,016,134.29	2,729,507,111.31
TOTAL SHAREHOLDERS' EQUITY		43,627,257,572.54	33,312,546,687.96
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		62,234,411,887.47	47,392,644,417.25

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2022

Consolidated Income Statement

RMB

Item	Notes	2022	2021
I. Operating income	(VIII)50	16,230,489,127.55	15,283,808,174.60
Less: Operating costs	(VIII)50	9,650,461,712.94	9,046,836,182.49
Taxes and surcharges	(VIII)51	282,249,473.46	191,974,244.31
Administrative expenses	(VIII)52	1,765,094,736.51	1,729,160,558.50
Research and development expenses		287,706,178.70	217,905,635.67
Financial expenses	(VIII)53	2,258,713,672.42	1,545,338,597.29
Including: Interest expenses		2,225,162,805.79	1,909,848,615.00
Interest income		469,834,098.05	377,563,874.49
Add: Other income	(VIII)54	241,648,070.42	363,245,161.08
Investment income	(VIII)55	7,377,655,506.33	6,636,949,510.91
Including: Income from investments in associates and joint ventures	(VIII)55	7,185,182,148.75	6,290,957,480.59
Gains (Losses) from changes in fair value	(VIII)56	-129,033,650.11	221,242,275.17
Gains (Losses) from impairment of credit	(VIII)57	-223,473,576.55	-252,953,617.50
Gains (Losses) from impairment of assets	(VIII)58	-22,159,020.20	-420,492,515.75
Gains on disposal of assets	(VIII)59	55,130,095.52	35,576,459.42
II. Operating profit		9,286,030,778.93	9,136,160,229.67
Add: Non-operating income	(VIII)60	279,274,452.77	43,467,537.50
Less: Non-operating expenses	(VIII)61	220,442,254.68	95,528,693.11
III. Gross profit		9,344,862,977.02	9,084,099,074.06
Less: Income tax expenses	(VIII)62	1,113,179,679.35	1,429,093,084.31
IV. Net profit		8,231,683,297.67	7,655,005,989.75
(I) Categorized by continuity of operation			
1. Net profit from continuing operation		8,231,683,297.67	7,655,005,989.75
2. Net profit from discontinued operation			
(II) Categorized by attribution of ownership			
1. Net profit attributable to shareholders of the Company		3,337,446,222.82	2,685,829,204.07
2. Profit or loss attributable to minority shareholders		4,894,237,074.85	4,969,176,785.68
V. Other comprehensive income, net of tax	(VIII) 64	1,623,526,873.00	-711,791,683.91
Other comprehensive income attributable to shareholders of the Company, net of tax		206,102,739.65	-61,106,763.50
(I) Other comprehensive income that will not be reclassified to profit or loss		-22,706,023.29	-316,112.17
1. Changes from remeasurement of the defined benefit plan		-12,793,128.73	-8,714,853.33
2. Other comprehensive income that cannot be reclassified to profit or loss under the equity method		-11,550,762.02	9,495,957.95
3. Changes in fair value of investments in other equity instruments		1,637,867.46	-1,097,216.79
(II) Other comprehensive income that will be reclassified subsequently to profit or loss		228,808,762.94	-60,790,651.33
1. Other comprehensive income that can be reclassified to profit or loss under the equity method		-110,193,707.53	20,160,707.37
2. Translation differences of financial statements denominated in foreign currencies		339,002,470.47	-80,951,358.70
Other comprehensive income attributable to minority interests, net of tax		1,417,424,133.35	-650,684,920.41
VI. Total comprehensive income attributable to:		9,855,210,170.67	6,943,214,305.84
Shareholders of the Company		3,543,548,962.47	2,624,722,440.57
Minority shareholders		6,311,661,208.20	4,318,491,865.27
VII. Earnings per share			
(I) Basic earnings per share		1.61	1.40
(II) Diluted earnings per share		1.61	1.40

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2022

Income Statement of the Company

RMB

Item	Notes	2022	2021
I. Operating income	(XVIII) 3	3,669,891.36	2,642,001.75
Less: Operating costs	(XVIII) 3	2,276,202.60	2,265,959.45
Taxes and surcharges		1,126,365.82	844,763.45
Administrative expenses		154,023,617.71	149,779,423.73
Research and development expenses		15,151,413.80	-
Financial expenses		361,633,510.16	197,780,513.57
Including: Interest expenses		491,933,634.55	247,594,446.06
Interest income		144,120,475.54	58,523,130.29
Add: Other income		499,438.35	129,405.22
Investment income	(XVIII) 4	1,053,614,451.09	1,596,809,225.29
Including: Income from investments in associates and joint ventures	(XVIII) 4	384,257,363.02	226,225,111.65
Gains (Losses) from changes in fair value		-125,383,212.19	5,978,026.30
Gains from disposal of assets		237,727.99	-
II. Operating profit		398,427,186.51	1,254,887,998.36
Add: Non-operating income		545,089.04	430,740.39
Less: Non-operating expenses		18.84	
III. Gross profit		398,972,256.71	1,255,318,738.75
Less: Income tax expenses		-8,376,614.77	168,246,527.86
IV. Net profit		407,348,871.48	1,087,072,210.89
V. Other comprehensive income, net of tax		1,625,433.48	-123,927.98
(I) Other comprehensive income that cannot be reclassified to profit or loss		1,391,486.75	-2,225,208.98
1. Changes from remeasurement of the defined benefit plan		-	-
2. Other comprehensive income that cannot be reclassified to profit or loss under the equity method		27,649.59	-1,030,575.00
3. Changes in fair value of investments in other equity instruments		1,363,837.16	-1,194,633.98
(II) Other comprehensive income that will be reclassified to profit or loss		233,946.73	2,101,281.00
1. Other comprehensive income that can be reclassified to profit or loss under the equity method		233,946.73	2,101,281.00
2. Translation differences of financial statements denominated in foreign currencies		-	-
VI. Total comprehensive income		408,974,304.96	1,086,948,282.91

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2022

Consolidated Cash Flow Statement

RMB

Item	Notes	2022	2021
I. Cash Flows from Operating Activities:			
Cash receipts from sales of goods and rendering of services		16,547,850,742.82	15,567,101,995.95
Receipts of tax refunds		239,426,543.45	142,122,022.96
Other cash receipts relating to operating activities	(VIII) 65(1)	1,141,794,925.33	1,023,728,271.31
Sub-total of cash inflows		17,929,072,211.60	16,732,952,290.22
Cash payments for goods purchased and services received		4,790,513,865.61	4,395,758,133.61
Cash payments to and on behalf of employees		3,612,535,626.78	3,313,989,844.94
Payments of various types of taxes		1,579,320,175.46	1,637,763,934.22
Other cash payments relating to operating activities	(VIII) 65(2)	1,026,325,153.40	875,113,806.97
Sub-total of cash outflows		11,008,694,821.25	10,222,625,719.74
Net Cash Flows from Operating Activities	(VIII) 66(1)	6,920,377,390.35	6,510,326,570.48
II. Cash Flows from Investing Activities:			
Cash receipts from disposal and recovery of investments		40,894,899,081.53	17,047,342,468.86
Cash receipts from investments income		2,429,981,136.20	2,956,256,663.23
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		13,812,483.21	76,761,096.56
Other cash receipts relating to investing activities	(VIII) 65(3)	295,064,509.34	437,156,571.09
Sub-total of cash inflows		43,633,757,210.28	20,517,516,799.74
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		2,133,837,244.47	2,235,972,958.53
Cash payments to acquire investments		54,509,066,114.35	22,831,319,242.28
Other cash payments relating to investing activities	(VIII) 65(5)	954,802,482.30	22,232,300.95
Sub-total of cash outflows		57,597,705,841.12	25,089,524,501.76
Net Cash Flows from Investing Activities		-13,963,948,630.84	-4,572,007,702.02
III. Cash Flows from Financing Activities:			
Cash receipts from capital contributions		10,642,126,434.50	1,960,000.00
Including: Cash receipts from capital contributions from minority shareholders of subsidiaries		-	1,960,000.00
Cash receipts from borrowings		29,859,438,534.05	17,088,797,909.66
Cash receipts from issue of bonds		19,248,308,650.00	9,797,840,000.00
Other cash receipts relating to financing activities	(VIII) 65(6)	56,303,169.80	-
Sub-total of cash inflows		59,806,176,788.35	26,888,597,909.66
Cash repayments of borrowings		46,432,911,425.29	23,334,671,577.97
Cash payments for distribution of dividends or profits or settlement of interest expenses		4,732,910,153.42	4,000,078,191.43
Including: Payments for distribution of dividends or profits to minority shareholders of subsidiaries		1,900,086,012.38	1,600,821,550.56
Other cash payments relating to financing activities	(VIII) 65(7)	1,124,116,740.35	503,530,516.74
Sub-total of cash outflows		52,289,938,319.06	27,838,280,286.14
Net Cash Flows from Financing Activities		7,516,238,469.29	-949,682,376.48
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		367,287,004.46	-159,899,580.91
V. Net Increase in Cash and Cash Equivalents		839,954,233.26	828,736,911.07
Add: Opening balance of cash and cash equivalents	(VIII) 66(2)	12,727,355,238.36	11,898,618,327.29
VI. Closing Balance of Cash and Cash Equivalents	(VIII) 66(2)	13,567,309,471.62	12,727,355,238.36

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2022

Cash Flow Statement of the Company

RMB

Item	Notes	2022	2021
I. Cash Flows from Operating Activities:			
Cash receipts from sales of goods and rendering of services		-	979,698.05
Other cash receipts relating to operating activities		108,295,282.75	235,966,260.63
Sub-total of cash inflows		108,295,282.75	236,945,958.68
Cash payments for goods purchased and services received		86,280.54	40,000.00
Cash payments to and on behalf of employees		102,305,409.21	97,250,483.46
Payments of various types of taxes		162,077,694.07	210,087,464.31
Other cash payments relating to operating activities		64,738,420.24	258,672,489.54
Sub-total of cash outflows		329,207,804.06	566,050,437.31
Net Cash Flows from Operating Activities		-220,912,521.31	-329,104,478.63
II. Cash Flows from Investing Activities:			
Cash receipts from disposal and recovery of investments		33,317,450,238.74	10,580,000,000.00
Cash receipts from investment income		770,719,728.64	617,411,256.40
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		1,002,668.00	-
Other cash receipts relating to investing activities		50,285,632.68	340,000,000.00
Sub-total of cash inflows		34,139,458,268.06	11,537,411,256.40
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		42,642,426.69	7,311,253.87
Cash payments to acquire investments		45,942,721,212.13	14,416,331,314.09
Other cash payments relating to investing activities		1,523,809,248.36	588,583,691.07
Sub-total of cash outflows		47,509,172,887.18	15,012,226,259.03
Net Cash Flows from Investing Activities		-13,369,714,619.12	-3,474,815,002.63
III. Cash Flows from Financing Activities:			
Cash receipts from capital contributions		10,642,126,434.50	-
Cash receipts from borrowings		9,171,668,674.85	7,600,000,000.00
Cash receipts from issue of bonds		16,000,000,000.00	9,797,840,000.00
Other cash receipts relating to financing activities		6,303,169.80	915,000,000.00
Sub-total of cash inflows		35,820,098,279.15	18,312,840,000.00
Cash repayments of borrowings		20,529,408,504.85	11,381,742,457.36
Cash payments for distribution of dividends or profits or settlement of interest expenses		1,257,422,374.13	965,552,501.17
Other cash payments relating to financing activities		23,179,821.90	1,274,938.84
Sub-total of cash outflows		21,810,010,700.88	12,348,569,897.37
Net Cash Flows from Financing Activities		14,010,087,578.27	5,964,270,102.63
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		714,582.29	-179,610.83
V. Net Increase in Cash and Cash Equivalents		420,175,020.13	2,160,171,010.54
Add: Opening balance of cash and cash equivalents		2,913,761,567.31	753,590,556.77
VI. Closing Balance of Cash and Cash Equivalents		3,333,936,587.44	2,913,761,567.31

The accompanying notes form part of the financial statement

Consolidated Statement of Changes in Shareholders' Equity

RMB

Item	2022							
	Equity attributable to shareholders of the Company						Minority interests	Total shareholders' equity
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Unappropriated profit		
I. Closing balance of the preceding year	1,922,365,124.00	23,592,702,758.70	-890,125,318.18	9,184,429.12	961,182,562.00	14,205,879,106.49	71,234,238,229.35	111,035,426,891.48
Add: Changes in accounting policies	-	-	-	-	-	-	-	-
Corrections of prior period errors	-	-	-	-	-	-	-	-
Business combination involving enterprises under common control	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
II. Opening balance of the year	1,922,365,124.00	23,592,702,758.70	-890,125,318.18	9,184,429.12	961,182,562.00	14,205,879,106.49	71,234,238,229.35	111,035,426,891.48
III. Changes for the year	576,709,537.00	11,158,938,076.55	198,589,069.74	17,173,830.85	40,734,887.15	2,473,809,240.60	2,760,403,663.86	17,226,358,305.75
(I) Total comprehensive income	-	-	206,102,739.65	-	-	3,337,446,222.82	6,311,661,208.20	9,855,210,170.67
(II) Owners' contributions and reduction in capital	576,709,537.00	11,158,938,076.55	-	-	-	-	-683,588,937.26	11,052,058,676.29
1. Ordinary shares contributed by shareholders	576,709,537.00	10,055,823,793.40	-	-	-	-	971,135,730.31	11,603,669,060.71
2. Capital contribution from holders of other equity instruments	-	-	-	-	-	-	-	-
3. Share-based payment recognized in shareholders' equity	-	-4,365,536.60	-	-	-	-	-3,266,354.51	-7,631,891.11
4. Others	-	1,107,479,819.75	-	-	-	-	-1,651,458,313.06	-543,978,493.31
(III) Profit distribution	-	-	-	-	40,734,887.15	-871,150,652.13	-2,897,141,819.77	-3,727,557,584.75
1. Transfer to surplus reserve	-	-	-	-	40,734,887.15	-40,734,887.15	-	-
2. Transfer to general risk reserve	-	-	-	-	-	-	-	-
3. Distribution to shareholders	-	-	-	-	-	-826,617,003.32	-2,698,588,539.77	-3,525,205,543.09
4. Others	-	-	-	-	-	-3,798,761.66	-198,553,280.00	-202,352,041.66
(IV) Transfers within shareholders' equity	-	-	-7,513,669.91	-	-	7,513,669.91	-	-
1. Capitalization of capital reserve	-	-	-	-	-	-	-	-
2. Capitalization of surplus reserve	-	-	-	-	-	-	-	-
3. Loss offset by surplus reserve	-	-	-	-	-	-	-	-
4. Retained earnings carried forward from other comprehensive income	-	-	-7,513,669.91	-	-	7,513,669.91	-	-
5. Others	-	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	17,173,830.85	-	-	29,473,212.69	46,647,043.54
1. Transfer to special reserve in the year	-	-	-	62,696,039.72	-	-	86,478,912.67	149,174,952.39
2. Amount utilized in the year	-	-	-	-45,522,208.87	-	-	-57,005,699.98	-102,527,908.85
(VI) Others	-	-	-	-	-	-	-	-
IV. Closing balance of the year	2,499,074,661.00	34,751,640,835.25	-691,536,248.44	26,358,259.97	1,001,917,449.15	16,679,688,347.09	73,994,641,893.21	128,261,785,197.23

Consolidated Statement of Changes in Shareholders' Equity - continued

RMB

Item	2021							
	Equity attributable to shareholders of the Company						Minority interests	Total shareholders' equity
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Unappropriated profit		
I. Closing balance of the preceding year	1,922,365,124.00	22,805,069,335.49	-826,697,303.06	10,201,178.30	890,690,322.28	12,316,177,395.17	68,559,161,478.89	105,676,967,531.07
Add: Changes in accounting policies	-	-	-	-	-	-	-	-
Corrections of prior period errors	-	-	-	-	-	-	-	-
Business combination involving enterprises under common control	-	34,528,989.07	-	-	-	12,942,703.53	77,217,389.86	124,689,082.46
Others	-	-	-	-	-	-	-	-
II. Opening balance of the year	1,922,365,124.00	22,839,598,324.56	-826,697,303.06	10,201,178.30	890,690,322.28	12,329,120,098.70	68,636,378,868.75	105,801,656,613.53
III. Changes for the year	-	753,104,434.14	-63,428,015.12	-1,016,749.18	70,492,239.72	1,876,759,007.79	2,597,859,360.60	5,233,770,277.95
(I) Total comprehensive income	-	-	-61,106,763.50	-	-	2,685,829,204.07	4,318,491,865.27	6,943,214,305.84
(II) Owners' contributions and reduction in capital	-	753,104,434.14	-1,033,518.86	-	-	-1,588,932.52	143,222,332.57	893,704,315.33
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-
2. Capital contribution from holders of other equity instruments	-	-	-	-	-	-	-	-
3. Share-based payment recognized in shareholders' equity	-	-139,669.02	-	-	-	-	-656,323.25	-795,992.27
4. Others	-	753,244,103.16	-1,033,518.86	-	-	-1,588,932.52	143,878,655.82	894,500,307.60
(III) Profit distribution	-	-	-	-	70,492,239.72	-808,768,996.52	-1,864,400,984.46	-2,602,677,741.26
1. Transfer to surplus reserve	-	-	-	-	70,492,239.72	-70,492,239.72	-	-
2. Transfer to general risk reserve	-	-	-	-	-	-	-	-
3. Distribution to shareholders	-	-	-	-	-	-730,498,747.12	-1,678,821,128.83	-2,409,319,875.95
4. Others	-	-	-	-	-	-7,778,009.68	-185,579,855.63	-193,357,865.31
(IV) Transfers within shareholders' equity	-	-	-1,287,732.76	-	-	1,287,732.76	-	-
1. Capitalization of capital reserve	-	-	-	-	-	-	-	-
2. Capitalization of surplus reserve	-	-	-	-	-	-	-	-
3. Loss offset by surplus reserve	-	-	-	-	-	-	-	-
4. Others	-	-	-1,287,732.76	-	-	1,287,732.76	-	-
(V) Special reserve	-	-	-	-1,016,749.18	-	-	546,147.22	-470,601.96
1. Transfer to special reserve in the year	-	-	-	48,296,277.57	-	-	52,595,662.54	100,891,940.11
2. Amount utilized in the year	-	-	-	-49,313,026.75	-	-	-52,049,515.32	-101,362,542.07
(VI) Others	-	-	-	-	-	-	-	-
IV. Closing balance of the year	1,922,365,124.00	23,592,702,758.70	-890,125,318.18	9,184,429.12	961,182,562.00	14,205,879,106.49	71,234,238,229.35	111,035,426,891.48

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2022

The Company's Statement of Changes in Shareholders' Equity

RMB

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

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2022

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

RMB

Item	2021						
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Unappropriated profit	Total shareholders' equity
I. Closing balance of the preceding year	1,922,365,124.00	27,591,847,402.73	105,536,222.50	-	890,690,322.28	2,442,510,245.26	32,952,949,316.77
Add: Changes in accounting policies	-	-	-	-	-	-	-
Corrections of prior period errors	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
II. Opening balance of the year	1,922,365,124.00	27,591,847,402.73	105,536,222.50	-	890,690,322.28	2,442,510,245.26	32,952,949,316.77
III. Changes for the year	-	2,232,193.40	-123,927.98	-	70,492,239.72	286,996,866.05	359,597,371.19
(I) Total comprehensive income	-	-	-123,927.98	-	-	1,087,072,210.89	1,086,948,282.91
(II) Owners' contributions and reduction in capital	-	2,232,193.40	-	-	-	915,642.00	3,147,835.40
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-
2. Share-based payment recognized in shareholders' equity	-	-581,972.50	-	-	-	-	-581,972.50
3. Others	-	2,814,165.90	-	-	-	915,642.00	3,729,807.90
(III) Profit distribution	-	-	-	-	70,492,239.72	-800,990,986.84	-730,498,747.12
1. Transfer to surplus reserve	-	-	-	-	70,492,239.72	-70,492,239.72	-
2. Transfer to general risk reserve	-	-	-	-	-	-	-
3. Distribution to shareholders	-	-	-	-	-	-730,498,747.12	-730,498,747.12
4. Others	-	-	-	-	-	-	-
(IV) Transfers within shareholders' equity	-	-	-	-	-	-	-
1. Capitalization of capital reserve	-	-	-	-	-	-	-
2. Capitalization of surplus reserve	-	-	-	-	-	-	-
3. Loss offset by surplus reserve	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	-	-	-	-
1. Transfer to special reserve in the year	-	-	-	-	-	-	-
2. Amount utilized in the year	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-
IV. Closing balance of the year	1,922,365,124.00	27,594,079,596.13	105,412,294.52	-	961,182,562.00	2,729,507,111.31	33,312,546,687.96

The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
(Unless otherwise specified, the monetary unit shall be RMB.)

(I) GENERAL INFORMATION OF THE COMPANY

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

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

The Company's and consolidated financial statements have been approved by the Board of Directors on 31 March 2023.

See Note (X) "Equity in Other Entities" for details of the scope of consolidated financial statements in the current year. See Note (IX) "Changes in Scope of Consolidation" for details of changes in the scope of consolidated financial statements in the current year.

(II) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Basis of preparation of financial statements

The Group has adopted the Accounting Standards for Business Enterprises ("ASBE") issued by the Ministry of Finance ("MoF"). In addition, the Group has disclosed relevant financial information in accordance with Information Disclosure and Presentation Rules for Companies Offering Securities to the Public No. 15 - General Provisions on Financial Reporting (Revised in 2014).

Going concern

As at 31 December 2022, the Group had total current liabilities in excess of total current assets of RMB 6,123,555,489.62. As at 31 December 2022, the Group had available and unused line of credit and bonds amounting to RMB 74,112,485,433.51, which is greater than the balance of the net current liabilities. The Group can obtain financial support from the available line of credit and bonds when needed. Therefore, the financial statements have been prepared on a going concern basis.

(III) STATEMENT OF COMPLIANCE WITH THE ASBE

The financial statements of the Company have been prepared in accordance with ASBE, and present truly and completely, the Company's and consolidated financial position as at 31 December 2022, and the Company's and consolidated results of operations and cash flows for the year then ended.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Accounting year

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

2. Operating cycle

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

3. Functional currency

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

4. Basis of accounting and principle of measurement

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

4. Basis of accounting and principle of measurement - continued

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

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

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

5. Business combinations

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

5.1 Business combinations involving enterprises under common control

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

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

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

5.2 Business combinations not involving enterprises under common control and goodwill

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

5. Business combinations - continued

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

5. Business combinations - continued

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

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

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

For the purpose of impairment testing, goodwill is considered together with the related assets groups, i.e., goodwill is reasonably allocated to the related assets groups or each of assets groups expected to benefit from the synergies of the combination. In testing an assets group with goodwill for impairment, an impairment loss is recognized if the recoverable amount of the assets group or sets of assets groups (including goodwill) is less than its carrying amount. The impairment loss is firstly allocated to reduce the carrying amount of any goodwill allocated to such assets group or sets of assets groups, and then to the other assets of the group pro-rata on the basis of the carrying amount of each asset (other than goodwill) in the group.

Recoverable amount is the higher of the fair value of an asset less cost of disposal and the present value of estimated future cash flows.

The impairment loss of goodwill is recognized in profit or loss for the period and shall not be reversed in subsequent periods.

6. Consolidated financial statements

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

6. Consolidated financial statements - continued

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

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

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

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

6. Consolidated financial statements - continued

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

7. Joint arrangements

Joint arrangement refers to the arrangement jointly controlled by two or more than two participants. The Group's joint arrangements have the following characteristics: (1) all the participants are restricted by the arrangement; (2) the arrangement is jointly controlled by two or more than two participants. Any participant cannot control the arrangement separately and any participant to the joint control of the arrangement can stop other participants or the group of participants from the separate control over the arrangement.

Joint control refers to the joint control over an arrangement in accordance with relevant agreements and relevant activities of the arrangement shall be decided after the unanimous consent by participants sharing the controlling rights.

There are two types of joint arrangements - joint operations and joint ventures. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

8. Cash and cash equivalents

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

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

9.1 Transactions denominated in foreign currencies

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

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

9.1 Transactions denominated in foreign currencies - continued

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

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

9.2 Translation of financial statements denominated in foreign currencies

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

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

9.2 Translation of financial statements denominated in foreign currencies - continued

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

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

10. Financial instruments

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

10. Financial instruments - continued

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

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

10.1 Classification, recognition and measurement of financial assets

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

10. Financial instruments - continued

10.1 Classification, recognition and measurement of financial assets - continued

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

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

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

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

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

10.1.1 Financial assets measured at amortized cost

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

10. Financial instruments - continued

10.1 Classification, recognition and measurement of financial assets - continued

10.1.2 Financial assets at FVTOCI

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

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

10.1.3 Financial assets at FVTPL

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

10.2 Impairment of financial instruments

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

10. Financial instruments - continued

10.2 Impairment of financial instruments - continued

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

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

10.2.1 Significant increase of credit risk

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

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

- (1) Significant changes in internal price indicators resulting from changes in credit risk;
- (2) Significant changes in the rates or other terms of an existing financial instrument if the instrument was newly originated or issued at the balance sheet date (such as more stringent covenants, increased amounts of collateral or guarantees, or higher rate of return, etc.);

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

10. Financial instruments - continued

10.2 Impairment of financial instruments - continued

10.2.1 Significant increase of credit risk - continued

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

10. Financial instruments - continued

10.2 Impairment of financial instruments - continued

10.2.1 Significant increase of credit risk - continued

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

10.2.2 Credit-impaired financial assets

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

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

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

10.2.3 Determination of expected credit loss

The Group determines the credit losses on lease receivables on an individual asset basis, and on notes receivable, accounts receivable, other receivables, contract assets, debt investments and other debt investments on a portfolio basis using an impairment matrix for related financial instruments. The financial instruments are grouped based on common risk characteristics. The common credit risk characteristics adopted by the Group include credit risk rating, initial recognition date, remaining contractual term, industry of the debtor, geographical location of the debtor, etc.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

10. Financial instruments - continued

10.2 Impairment of financial instruments - continued

10.2.3 Determination of expected credit loss - continued

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

- For financial assets, the credit loss is the present value of the difference between the contractual cash flows that are due to the Group under the contract and the cash flows that the Group expects to receive;
- For lease receivables, the credit loss is the present value of the difference between the contractual cash flows that are due to the Group under the contract and the cash flows that the Group expects to receive;
- For undrawn loan commitments (refer to Note IV, 10.4.1.3 for the detail of accounting policies), the credit loss is the present value of the difference between the contractual cash flows that are due to the Group if the holder of the loan commitments draws down the loan, and the cash flows that the Group expects to receive if the loan is drawn down. The Group's estimation of the ECL for loan commitments is consistent with its expectation of the loan commitments drawn down.
- For financial guarantee contracts (refer to Note IV, 10.4.1.3 for the detail of accounting policies), the credit loss is the present value of the expected payments to reimburse the holder for the credit loss incurred less any amounts that the Group expects to receive from the holder, the debtor or any other party.
- For financial assets credit-impaired at the balance sheet date, but not purchased or originated credit-impaired, the credit loss is the difference between the gross carrying amount of the financial assets and the present value of estimated future cash flows discounted at the original effective interest rate.

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

10.2.4 Write-down of financial assets

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

10. Financial instruments - continued

10.3 Transfer of financial assets

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

10. Financial instruments - continued

10.3 Transfer of financial assets - continued

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

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

10.4 Classification of financial liabilities and equity instruments

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

10.4.1 Classification, recognition and measurement of financial liabilities

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

10.4.1.1 Financial liabilities at FVTPL

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

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

- It has been acquired principally for the purpose of repurchasing in the near term; or
- On initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and there is objective evidence that the Group has a recent actual pattern of short-term profit-taking; or

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

10. Financial instruments - continued

10.4 Classification of financial liabilities and equity instruments - continued

10.4.1 Classification, recognition and measurement of financial liabilities - continued

10.4.1.1 Financial liabilities at FVTPL - continued

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

- It is a derivative that is not a financial guarantee contract or designated and effective as a hedging instrument.

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

10. Financial instruments - continued

10.4 Classification of financial liabilities and equity instruments - continued

10.4.1 Classification, recognition and measurement of financial liabilities - continued

10.4.1.2 Other financial liabilities

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

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

10.4.1.3 Financial guarantee contracts and loan commitments

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

10.4.2 Derecognition of financial liabilities

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

10. Financial instruments - continued

10.4 Classification of financial liabilities and equity instruments - continued

10.4.2 Derecognition of financial liabilities - continued

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

10.4.3 Equity instruments

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

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

10.5 Derivatives and embedded derivatives

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

10. Financial instruments - continued

10.5 Derivatives and embedded derivatives - continued

For the embedded derivative separated from the host contracts, the Group accounts for the host contracts in the hybrid contracts with applicable accounting standards. When the embedded derivatives whose fair value cannot be measured reliably by the Group according to the terms and conditions of the embedded derivatives, the fair value of such derivatives are measured at the difference between the fair value of the hybrid contracts and the fair value of the host contracts.

By adopting the above method, if the embedded derivative cannot be measured on a stand-alone basis at the time when it is acquired or at subsequent balance sheet dates, the hybrid instrument is designated as financial instruments at fair value through profit or loss as a whole.

10.6 Offsetting financial assets and financial liabilities

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

10.7 Compound instruments

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

10. Financial instruments - continued

10.7 Compound instruments - continued

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

10.8 Reclassification of financial instruments

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

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

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

10. Financial instruments - continued

10.8 Reclassification of financial instruments - continued

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

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

11. Accounts receivable

The Group makes internal credit ratings on customers and determines expected loss rate of notes receivable, accounts receivable, other receivables and long-term receivables. Basis for determining ratings and the expected loss rates are as follows:

Internal credit rating	Basis for determining portfolio	Expected average loss rate (%)
A	Customers can make repayments within credit term and have good credit records based on historical experience. The probability of default on payment of due amounts is extremely low in the foreseeable future.	0.00-0.10
B	The customers may have overdue payment based on historical experience but they can make repayments.	0.10-0.30
C	The evidence indicates that the overdue credit risks of the customers are significantly increased and there is probability of default on payment.	0.30-50.00
D	The evidence indicates that the accounts receivable are impaired or the customers have significant financial difficulty. The amounts cannot be recovered in the foreseeable future.	50.00-100.00

12. Receivables financing

Notes receivable classified as at FVTOCI should be listed as receivables financing within one year (including one year) from the date of acquisition. Those over one year should be listed as other debt investments. For related accounting policies, refer to Note (IV) 10.

13. Inventories

13.1 Category of inventories

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

13. Inventories - continued

13.2 Valuation method of inventories upon delivery

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

13.3 Basis for determining net realizable value of inventories and provision methods for decline in value of inventories

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

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

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

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

13.4 Inventory count system

The perpetual inventory system is maintained for stock system.

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

14. Contract assets

14.1 Recognition and criteria of contract assets

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer, and such right depends on factors other than the passage of time. The Group's unconditional (i.e., depending on the passage of time only) right to receive consideration from the customer is separately presented as receivables.

14.2 Determination and accounting treatment for expected credit loss ("ECL") of contract assets

Refer to Note (IV) 10.2 "Impairment of financial instruments" for determination and accounting treatment for expected credit loss of contract assets.

15. Assets held-for-sale

Non-current assets and disposal groups are classified as held-for-sale category when the Group recovers the carrying amount through a sale (including an exchange of nonmonetary assets that has commercial substance) rather than continuing use.

Non-current assets or disposal groups classified as held-for-sale are required to satisfy the following conditions: (1) the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset or disposal group; (2) the sale is highly probable, i.e. the Group has made a resolution about selling plan and obtained a confirmed purchase commitment and the sale is expected to be completed within one year.

When there is loss of control over a subsidiary due to disposal of investments in the subsidiary, and the proposed disposal of investments in the subsidiary satisfies classification criteria of held-for-sale category, the investments in subsidiaries are classified as held-for-sale category as a whole in the Company's separate financial statements, and all assets and liabilities of subsidiaries are classified as held-for-sale category in the consolidated financial statements regardless of whether that part of the equity investments are remained after the sale.

The Group measures the non-current assets or disposal groups classified as held-for-sale at the lower of their carrying amount and fair value less costs to sell. Where the carrying amount is higher than the net amount of fair value less costs to sell, carrying amount should be reduced to the net amount of fair value less costs to sell, and such reduction is recognized in impairment loss of assets and included in profit or loss for the period. Meanwhile, provision for impairment of held-for-sale assets is made. When there is an increase in the net amount of fair value of non-current assets held-for-sale less costs to sell at the balance sheet date, the original deduction should be reversed in impairment loss of assets recognized after the classification of held-for-sale category, and the reversal amount is included in profit or loss for the period. The impairment losses recognized before such assets are classified as held-for-sale category shall not be reversed.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

15. Assets held-for-sale - continued

Non-current assets classified as held-for-sale or non-current assets in disposal groups are not depreciated or amortized, and interest and other costs of liabilities of disposal groups classified as held-for-sale continue to be recognized.

All or part of equity investments in associates or joint ventures are classified as held-for-sale assets. For the part that is classified as held-for-sale, it is no longer accounted for using the equity method since the date of the classification.

If an asset or a disposal group has been classified as held-for-sale but the recognition criteria for held-for-sale are no longer met, the Group shall cease to classify the asset or disposal group as held-for-sale. It shall be measured at the lower of (1) the carrying amount before the asset or disposal group was classified as held-for-sale, adjusted for any depreciation, amortization or impairment that would have been recognized had the asset or disposal group not been classified as held-for-sale; and (2) the recoverable amount at the date of the decision not to sell.

For equity investments in associates or joint ventures that are classified as held-for-sale but the classification criteria for held-for-sale are no longer met, such investments are accounted for retrospectively using the equity method from the date when they are classified as held-for-sale. The financial statements for the period in which the held-for-sale assets are held are adjusted accordingly.

16. Long-term equity investments

16.1 Basis for determining joint control and significant influence over investee

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

16. Long-term equity investments - continued

16.2 Determination of initial investment cost

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

16. Long-term equity investments - continued

16.2 Determination of initial investment cost - continued

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

16.3 Subsequent measurement and recognition of profit or loss

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

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

16. Long-term equity investments - continued

16.3 Subsequent measurement and recognition of profit or loss - continued

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

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

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

16.4 Disposal of long-term equity investments

On disposal of a long-term equity investment, the difference between the proceeds actually received and receivable and the carrying amount is recognized in profit or loss for the period.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

16. Long-term equity investments - continued

16.4 Disposal of long-term equity investments - continued

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

16. Long-term equity investments - continued

16.4 Disposal of long-term equity investments - continued

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

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

17. Investment properties

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

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

The Group uses the cost model for subsequent measurement of investment property, and adopts a depreciation or amortization policy for the investment property which is consistent with that for buildings or land use rights.

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

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

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FOR THE YEAR ENDED 31 DECEMBER 2022

(Unless otherwise specified, the monetary unit shall be RMB.)

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

18. Fixed assets and depreciation

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

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

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

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

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

19. Construction in progress

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

20. Borrowing costs

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

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

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

21. Intangible assets

21.1 Intangible assets

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

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

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

Category	Amortization method	Useful life (year)	Residual value (%)
Land use rights	Straight-line method	40-50	-
Terminal operating right	Output/Straight-line method	30-50	-
Others	Straight-line method	5-50	-

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

21.2 Research and development expenditure

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

21. Intangible assets - continued

21.2 Research and development expenditure - continued

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

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

22. Impairment of non-financial assets other than goodwill

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

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

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

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

23. Long-term prepaid expenses

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

24. Contract liabilities

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

25. Employee benefits

Employee benefits are all forms of considerations given by the Group in exchange for services rendered by employees or for the termination of employment. Employee benefits include short-term benefits, post-employment benefits, termination benefits and other long-term employee benefits.

25.1 Short-term employee benefits

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

25. Employee benefits - continued

25.2 Post-employment benefits

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

Post-employment benefit plans are classified by the Group into defined contribution plans and defined benefit plans. The post-employment benefit plan refers to the agreements the Group entered into with the employees on the post-employment benefits or the regulations or measures established by the Group for provisions of the post-employee benefits, among which the defined contribution plans refer to the post-employment benefit plan under which the Group shall no longer undertake any obligations of payments after paying fixed expenses to independent funds; the defined benefit plans refer to the post-employment benefit plans other than the defined contribution plans. During the accounting period in which employees render services to the Group, the amounts payable calculated based on the defined contribution plans are recognized as liabilities and included in profit or loss for the period or costs of related assets.

For defined benefit plans, the Group attributes the welfare obligations arising from the defined benefit plans to the period in which employees provide services to the Group according to the formula determined based on the projected cumulative benefit unit method, and includes them in profit or loss for the period or costs of related assets. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on settlements);
- Net interest of net liabilities or assets of defined benefit plans (including interest income of planned assets, interest expenses of defined benefit plan liabilities and effect of asset ceiling); and
- Changes arising from remeasurement of net liabilities or net assets of defined benefit plans.

Service costs and net interest of net liabilities and net assets of defined benefit plans are recognized in profit or loss for the period or costs of related assets. Remeasurement of the net defined benefit liabilities (assets) (including actuarial gains and losses, the return on planned assets, excluding amounts included in net interest on net defined benefit liabilities (assets), and any changes in the effect of the asset ceiling, excluding amounts included in net interest on net defined benefit liabilities (assets)) are recognized in other comprehensive income.

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

25. Employee benefits - continued

25.3 Termination benefits

Termination benefits refer to the compensations the Group pay to the employees for terminating the employment relationship with employees before the expiry of the employment contracts or encouraging employees to accept voluntary redundancy. When the Group provides termination benefits to employees, employee benefit liabilities are recognized for termination benefits, with a corresponding charge to profit or loss for the period at the earlier of: (1) when the Group cannot unilaterally withdraw the offer of termination benefits because of the termination plan or a curtailment proposal; and (2) when the Group recognizes costs or expenses related to restructuring that involves the payment of termination benefits.

25.4 Other long-term employee benefits

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

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

The Group provides internal retirement benefits to employees accepting the internal retirement arrangements. Internal retirement benefits refer to the payments of salaries and social security contributions for employees who reach the retirement age regulated by the country and are approved to quit the job voluntarily. For internal retirement benefits, the internal retirement benefits the Group is expected to pay during the period from the date when employees stop providing services to the date of normal retirement are recognized as liabilities at the present value and included in profit or loss for the period when relevant recognition requirements of the internal retirement benefits are met.

26. Provisions

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

26. Provisions - continued

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

Where all or some of the expenditure required to settle a provision is expected to be reimbursed by a third party, the reimbursement is recognized as a separate asset only when it is virtually certain that reimbursement will be received, and the amount of reimbursement recognized does not exceed the carrying amount of the provision.

27. Revenue recognition

The Group's revenue is mainly from the following business types:

- (1) Port service;
- (2) Bonded logistics service;
- (3) Other business such as property development and investment.

The Group recognizes revenue based on the transaction price allocated to the performance obligation when the Group satisfies a performance obligation in the contract, namely, when the customer obtains control over relevant goods or services. A performance obligation is a commitment that the Group transfers a distinct goods or service to a customer in the contract. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to a customer.

It is a performance obligation satisfied during a period of time and the Group recognizes revenue during a period of time according to the progress of performance if one of the following conditions is met: (i) the customer obtains and consumes economic benefits at the same time of the Group's performance; (ii) the customer is able to control goods or services in progress during the Group's performance; (iii) goods or services generated during the Group's performance have irreplaceable utilization, and the Group is entitled to collect amounts of cumulative performance part which have been done up to now. Otherwise, revenue is recognized at a point in time when the customer obtains control over the relevant goods or services.

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

27. Revenue recognition - continued

Contract assets refer to the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer when that right is conditioned on something other than the passage of time. For the details of accounting policies on impairment of contract assets, please see Note (IV) 10. The Group's unconditional (i.e., depending on the passage of time only) right to receive consideration from the customer is separately presented as receivables.

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

Contract assets and contract liabilities under the same contract will be presented on a net basis.

If there are two or more of performance obligations included in the contract, at the inception of the contract, the Group allocates the transaction price to each single performance obligation based on the proportion of stand-alone selling price of goods or services promised in each stand-alone performance obligation. However, if there is conclusive evidence indicating that the contract discount or variable consideration is only relative with one or more (not the whole) performance obligations in the contract, the Group will allocate the contract discount or variable consideration to relative one or more performance obligations. Stand-alone selling price refers to the price of a single sale of goods or services. If the stand-alone selling price cannot be observed directly, the Group estimates the stand-alone selling price through comprehensive consideration of all relative information that can be reasonably acquired and maximum use of observable inputs.

In case of the existence of variable consideration (such as sales discount) in the contract, the Group shall determine the best estimate of variable consideration based on the expected value or the most probably occurred amount. The transaction price including variable consideration shall not exceed the amount of the cumulatively recognized revenue which is unlikely to be significantly reversed when relevant uncertainty is eliminated. At each balance sheet date, the Group re-estimates the amount of variable consideration which should be included in transaction price.

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

In case of the existence of a significant financing component in the contract, the Group shall determine the transaction price on the assumption that the customer has paid the amount payable by cash when obtaining the control over the goods or services. Differences between transaction price and contract consideration are amortized using effective interest method during the contract life. At the inception of the contract, if the period between when the Group transfers a promised goods or service to a customer and when the customer pays for that goods or service will be one year or less, the Group would not consider the significant component in the contract.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

27. Revenue recognition - continued

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

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

28. Contract costs

28.1 Costs of obtaining a contract

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

28.2 Costs to fulfil a contract

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

28. Contract costs - continued

28.3 Losses of assets related to contract costs

In determining the impairment losses of assets related to contract costs, the Group first determines the impairment losses of other assets related to contracts recognized in accordance with other ASBE; then, for assets related to contract costs, if the carrying amount of the assets is higher than the difference between: (1) the remaining consideration that the Group expects to obtain for the transfer of the goods or services related to the assets; and (2) the estimated costs to be incurred for the transfer of the related goods or services, any excess is provided for impairment and recognized as impairment loss of assets.

After the provision for impairment of assets related to contract costs is made, if the factors of impairment in previous periods change so that the difference between the above two is higher than the carrying amount of the assets, the original provision for impairment of the assets is reversed and recognized in profit or loss for the period, provided that the carrying amount of the assets after the reversal does not exceed the carrying amount of the assets at the date of reversal assuming no provision for impairment was made.

29. Government grants

Government grants are transfer of monetary assets or non-monetary assets from the government to the Group at no consideration. A government grant is recognized only when the Group can comply with the conditions attached to the grant and the Group will receive the grant.

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

A government grant related to an asset is recognized as deferred income, and evenly amortized to profit or loss over the useful life of the related asset. A government grant measured at a nominal amount is recognized immediately in profit or loss in the current period. Where the relevant asset is sold, transferred, retired or damaged prior to the end of its useful life, the related undistributed deferred income is transferred to profit or loss of the disposal period.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

29. Government grants - continued

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

For government grants both related to asset and income, different parts are distinguished for accounting treatment; if it is difficult to distinguish, they should be classified as government grants related to income as a whole.

A government grant related to the Group's daily activities is recognized in other income based on the nature of economic activities; a government grant not related to the Group's daily activities is recognized in non-operating income.

30. Income tax

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

30.1 Current income tax

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

30.2 Deferred tax assets and deferred tax liabilities

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

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

30. Deferred tax assets/ deferred tax liabilities - continued

30.2 Deferred tax assets and deferred tax liabilities - continued

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

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

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

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

30.3 Income tax offsetting

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases

A lease is a contract in which the lessor, for a certain period of time, gives the lessee the right to use the assets to obtain a consideration.

For contracts entered into, the Group assesses whether the contract is, or contains, a lease at the commencement date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

31.1 The Group as lessee

31.1.1 Separating components of a lease

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

31.1.2 Right-of-use assets

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

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

Right-of-use assets are depreciated by the Group in accordance with the ASBE No.4 Fixed Assets. If the Group is reasonably certain, that the lease will transfer ownership of the underlying asset to the Group by the end of the lease term, the right-of-use assets are depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the right-of-use assets are depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term.

The Group applies ASBE No. 8 Impairment of Assets, to determine whether the right-of-use assets are impaired and to account for any impairment loss identified.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases - continued

31.1 The Group as lessee - continued

31.1.3 Lease liabilities

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

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

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

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

After the commencement date, interest expenses on the lease liabilities in each period during the lease term is calculated by a constant periodic rate of interest, and included in profit or loss or charged to cost of related assets.

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases - continued

31.1 The Group as lessee - continued

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

The Group elects not to recognize right-of-use assets or lease liabilities for short-term leases and leases of low-value assets, i.e. port and terminal facilities, buildings, machinery and equipment, furniture, fixture and other equipment, motor vehicles and cargo ships and others. A short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less and does not contain a call option. A lease of low-value assets is a lease that, the value of the underlying asset is less than RMB50,000 when it is new. For short-term leases and leases of low-value assets, the Group recognizes the lease payments in profit or loss, or in the cost of related assets on a straight-line basis over each period within the lease term.

31.1.5 Lease modifications

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

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

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

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

31.2 The Group as lessor

31.2.1 Separating components of a lease

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases - continued

31.2 The Group as lessor - continued

31.2.2 Classification of leases

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

31.2.2.1 The Group as lessor under operating leases

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

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

31.2.2.2 The Group as lessor under finance leases

At the commencement date, the Group recognizes a finance lease receivable at the amount equal to the net lease investment with assets under finance lease derecognized. The net lease investment is the sum of any unguaranteed residual value and the present value of the lease receipts over the lease term discounted at the interest rate implicit in lease.

The lease receivable comprises the following payments collected by the Group from the lessee for the transfer of the right to use the underlying assets during the lease term:

- fixed payments (including in-substance fixed payments) paid by the lessee, less any lease incentives.
- variable lease payments that depend on an index or a rate.
- the exercise price of a purchase option, provided that it is reasonably determined that the lessee will exercise the option.
- payments for terminating the lease, provided that the lease term reflects that the lessee will exercise the option to terminate the lease;
- residual value of guarantee provided to the Group by the lessee, a party related to the lessee and an independent third party with the financial ability to fulfil the guarantee obligations.

Variable lease receipts not included in the net lease investment are recognized in profit or loss when they are actually incurred.

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases - continued

31.2 The Group as lessor - continued

31.2.3 Subleases

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

31.2.4 Lease modifications

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

A lease modification should be accounted for as a separate lease if there is a modification in a finance lease and both of the followings apply:

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

For a modification to a finance lease that is not accounted for as a separate lease, the Group accounts for the modification as follows:

- If the lease would have been classified as an operating lease had the modification been effective at the commencement date, the Group should account for the lease modification as a new lease from the effective date of the modification, and measure the carrying amount of the underlying assets at the amount equal to the net lease investment before the effective date of the modification;
- If the lease would have been classified as a finance lease had the modification been effective at the commencement date, the Group should account for it in accordance with the provisions on contract modification and renegotiation under Accounting Standards for Business Enterprises No. 22 - Financial Instruments: Recognition and Measurement.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases - continued

31.3 Sale and leaseback transactions

31.3.1 The Group as the seller-lessee

The Group assesses and determines whether the transfer of an asset in a sale and leaseback transaction constitutes a sale according to the requirements of Revenue Standards. If the transfer of an asset does not constitute a sale, the Group continues to recognize the transferred asset and recognizes a financial liability at an amount equal to the transfer proceeds which is accounted for under the Accounting Standards for Business Enterprises No. 22 - Financial Instruments: Recognition and Measurement. If the transfer of an asset constitutes a sale, the Group measures the right-of-use assets arising from the leaseback transaction at the proportion of the original carrying amount of the asset that relates to the use right obtained from leaseback, and recognizes any gain or loss only on the basis of the rights transferred to the lessor.

31.3.2 The Group as the buyer-lessor

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

32. Exchange of non-monetary assets

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

33. Discontinued operation

A discontinued operation is a component of the Group that can be clearly distinguished and satisfies one of the following conditions, and such component has been disposed of or is classified as held-for-sale:

- (1) Such component represents a separate major line of business or geographical area of operations.
- (2) Such component is part of the separate major line of business or geographical area of operations to be disposed of based on the associated plan.
- (3) Such component is a subsidiary acquired exclusively for the purpose of resale.

Gains or losses from discontinued operations are presented separately from those from continuing operations in the income statement. Operating gains or losses such as impairment losses from discontinued operations and the amount of reversals, and the gains or losses from disposals are presented as discontinued operations. For discontinued operations presented in the current period, the Group restates the information previously presented as gains or losses from continuing operations in the current financial statements as discontinued operations in the comparable accounting period.

34. Safety production cost

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

35. Share-based payments

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

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

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

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

The Group regularly reviews the judgments, estimates and assumptions on a going concern basis. Changes in accounting estimates which only affect the current period should be recognized in the current period; changes which not only affect the current but the future periods should be recognized in the current and future periods. At the balance sheet date, key assumptions and uncertainties in critical judgments and accounting estimates that are likely to lead to significant adjustments to the carrying amounts of assets and liabilities in the future are as follows:

Goodwill impairment

For the purpose of impairment testing, the present value of the expected future cash flows of the assets group or portfolio including goodwill shall be calculated, and such expected future cash flows shall be estimated. Meantime, a pre-tax rate shall be determined that should reflect the time value of money on the current market and the specific interest risks.

Recognition of deferred income tax

The Group calculates and makes provision for deferred tax liabilities according to the profit distribution plans of subsidiaries, associates and joint ventures and relevant provisions of tax law. For retained earnings of the investee which are not expected to be distributed, since the profits will be used for the daily operation and future development of the investee, no deferred tax liabilities are recognized. If the profits to be actually distributed in future years are more or less than those expected, corresponding deferred tax liabilities will be recognized or reversed in profit or loss for the period at the earlier of the date on which the profit distribution plan is changed and the date on which the profit distribution is declared.

Deferred tax assets are recognized based on the deductible temporary differences and the corresponding tax rate, to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. If the actual taxable income in future years are more or less than that expected, corresponding deferred tax assets will be recognized or reversed in profit or loss for the period in which they are actually incurred.

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

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

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

(VI) CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Changes in significant accounting policies

1.1 Interpretation No. 15 of the Accounting Standards for Business Enterprises

The Interpretation No. 15 of the Accounting Standards for Business Enterprises was issued by the Ministry of Finance on 30 December 2021, which stipulated the accounting treatment of external sale of products or by-products produced by an enterprise before the fixed assets are ready for intended use or in the process of research and development, as well as the judgment on onerous contract.

Accounting treatment of external sale of products or by-products produced by an enterprise before the fixed assets are ready for intended use or in the process of research and development

In accordance with the Interpretation No. 15, if an enterprise sells products or by-products produced before the fixed assets are ready for intended use or in the process of research and development, it shall, in accordance with the provisions of Revenue Standards and Accounting Standards for Business Enterprises No. 1 - Inventories, respectively conduct accounting treatment of income and costs related to the trial sale, and include them in profit or loss for the period, but the balance of the related income from trial sale less cost shall not be used to offset against the cost of fixed assets or research and development expenses. Concurrently, an enterprise shall separately disclose in the notes the information including the amount of related income from and cost of trial sale, the specific presenting items, and the significant accounting estimates applied in determining the cost of trial sale. The Interpretation became effective from 1 January 2022, and retroactive adjustments should be made for trial sale that occurred between the beginning of the earliest presentation period of the financial statements and 1 January 2022.

Upon assessment, the Group considers that the adoption of this Interpretation has no significant impact on the financial statements of the Group.

(VI) CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

1. Changes in significant accounting policies - continued

1.1 Interpretation No. 15 of the Accounting Standards for Business Enterprises - continued

Judgment on onerous contracts

The Interpretation No. 15 clarifies that the "cost to perform the contract" considered by an enterprise in determining whether a contract is an onerous contract shall include the incremental cost to perform the contract and the apportioned amount of other costs directly related to the performance of the contract. The Interpretation became effective from 1 January 2022, and an enterprise shall implement this Interpretation on contracts to which the obligations have not been completely fulfilled by 1 January 2022. The accumulative effect is adjusted for the opening balance of retained earnings for the year when the Interpretation is implemented and other related items to the financial statements, but not adjusted for the comparative data of prior periods.

Upon assessment, the Group considers that the adoption of this Interpretation has no significant impact on the financial statements of the Group.

1.2 Interpretation No. 16 of the Accounting Standards for Business Enterprises

The Interpretation No. 16 of the Accounting Standards for Business Enterprises (the "Interpretation No. 16") was issued by the Ministry of Finance on 30 November 2022, which stipulated the accounting treatment concerning the income tax effect of dividends on a financial instrument classified as an equity instrument by the issuer, and the change in cash-settled share-based payment to equity-settled share-based payment by an enterprise.

Accounting treatment concerning the income tax effect of dividends on a financial instrument classified as an equity instrument by the issuer

In accordance with the Interpretation No. 16, for a financial instrument classified as an equity instrument by an enterprise in accordance with the Accounting Standards for Business Enterprises No. 37 - Presentation of Financial Instruments and other applicable provisions, if the relevant dividend payments are deductible before enterprise income tax in accordance with the relevant tax provisions, the enterprise, on recognition of dividends payable, shall include the tax effect of dividends in profit or loss or owners' equity using the same accounting treatment for previous transactions or events that generated distributable profits. The Interpretation became effective from 30 November 2022. Where the recognition of dividends payable by a financial instrument classified as an equity instrument occurs during the period from 1 January 2022 to the effective date of the Interpretation, the enterprise shall adjust the tax effect if such effect exists but is not treated according to the provisions hereinabove. Where the said recognition occurs before 1 January 2022 but the relevant financial instrument has not been derecognized as at 1 January 2022, the enterprise shall adjust the tax effect retrospectively if such effect exists but is not treated according to the provisions hereinabove.

(VI) CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

1. Changes in significant accounting policies - continued

1.2 Interpretation No. 16 of the Accounting Standards for Business Enterprises - continued

Accounting treatment concerning the income tax effect of dividends on a financial instrument classified as an equity instrument by the issuer - continued

The Group considers that the adoption of this Interpretation has no significant impact on the financial statements of the Group.

Accounting treatment concerning the change in cash-settled share-based payment to equity-settled share-based payment by an enterprise

In accordance with the *Interpretation No. 16*, where an enterprise changes the terms and conditions of a cash-settled share-based payment agreement to those of an equity-settled share-based payment agreement, the enterprise shall, on the date of change, measure the equity-settled share-based payment at fair value of the equity instrument on which it is granted, include the services received in capital reserve, and at the same time, derecognize the liability that has been recognized for cash-settled share-based payment on the date of change, with the resulted difference included in profit or loss for the period. The Interpretation became effective from 30 November 2022. For the aforesaid transactions that are added during the period from 1 January 2022 to the effective date of the Interpretation, the enterprise shall make adjustments in accordance with the provisions of the Interpretation. If any transaction occurred before 1 January 2022 is not treated in accordance with the aforesaid provisions, the accumulative effect shall adjusted for the retained earnings at 1 January 2022 and other related items to the financial statements, but not adjusted for the comparative data of prior periods.

The Group considers that the adoption of this Interpretation has no significant impact on the financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Unless otherwise specified, the monetary unit shall be RMB.)

(VII) TAXES**1. Major taxes and tax rates**

Taxes	Tax basis	Tax rate
Enterprise income tax	Taxable income	8.25%-34% (Note 1)
	Dividend income tax	5%,10% (Note 2)
Value-added tax ("VAT") (Note 3)	Income from sale of goods	9%,13%
	Income from transportation, loading and unloading business and part of modern service industries	6%
	Income from sale of real estate, property management, lease of real estate, etc.	3%, 5%, 9%
Social contribution tax (Note 4)	Income	0.65%-7.6%
Deed tax	Land use right and property transfer amount	3%-5%
Property tax	70% of cost of property or rental income	1.2% or 12%
City maintenance and construction tax	VAT paid	1%-7%
Education surtax	VAT paid	3%
Land use tax	Land area actually occupied	RMB 0.8-12 per square meter

Note 1: The Group's enterprise income tax is calculated based on the current tax rate stipulated by local tax laws. Among them, the Company is subject to an enterprise income tax rate of 25%, the subsidiaries set up in Hong Kong are subject to an enterprise income tax rate of 8.25% and 16.5%, the majority of subsidiaries set up in China are subject to an enterprise income tax rate of 25% and certain others are subject to the preferential tax rate for small and micro enterprises of 20%, certain domestic subsidiaries are subject to the preferential tax rate for high-tech enterprises or encouraged industrial enterprises in the region of 15%, and the other overseas subsidiaries are subject to enterprise income tax rates between 27% and 34%.

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

Note 2: Foreign investors who receive dividends of profits from Chinese subsidiaries in 2008 and thereafter generally shall pay withholding income tax at a rate of 10% in accordance with the relevant provisions on the PRC enterprise income tax. For companies incorporated in certain regions (including Hong Kong and Singapore), if the companies are actual owners holding more than 25% interest in the subsidiaries in China, they will enjoy a preferential tax rate of 5%.

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

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (Unless otherwise specified, the monetary unit shall be RMB.)

(VII) TAXES - continued

1. Major taxes and tax rates - continued

Note 4: The social contribution tax is the tax paid by TCP Participações S.A. (hereinafter referred to as "TCP"), an overseas subsidiary of the Group, to the local government.

2. Tax preference

Some subsidiaries of the Group in China are recognized as high-tech enterprises or encouraged industrial enterprises in the region and are subject to an enterprise income tax rate of 15%. The Group's subsidiaries outside of China may be subject to enterprise income tax preference in accordance with relevant local tax policies.

From 1 January 2020 to 31 December 2022, the urban land use tax for some domestic subsidiaries of the Group on the land for bulk commodity storage facilities is levied at the reduced rate of 50% of the tax amount applicable to the grade of the land.

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

Item	31/12/2022	31/12/2021
Cash	726,960.10	501,446.73
Including: RMB	2,767.60	20,504.26
USD	44,853.90	105,169.96
HKD	26,167.88	23,918.14
BRL	6,536.63	5,600.44
Others	646,634.09	346,253.93
Bank deposits (Note 1)	13,061,475,159.69	12,367,010,853.19
Including: RMB	10,688,462,520.89	8,311,399,392.65
USD	1,045,085,866.19	1,481,370,545.88
EUR	745,066,787.31	708,753,319.34
BRL	379,062,088.91	273,845,734.48
HKD	141,668,372.90	1,567,048,304.98
AUD	4,708,056.85	3,805,872.65
Others	57,421,466.64	20,787,683.21
Other cash and bank balances (Note 2)	553,726,619.61	404,837,106.85
Including: RMB	340,778,819.19	404,810,610.86
HKD	212,571,712.02	26,495.99
USD	376,088.40	-
Total	13,615,928,739.40	12,772,349,406.77
Including: Total amount of funds deposited overseas	4,012,922,744.09	4,261,299,895.41
Total amount of funds deposited in Finance Company	1,841,698,554.32	2,178,303,655.54

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
(Unless otherwise specified, the monetary unit shall be RMB.)

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

1. Cash and bank balances - continued

Note 1: The balance of interest receivable on bank deposits was RMB 16,126,969.60, and the frozen funds of ETC card business amounted to RMB 12,000.00.

Note 2: The balance of the securities margin account totalled RMB 220,246,321.43 in other cash and bank balances at the end of the year, the principal of the time certificate of deposit that can be readily withdrawn on demand at the end of the year totalled RMB 301,000,000.00, the interest of the time certificate of deposit totalled RMB 23,183,152.24, and the restricted deposit totalled RMB 9,297,145.94.

2. Held-for-trading financial assets

Item	31/12/2022	31/12/2021
Financial assets at FVTPL	2,998,781,599.63	6,921,831,502.55
Including: Debt investment instruments	-	-
Equity investment instruments	135,742.11	157,196.79
Structured deposits	2,998,645,857.52	6,921,674,305.76
Total	2,998,781,599.63	6,921,831,502.55

3. Notes receivable

(1) Category of notes receivable

Category	31/12/2022	31/12/2021
Commercial acceptance	36,000,000.00	-
Bank acceptance	395,000.00	6,081,611.95
Total	36,395,000.00	6,081,611.95
Less: Provision for credit loss (Note)	-	-
Carrying amount	36,395,000.00	6,081,611.95

Note: The Group believes that the acceptor of its bank acceptance and commercial acceptance has high credit ratings with no significant credit risks; therefore, no provision for credit loss is made.

(2) As at 31 December 2022, the Group has no notes receivable pledged.

(3) As at 31 December 2022, the Group has no endorsed or discounted and not yet matured notes receivable at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
(Unless otherwise specified, the monetary unit shall be RMB.)

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

3. Notes receivable - continued

- (4) As at 31 December 2022, the Group has no notes reclassified to accounts receivable due to the drawers' inability to settle the notes.
- (5) The Group has no notes receivable written off in 2022.

4. Accounts receivable

- (1) Aging analysis of accounts receivable

Aging	31/12/2022		
	Accounts receivable	Provision for credit loss	Proportion (%)
Within 1 year	1,296,002,000.92	30,607,095.51	2.36
1-2 years	11,157,744.62	3,209,367.93	28.76
2-3 years	10,897,749.26	9,934,707.42	91.16
More than 3 years	52,105,462.08	50,262,096.58	96.46
Total	1,370,162,956.88	94,013,267.44	

- (2) Disclosure of accounts receivable by category

Credit rating	Expected credit loss rate (%)	31/12/2022			31/12/2021		
		Gross carrying amount	Provision for credit loss	Carrying amount	Gross carrying amount	Provision for credit loss	Carrying amount
A	0.00-0.10	757,893,845.42	254,506.65	757,639,338.77	768,959,184.29	195,963.28	768,763,221.01
B	0.10-0.30	437,329,923.88	579,435.66	436,750,488.22	436,073,607.05	1,088,792.71	434,984,814.34
C	0.30-50.00	91,915,183.34	12,581,359.16	79,333,824.18	146,604,738.15	32,286,595.88	114,318,142.27
D	50.00-100.00	83,024,004.24	80,597,965.97	2,426,038.27	55,590,039.99	53,078,639.80	2,511,400.19
Total		1,370,162,956.88	94,013,267.44	1,276,149,689.44	1,407,227,569.48	86,649,991.67	1,320,577,577.81

- (3) Changes in provision for credit loss of accounts receivable

Item	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	Total
At 1 January 2022	33,571,351.87	53,078,639.80	86,649,991.67
Gross carrying amount of accounts receivable at 1 January 2022			
- Transfer to credit-impaired accounts receivable	-2,021,454.72	2,021,454.72	-
- Reversal of accounts receivable that are not credit-impaired	-	-	-
Provision for the year	372,106.49	25,723,534.94	26,095,641.43
Reversal for the year	-18,929,147.99	-1,226,541.07	-20,155,689.06
Transfer-out due to derecognition of financial assets (including direct write-down)	-	-5,205.00	-5,205.00
Other changes	422,445.82	1,006,082.58	1,428,528.40
At 31 December 2022	13,415,301.47	80,597,965.97	94,013,267.44

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

4. Accounts receivable - continued

(4) Accounts receivable written off in the year

Item	Nature	Amount	Reason for write-off	Procedures performed	Arising from related party transactions or not
Entity 1	Service fees	5,205.00	The business licence was revoked	Yes	No
Total		5,205.00			

(5) The top five balances of accounts receivable at the end of the year classified by debtor

Name of entity	31/12/2022	Aging	Proportion of the amount to the total accounts receivable (%)	Closing balance of provision for credit loss
Client 1	261,495,217.57	Within 1 year, 2-3 years, more than 3 years	19.08	14,595.06
Client 2	41,867,906.09	Within 1 year, 1-2 years, 2-3 years	3.06	71,348.35
Client 3	24,908,308.44	More than 3 years	1.82	24,908,308.44
Client 4	20,674,309.00	Within 1 year	1.51	-
Client 5	20,134,539.40	Within 1 year	1.47	-
Total	369,080,280.50		26.94	24,994,251.85

5. Receivables financing

(1) Classification of receivables financing

Item	31/12/2022	31/12/2021
Bank acceptance measured at fair value	163,766,913.10	238,429,402.71

(2) As at 31 December 2022, the Group has no pledged receivables financing.

(3) As at 31 December 2022, the Group's receivables financing that have been endorsed or discounted and have not yet matured at the balance sheet date are as follows:

Item	31/12/2022		31/12/2021	
	Derecognized	Recognized	Derecognized	Recognized
Bank acceptance measured at fair value	105,141,033.28	-	153,044,339.75	-

6. Prepayments

(1) Aging analysis of prepayments

Aging	31/12/2022			31/12/2021		
	Gross carrying amount	Proportion (%)	Impairment provision	Gross carrying amount	Proportion (%)	Impairment provision
Within 1 year	61,917,391.43	9	-	51,121,689.93	9	-
1-2 years	1,589,158.49	8	-	351,693.15	8	-
2-3 years	-	-	-	109,329.76	1	-
More than 3 years	120,875.50	8	-	24,081.36	8	-
Total	63,627,425.42	100	-	51,606,794.20	100	-

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

6. Prepayments - continued

- (2) As at 31 December 2022, the Group has no significant prepayments aged more than one year.
- (3) The top five balances of prepayments at the end of the year classified by entities

Name of entity	Relationship with the Company	31/12/2022	Aging	Proportion of the closing balance to the total prepayments (%)	Reason for not being settled
Entity 1	Non-related party	19,122,938.15	Within 1 year	30.05	Unsettled advance premium
Entity 2	Non-related party	8,485,362.69	Within 1 year and 1-2 years	13.34	Unsettled prepayment for communication charges
Entity 3	Non-related party	6,504,288.81	Within 1 year	10.22	Unsettled prepayment for dredging expenses
Entity 4	Non-related party	2,538,109.18	Within 1 year	3.99	Unsettled prepayment for purchase of materials
Entity 5	Non-related party	2,329,721.44	Within 1 year	3.66	Unsettled advance premium
Total		38,980,420.27		61.26	

7. Other receivables

7.1 Summary of other receivables

Item	31/12/2022	31/12/2021
Dividends receivable	416,040,485.62	264,626,493.85
Other receivables	532,801,608.68	431,650,102.02
Total	948,842,094.30	696,276,595.87

7.2 Dividends receivable

(1) Presentation of dividends receivable

Name of investee	31/12/2022	31/12/2021
China Nanshan Development (Group) Incorporation ("Nanshan Group")	240,591,000.00	185,070,000.00
Tin-Can Island Container Terminal Ltd	65,121,449.40	19,076,909.00
Qingdao Qianwan United Container Terminal Co., Ltd.	50,000,000.00	-
Zhanjiang Merchants Port City Investment Co., Ltd. ("Merchants Port City")	41,847,044.77	41,847,044.77
COSCO Logistics (Zhanjiang) Co., Ltd.	18,449,001.16	18,403,959.77
Others	448,447.23	493,472.09
Total	416,456,942.56	264,891,385.63
Less: Provision for credit loss	416,456.94	264,891.78
Carrying amount	416,040,485.62	264,626,493.85

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

7. Other receivables - continued

7.2 Dividends receivable - continued

(2) Significant dividends receivable aged more than 1 year

Name of investee	31/12/2022	31/12/2021	Aging	Reason for not being recovered	Impaired or not and the determination basis
Nanshan Group	111,042,000.00	74,028,000.00	1-2 years, 2-3 years	Undergoing relevant formalities, expected to be recovered by the end of 2023	No

(3) Changes in provision for credit loss of dividends receivable

Item	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit loss	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	
At 1 January 2022	264,891.78			264,891.78
Gross carrying amount of dividends receivable at 1 January 2022				
- Transfer to Stage 2	-			-
- Transfer to Stage 3	-			-
- Reverse to Stage 2	-			-
- Reverse to Stage 1	-			-
Provision for the year	151,565.16			151,565.16
Reversal for the year	-			-
Transfer-out due to derecognition of financial assets (including direct write-down)	-			-
Other changes	-			-
At 31 December 2022	416,456.94			416,456.94

7.3 Other receivables

(1) Aging analysis of other receivables

Aging	31/12/2022		
	Other receivables	Provision for credit loss	Proportion (%)
Within 1 year	487,428,214.83	229,150,234.71	47.01
1-2 years	192,100,283.58	4,690,780.38	2.44
2-3 years	12,444,128.52	9,740,862.33	78.28
More than 3 years	844,098,122.57	759,687,263.40	90.00
Total	1,536,070,749.50	1,003,269,140.82	65.31

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

7. Other receivables - continued

7.3 Other receivables - continued

(2) Disclosure of other receivables by nature

Item	31/12/2022	31/12/2021
Operation compensation (Note 1)	859,677,826.43	618,500,035.62
Advance payments	295,592,304.09	260,222,250.12
Land compensation (Note 2)	89,630,000.00	89,630,000.00
Special subsidy	31,716,257.00	24,800,000.00
Deposits	26,402,747.81	25,492,288.59
Compensation for profit or loss on transition	-	6,347,258.89
Others	233,051,614.17	165,222,559.00
Total	1,536,070,749.50	1,190,214,392.22
Less: Provision for credit loss	1,003,269,140.82	758,564,290.20
Carrying amount	532,801,608.68	431,650,102.02

Note 1: This represents the operation compensation receivable by a subsidiary of the Company from the holding company of its minority shareholder in accordance with the agreement. In 2022, the Group recognized compensation of RMB213,574,591.16. As at 31 December 2022, the Group has fully provided for credit losses on the accumulated outstanding compensation amounting to RMB859,677,826.43.

Note 2: On 9 October 2021, Zhanjiang Port (Group) Co., Ltd. (hereinafter referred to as "Zhanjiang Port"), a subsidiary of the Company, entered into the Agreement on Recovery of State-owned Land Use Rights with the local government. Pursuant to the Agreement, Zhanjiang Port shall return the land of approximately 195.68 mu located in Zhanjiang Comprehensive Bonded Zone on the east of Gangshu Avenue, which is amounting to RMB 89,630,000.00. The above-mentioned land has been returned before 31 December 2021. As at 31 December 2022, the above-mentioned land compensation has not been recovered yet.

(3) Provision for credit loss of other receivables

As part of the Group's credit risk management, the Group conducts internal credit ratings for its customers and determines the expected loss rate for other receivables for each rating. Such expected average loss rates are based on actual historical impairment and taking into account the current and future economic conditions.

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

7. Other receivables - continued

7.3 Other receivables - continued

(3) Provision for credit loss of other receivables - continued

As at 31 December 2022, the credit risk and expected credit loss of other receivables of each category of customers are presented as below:

Credit rating	Expected credit loss rate (%)	31/12/2022				31/12/2021			
		12-month expected credit loss	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	Total	12-month expected credit loss	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	Total
A	0.00-0.10	532,760,873.61	-	-	532,760,873.61	431,741,133.45	-	-	431,741,133.45
B	0.10-0.30	-	-	-	-	-	-	-	-
C	0.30-50.00	-	-	-	-	-	-	-	-
D	50.00-100.00	-	-	1,003,309,875.89	1,003,309,875.89	-	-	758,473,258.77	758,473,258.77
Gross carrying amount		532,760,873.61	-	1,003,309,875.89	1,536,070,749.50	431,741,133.45	-	758,473,258.77	1,190,214,392.22
Provision for credit loss		24,451.35	-	1,003,244,689.47	1,003,269,140.82	106,031.43	-	758,458,258.77	758,564,290.20
Carrying amount		532,736,422.26	-	65,186.42	532,801,608.68	431,635,102.02	-	15,000.00	431,650,102.02

Including: Significant other receivables for which the provision for credit loss is assessed individually at the end of the year (credit rating of D)

Name	31/12/2022	Provision for credit loss	ECL rate (%)	Reason for provision
Entity 1	859,677,826.43	859,677,826.43	100.00	Expected to be unrecoverable (Note)
Entity 2	108,624,448.23	108,624,448.23	100.00	Expected to be unrecoverable
Entity 3	14,000,000.00	14,000,000.00	100.00	Expected to be unrecoverable
Total	982,302,274.66	982,302,274.66		

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

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

7. Other receivables - continued

7.3 Other receivables - continued

(4) Provision, reversal and write-off of credit loss of other receivables

Provision for credit loss	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit loss	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	
At 1 January 2022	106,031.43		758,488,258.77	758,564,290.20
Balance of other receivables at 1 January 2022				
- Transfer to Stage 2	-			-
- Transfer to Stage 3	-37,851.00		37,851.00	-
- Reverse to Stage 2	-			-
- Reverse to Stage 1	826,764.77		826,764.77	-
Provision for the year	17,847.65		218,784,522.22	218,802,389.87
Reversal for the year	-888,341.50		888,341.50	-1,719,112.10
Charge-off for the year	-			-
Write-off for the year	-		4,000.00	-4,000.00
Other changes	-		27,625,572.85	27,625,572.85
At 31 December 2022	24,451.35		1,003,244,689.47	1,003,269,140.82

(5) Write-off of other receivables in the year

Item	Nature	Amount	Reason for write-off	Procedures performed	Arising from related party transactions or not
Entity 1	Others		The business licence has been revoked	Yes	No
Total					

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

Name of entity	Nature	31/12/2022	Aging	Proportion to total other receivables (%)	Closing balance of provision for credit loss
Entity 1	Operation compensation	859,677,826.43	Within 1 year, more than 3 years	55.97	859,677,826.43
Entity 2	Advance payments	123,474,649.44	Within 1 year, 1-2 years	8.04	-
Entity 3	Advance payments	108,624,448.23	Within 1 year, 1-2 years, 2-3 years, more than 3 years	7.07	108,624,448.23
Entity 4	Land compensation	89,630,000.00	1-2 years	5.84	-
Entity 5	Advance payments	45,749,816.80	Within 1 year	2.98	-
Total		1,227,156,740.90		79.90	968,302,274.66

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

7. Other receivables - continued

7.3 Other receivables - continued

(7) Receivables involving government grants

Name of entity	Item	31/12/2022	Aging	Time and amount expected to be received and its basis
Shantou CM Port Group Co., Ltd. ("Shantou Port")	Special subsidy for barge line business		1-2 years	Expected to be recovered by the end of 2023
Shantou Port	Business development subsidy		Within 1 year	Expected to be recovered by the end of 2023
Total				

8. Inventories

(1) Category of inventories

Item	31/12/2022			31/12/2021		
	Gross carrying amount	Provision for decline in value of inventories	Carrying amount	Gross carrying amount	Provision for decline in value of inventories	Carrying amount
Raw materials	196,425,573.04	1,326,130.64	195,099,442.40	174,693,225.25	730,054.35	173,963,170.90
Finished goods	17,248,970.37	-	17,248,970.37	6,576,244.72	-	6,576,244.72
Others	12,774,408.71	-	12,774,408.71	14,380,720.50	-	14,380,720.50
Total	226,448,952.12	1,326,130.64	225,122,821.48	195,650,190.47	730,054.35	194,920,136.12

(2) Provision for decline in value of inventories

Item	31/12/2021	Provision for the year		Decrease		31/12/2022
		Provision	Others	Reversal	Write-off	
Raw materials	730,054.35	573,122.05	22,954.24	-	-	1,326,130.64

(3) As at 31 December 2022, the Group has no capitalized borrowing cost in the balance of inventories.

9. Assets held-for-sale

Item	Carrying amount at 31/12/2022	Fair value at 31/12/2022	Carrying amount at 31/12/2021	Fair value at 31/12/2021
Long-term assets held-for-sale (Note)	-	-	337,442,757.28	1,380,876,000.00
Less: Provision for impairment of assets held-for-sale	-	-	-	-
Carrying amount	-	-	337,442,757.28	1,380,876,000.00

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

9. Assets held-for-sale - continued

Note: The intangible assets of RMB212,552,105.91, fixed assets of RMB113,712,788.00 and investment properties of RM B11,177,863.37 were presented as assets held-for-sale by the Group in 2021. Shantou Municipal Government revised the "Detailed Control Planning of Shantou Zhugang New Town (Partial) - Zhuchigang Area", and the final plan has not yet been announced, the schedule for the transfer of the above assets cannot be determined, which no longer meet the criteria for recognition as assets held-for-sale, therefore, the intangible assets held-for-sale were reversed to intangible assets, and provision for impairment of intangible assets of RMB15,537,122.10 was made. Since the fixed assets and investment properties held-for-sale have been disposed by the Group, non-operating expenses amounting to RMB 124,890,651.37 were recognized for the period.

10. Non-current assets due within one year

Item	31/12/2022	31/12/2021
Long-term receivables due within one year	903,128,422.35	102,458,920.89
Less: Provision for credit loss	903,128.42	102,458.92
Carrying amount	902,225,293.93	102,356,461.97

11. Other current assets

(1) Category of other current assets

Item	31/12/2022	31/12/2021
Prepaid taxes	98,329,205.73	64,390,050.80
Input tax to be deducted and to be certified	70,627,183.33	254,909,235.38
Others	16,946,751.47	20,385,011.23
Total	185,903,140.53	339,684,297.41
Less: Provision for credit loss	-	-
Carrying amount	185,903,140.53	339,684,297.41

12. Long-term receivables

(1) Details of long-term receivables

Item	31/12/2022			31/12/2021			Range of discount rate at the end of year
	Gross carrying amount	Provision for credit loss	Carrying amount	Gross carrying amount	Provision for credit loss	Carrying amount	
Advances to shareholders (Note 1)	3,864,736,673.31	3,864,736.67	3,860,871,936.64	3,566,614,937.93	3,566,614.94	3,563,048,322.99	4.75%-6.00%
Finance lease deposits	10,659,515.88	10,659.52	10,648,856.36	10,000,000.00	10,000.00	9,990,000.00	0-5.37%
Land compensation receivable (Note 2)	2,692,032,000.00	-	2,692,032,000.00	2,692,032,000.00	-	2,692,032,000.00	-
Total	6,567,428,189.19	3,875,396.19	6,563,552,793.00	6,268,646,937.93	3,576,614.94	6,265,070,322.99	-
Less: Long-term receivables due within 1 year	903,128,422.35	903,128.42	902,225,293.93	102,458,920.89	102,458.92	102,356,461.97	-
Long-term receivables due after 1 year	5,664,299,766.84	2,972,267.77	5,661,327,499.07	6,166,188,017.04	3,474,156.02	6,162,713,861.02	-

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

12. Long-term receivables - continued

(1) Details of long-term receivables - continued

Note 1: It mainly represents the aggregate principal and interest receivable from Terminal Link SAS, equivalent to RMB 2,977,517,465.06.

On 26 March 2020, China Merchants Port Holdings Company ("CM Port"), a subsidiary of the Company, provided a long-term loan to Terminal Link SAS for the terminal acquisition project and charged interest to Terminal Link SAS at an interest rate of 6%.

Note 2: On 5 November 2019, Shantou Port entered into the Contract for the Acquisition of State-Owned Land Use Rights in Shantou with Shantou Land Reserve Center. Pursuant to the contract, the land and attached buildings of approximately 370.96 mu located in Zhuchi Deepwater Port on the south of Zhongshan East Road of Shantou should be returned to Shantou Land Reserve Center by Shantou Port, which is amounting to RMB1,558,032,000.00. Among them, 183.63 mu of land and attached buildings have been transferred in 2019, and the remaining 187.33 mu of land and attached buildings have been transferred in 2020. As at 31 December 2022, the land compensation totalling RMB1,158,032,000.00 has not yet been recovered.

On 21 August 2020, Shantou Port entered into the Contract for the Acquisition of State-Owned Land Use Rights in Shantou with Land Reserve Center of Shantou Haojiang District. Pursuant to the contract, the land and attached buildings of approximately 152.34 mu located in Yutianwen, Qeshi, Haojiang District, Shantou, should be returned to Land Reserve Center of Shantou Haojiang District by Shantou Port, which is amounting to RMB250,000,000.00. The transfer of above-mentioned land and attached buildings was completed before 31 December 2020. As at 31 December 2022, the land compensation totalling RMB200,000,000.00 has not yet been recovered.

On 22 December 2020, Shantou Port entered into the Contract for the Acquisition of State-Owned Land Use Rights in Shantou with Shantou Land Reserve Center. Pursuant to the contract, the land and attached buildings of approximately 648.78 mu located in Zhuchi Deepwater Port of Shantou should be returned to Shantou Land Reserve Center by Shantou Port, which is amounting to RMB2,724,876,000.00. Among them, 320 mu of land and attached buildings were transferred by 31 December 2020, which is amounting to RMB1,344,000,000.00, and the remaining 328.78 mu of land and attached buildings have not been transferred. As at 31 December 2022, the land compensation totalling RMB1,334,000,000.00 has not yet been recovered.

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

12. Long-term receivables - continued

(2) Provision for credit loss of long-term receivables

Item	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit loss	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	
At 1 January 2022	3,576,614.94			3,576,614.94
Gross carrying amount of long-term receivables at 1 January 2022				
- Transfer to Stage 2	-			-
- Transfer to Stage 3	-			-
- Reverse to Stage 2	-			-
- Reverse to Stage 1	-			-
Provision for the year	298,781.25			298,781.25
Reversal for the year	-			-
Transfer-out due to derecognition of financial assets (including direct write-down)	-			-
Other changes	-			-
At 31 December 2022	3,875,396.19			3,875,396.19

- (3) As at 31 December 2022, there are no long-term receivables derecognized due to the transfer of financial assets.
- (4) As at 31 December 2022, there are no assets and liabilities arising from the transfer or continuing involvement of long-term receivables.

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

13. Long-term equity investments

(1) Details of long-term equity investments

Investees	Accounting method	31/12/2021	Changes for the year									31/12/2022	Closing balance of provision for impairment
			Increase	Decrease	Investment income under equity method	Reconciliation of other comprehensive income	Other equity movements	Cash dividends or profits declared	Others	Provision for impairment	Effect of translation of financial statements denominated in foreign currencies		
I. Joint ventures													
Euro-Asia Oceangate S.à.r.l.	Equity method	2,371,538,986.74	-	-	140,072,915.26	143,397,707.85	-	-97,083,253.51	-	-	229,278,389.03	2,787,204,745.37	-
Port of Newcastle	Equity method	1,959,683,621.36	-	-	28,511,394.42	33,437,699.85	-	-16,138,675.17	-	-	43,187,735.19	2,048,681,775.65	-
Qingdao Qianwan United Container Terminal Co., Ltd.	Equity method	1,490,513,461.30	-	-	112,414,404.75	-387,333.34	-	-100,000,000.00	-	-	-	1,502,540,532.71	-
Yantai Port Group Laizhou Port Co., Ltd.	Equity method	791,515,741.44	-	-	32,565,975.37	-	-669,119.99	-29,259,207.08	-	-	-	794,153,389.74	-
Others (Note1)	Equity method	1,926,751,947.80	655,888,204.58	-12,500,650.29	105,777,032.00	-1,026,371.98	-10,185,533.53	-107,432,671.55	-	-	26,940,655.22	2,584,212,612.25	-
Subtotal		8,540,003,758.64	655,888,204.58	-12,500,650.29	419,341,721.80	175,421,702.38	-10,854,653.52	-349,913,807.31	-	-	299,406,779.44	9,716,793,055.72	-
II. Associates													
Shanghai International Port (Group) Co., Ltd. (hereinafter referred to as "Shanghai Port Group")	Equity method	28,843,807,383.69	1,894,169,292.91	-	4,762,565,562.93	-147,093,548.23	72,306,099.24	-1,240,688,187.97	-	-	-13,168,401.40	34,171,898,201.17	-
Nanshan Group	Equity method	6,329,051,540.40	-	-	206,680,217.04	-34,040,766.18	4,961,825.16	-129,549,000.00	-	-	93,909.79	6,377,197,726.21	-
Terminal Link SAS	Equity method	6,037,993,057.12	-	-	364,965,366.44	-171,058,040.68	-	-395,450,142.52	-	-	559,158,928.01	6,395,609,168.37	-
Liaoning Port Co., Ltd. ("Liaoning Port")	Equity method	3,972,400,632.03	-	-	144,196,061.13	1,662,526.40	6,709,793.53	-73,297,870.21	-	-	-30,508,264.14	4,021,162,878.74	354,857,305.25
Shenzhen China Merchants Qianhai Industrial Development Co., Ltd.	Equity method	7,306,935,034.12	-	-	218,696,415.40	-	-	-122,444,928.51	-	-	-	7,403,186,521.01	-
Ningbo Zhoushan Port Company Limited ("Ningbo Zhoushan") (Note2)	Equity method	3,474,840,934.53	14,113,777,882.23	-	351,607,511.90	-958,626.76	114,757,041.82	-75,825,289.44	-	-	-3,568,909.23	17,974,630,545.05	-
China Merchants Northeast Asia Development & Investment Co., Ltd.	Equity method	1,016,048,532.69	-	-	-13,657,927.07	-	14,619,600.09	-	-	-	-	1,017,010,205.71	-
Others (Note1)	Equity method	4,832,370,951.30	3,300,000.00	-202,912,747.32	730,787,219.18	-96,473,213.32	358,440.59	-354,225,443.65	-	-	373,600,410.29	5,286,805,617.07	2,310,965.02
Subtotal		61,813,448,065.88	16,011,247,175.14	-202,912,747.32	6,765,840,426.95	-447,961,668.77	213,712,800.43	-2,391,480,862.30	-	-	885,607,673.32	82,647,500,863.33	357,168,270.27
Total		70,353,451,824.52	16,667,135,379.72	-215,413,397.61	7,185,182,148.75	-272,539,966.39	202,858,146.91	-2,741,394,669.61	-	-	1,185,014,452.76	92,364,293,919.05	357,168,270.27

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

13. Long-term equity investments - continued

(1) Details of long-term equity investments - continued

Note 1: In 2022, the Group purchased ordinary shares of ASIA AIRFREIGHT TERMINAL COMPANY LIMITED (hereinafter referred to as "ASIA AIRFREIGHT") at a price equivalent to RMB 258,669,516.06. After this transaction, the Group's indirect shareholding in ASIA AIRFREIGHT increased from 20.00% to 34.60%. According to the joint venture agreement signed in 2022, any decisions on activities related to ASIA AIRFREIGHT shall be unanimously approved by all shareholders. Therefore, the Group has joint control over ASIA AIRFREIGHT, which is reclassified as a joint venture from an associate.

Note 2: On 19 September 2022, Ningbo Zhoushan issued 3,646,971,029 ordinary shares to the Company in a private placement at RMB 3.87 per share. After the completion of the private placement, the Company's direct shareholding ratio in Ningbo Zhoushan was 20.98%. Together with the 2.10% equity interest held by CHINA MERCHANTS INTERNATIONAL PORTS (NINGBO) LIMITED, a subsidiary of the Company, the total shareholding ratio of the Group was 23.08%.

(2) Provision for impairment of long-term equity investments

Item	31/12/2021	Effect of change in scope of consolidation	Increase	Decrease		Effect of translation of financial statements denominated in foreign currencies	31/12/2022
				Amount	Reason		
Liaoning Port	337,700,959.79	-	-	-	-	17,156,345.46	354,857,305.25
HOA THUONG CORPORATION	2,135,644.39	-	-	-	-	175,320.63	2,310,965.02
Total	339,836,604.18	-	-	-	-	17,331,666.09	357,168,270.27

14. Investments in other equity instruments

(1) Details of investments in other equity instruments

Investee	31/12/2022	31/12/2021
China Ocean Shipping Agency Shenzhen Co., Ltd.	144,301,178.28	144,998,784.69
Others	27,644,096.74	35,253,013.74
Total	171,945,275.02	180,251,798.43

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

14. Investments in other equity instruments - continued

(2) Details of non-trading equity instruments

Item	Dividends income recognized for the year	Accumulated gains/losses	Amount transferred to retained earnings from other comprehensive income	Reason for being designated as FVTOCI	Reason for transfer to retained earnings from other comprehensive income
China Ocean Shipping Agency (Shenzhen) Co., Ltd.	-	130,791,178.28	-	The intention of holding the instruments is neither for sale nor profits in short-term	N/A
Others	240,001.46	927,502.00	7,513,669.91	The intention of holding the instruments is neither for sale nor profits in short-term	Disposal
Total	240,001.46	131,718,680.28	7,513,669.91		

15. Other non-current financial assets

Item	31/12/2022	31/12/2021
Financial assets at FVTPL	1,745,740,896.41	809,515,244.87
Including: Investments in equity instruments	1,745,740,896.41	809,515,244.87
Including: Antong Holdings Co., Ltd. (hereinafter refers to as "Antong Holdings") (Note)	950,321,309.06	-
Qingdao Port International Co., Ltd.	767,553,775.66	782,723,863.52
Others	27,865,811.69	26,791,381.35

Note: The Company increases its shares in Antong Holdings in the manner of auction and assignment. As at 31 December 2022, the Company and its subsidiary Zhanjiang Zhongli Ocean Shipping Tally Co., Ltd. hold 6.83% equity interest in Antong Holdings.

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

16. Investment properties

(1) Investment properties measured at cost

Item	Land use rights	Buildings and structures	Total
I. Cost			
1. At 1 January 2022	114,634,546.67	6,181,503,172.76	6,296,137,719.43
2. Increase for the year	13,635,278.71	-	13,635,278.71
(1) Transfer from intangible assets	13,635,278.71	-	13,635,278.71
3. Decrease for the year	-	3,900,320.25	3,900,320.25
(1) Disposal	-	2,107,378.79	2,107,378.79
(2) Transfer to fixed assets	-	1,792,941.46	1,792,941.46
4. At 31 December 2022	128,269,825.38	6,177,602,852.51	6,305,872,677.89
II. Accumulated depreciation and amortization			
1. At 1 January 2022	37,448,342.77	960,450,961.78	997,899,304.55
2. Increase for the year	5,606,648.81	181,787,035.38	187,393,684.19
(1) Provision for the year	2,489,361.98	181,787,035.38	184,276,397.36
(2) Transfer from intangible assets	3,117,286.83	-	3,117,286.83
3. Decrease for the year	-	3,110,430.41	3,110,430.41
(1) Disposal	-	1,407,136.02	1,407,136.02
(2) Transfer to fixed assets	-	1,703,294.39	1,703,294.39
4. At 31 December 2022	43,054,991.58	1,139,127,566.75	1,182,182,558.33
III. Impairment provision			
1. At 1 January 2022	-	-	-
2. Increase for the year	-	-	-
3. Decrease for the year	-	-	-
4. At 31 December 2022	-	-	-
IV. Carrying amount			
1. At 31 December 2022	85,214,833.80	5,038,475,285.76	5,123,690,119.56
2. At 1 January 2022	77,186,203.90	5,221,052,210.98	5,298,238,414.88

(2) Investment properties without ownership certificates

Item	Carrying amount at 31/12/2022	Carrying amount at 31/12/2021	Reasons for not obtaining certificate of title	Expected time of completion
Buildings, structures, and land use rights	24,008,665.10	17,610,186.51	Some buildings and structures have not yet obtained certificates of land use rights	The certificate of title is underway

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

17. Fixed assets

17.1 Summary of fixed assets

Item	31/12/2022	31/12/2021
Fixed assets	32,033,317,707.66	31,710,355,613.32
Disposal of fixed assets	8,375.84	157,616.97
Total	32,033,326,083.50	31,710,513,230.29

17.2 Fixed assets

(1) Details of fixed assets

Item	Port and terminal facilities	Buildings and structures	Machinery and equipment, furniture, fixture and other equipment	Motor vehicles and cargo ships	Total
I. Cost					
1. At 1 January 2022	32,137,263,023.73	1,977,485,549.10	1,650,172	2,175,153,444.46	52,747,242,135.01
2. Increase for the year	824,913,338.79	38,430,940.99	825	93,115,554.87	1,796,682,763.38
(1) Purchase	64,427,157.97	25,570,736.05	205	19,411,445.14	390,042,235.41
(2) Transfer from development expenditure	27,980,396.94	-	32	-	66,477,389.66
(3) Transfer from construction in progress	732,505,783.88	11,067,263.48	497	73,704,109.73	1,243,262,918.56
(4) Transfer from right-of-use assets	-	-	90	-	95,107,278.29
(5) Transfer from investment properties	-	1,792,941.46	-	-	1,792,941.46
3. Decrease for the year	39,575,331.19	2,188,982.50	178	34,552,586.47	253,335,034.39
(1) Disposal or retirement	39,575,331.19	2,188,982.50	178	34,552,586.47	215,899,795.80
(2) Transfer to long-term prepaid expenses	-	-	30	-	37,435,238.59
4. Adjustments to the amount carried forward	-248,674.87	-54,830.06	1	40,150.44	-1,194,859.97
5. Reclassification	-59,369,813.73	-	48	17,997,059.40	-
6. Effect of translation of financial statements denominated in foreign currencies	513,272,979.41	13,522,351.53	305	62,827,472.13	895,811,438.88
7. At 31 December 2022	33,376,255,522.14	2,027,195,029.06	1,650,768	2,314,581,094.83	55,185,206,442.91
II. Accumulated depreciation					
1. At 1 January 2022	9,650,764,730.66	546,215,006.96	97,265	1,008,208,125.97	20,979,360,428.98
2. Increase for the year	1,000,510,758.97	87,949,643.10	365	103,336,957.39	2,050,470,351.05
(1) Provision	1,000,510,758.97	86,246,348.71	365	103,336,957.39	2,015,080,231.04
(2) Transfer from right-of-use assets	-	-	32	-	33,686,825.62
(3) Transfer from investment properties	-	1,703,294.39	-	-	1,703,294.39
3. Decrease for the year	25,459,493.10	2,062,713.45	172	32,825,589.03	219,426,964.20
(1) Disposal or retirement	25,459,493.10	2,062,713.45	172	32,825,589.03	185,108,885.98
(2) Transfer to long-term prepaid expenses	-	-	32	-	34,318,078.22
4. Reclassification	-6,192,288.70	-	0	-	-
5. Effect of translation of financial statements denominated in foreign currencies	101,374,613.36	3,621,037.39	104	16,570,999.47	277,910,050.66
6. At 31 December 2022	10,720,998,321.19	635,722,974.00	1,650,768	1,095,290,493.80	23,088,313,866.49
III. Impairment provision					
1. At 1 January 2022	57,419,468.96	63,906.47	-	-	57,526,092.71
2. Increase for the year	127,517.67	5,921,258.38	-	-	6,048,776.05
3. Disposal or retirement for the year	-	-	-	-	-
4. Reclassification	-	-	-	-	-
5. Other decreases	-	-	-	-	-
6. At 31 December 2022	57,546,986.63	5,985,164.85	-	-	63,574,868.76
IV. Carrying amount					
1. At 31 December 2022	22,597,710,214.32	1,385,486,890.21	650,000	1,219,290,601.03	32,033,317,707.66
2. At 1 January 2022	22,429,078,824.11	1,431,206,635.67	650,000	1,166,945,318.49	31,710,355,613.32

(2) The Group has no fixed assets that are temporarily idle as at 31 December 2022.

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

17. Fixed assets - continued

17.2 Fixed assets - continued

(3) Fixed assets leased out under operating leases

Item	Carrying amount at 31/12/2022	Carrying amount at 31/12/2021
Buildings and structures	196,480,507.61	174,489,188.90
Port and terminal facilities	33,260,157.31	38,957,300.62
Machinery and equipment, furniture, fixture and other equipment	7,920,761.45	4,770,103.50
Total	237,661,426.37	218,216,593.02

(4) Fixed assets without ownership certificates

Item	Carrying amount at 31/12/2022	Carrying amount at 31/12/2021	Remark
Buildings, structures, port and terminal facilities	1,786,308,720.95	2,086,360,399.74	This is mainly due to the fact that certain buildings and structures have not yet obtained the land use rights of the corresponding land and the approval procedures have not yet been completed.

(5) Details of fixed assets depreciated but still in use and temporarily idle at the end of the year, and fixed assets disposed and retired in the year:

Item	Amount	Remark
Cost of fixed assets fully depreciated but still in use at the end of the year	4,705,711,997.19	
Cost of fixed assets temporarily idle at the end of the year	-	
Fixed assets disposed and retired in the year:		
Including: Cost of fixed assets disposed and retired in the year	215,899,795.80	
Net book value of fixed assets disposed and retired in the year	30,790,909.82	
Loss on disposal or retirement of fixed assets in the year	33,130,668.07	

(6) The details of the Group's fixed assets with restricted ownership as at 31 December 2022 are set out in Note (VIII) 63.

17.3 Disposal of fixed assets

Item	31/12/2022	31/12/2021
Machinery and equipment, furniture, fixture and other equipment	8,375.84	78,950.02
Motor vehicles and cargo ships	-	78,666.95
Total	8,375.84	157,616.97

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

18. Construction in progress

(1) Summary of construction in progress

Item	31/12/2022	31/12/2021
Construction in progress	2,405,872,478.61	2,543,631,289.59
Materials for construction of fixed assets	7,971,929.03	13,953,664.33
Total	2,413,844,407.64	2,557,584,953.92

(2) Details of construction in progress

Item	31/12/2022			31/12/2021		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Port and terminal facilities	1,991,321,268.14	-	1,991,321,268.14	2,177,670,930.47	-	2,177,670,930.47
Infrastructure	201,444,537.67	-	201,444,537.67	220,531,192.85	-	220,531,192.85
Berths and yards	18,728,577.14	-	18,728,577.14	15,718,097.89	-	15,718,097.89
Others	194,378,095.66	-	194,378,095.66	129,711,068.38	-	129,711,068.38
Total	2,405,872,478.61	-	2,405,872,478.61	2,543,631,289.59	-	2,543,631,289.59

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

18. Construction in progress - continued

(3) The top ten balances of construction in progress

Item	Budget amount	31/12/2021	Increase for the year	Transfer to fixed assets	Other decreases for the year	Effect of translation of financial statements denominated in foreign currencies	31/12/2022	Proportion of accumulated construction investment in budget (%)	Construction progress (%)	Amount of accumulated capitalized interest	Including: Capitalized interest for the year	Interest capitalization rate for the current year (%)	Capital source
Reconstruction project of HIPG container, oil terminal and tank area	2,817,485,265.02	876,374,998.71	-	-	136,369,817.80	77,359,903.46	817,365,084.37	57.68	57.68	927,165.93	-	-	Own funds and loans
General cargo terminal project at Donghai Island Port Area of Zhanjiang Port	905,348,400.00	399,676,589.24	49,201,245.80	-	-	-	448,877,835.04	49.58	49.58	44,364,372.49	-	-	Own funds and loans
Phase I project for the stuffing and destuffing service area of Baoman Port Area, Zhanjiang Port	606,521,505.83	133,198,536.39	135,846,817.62	-	-	-	269,045,354.01	44.36	44.36	19,553,042.20	2,863,541.64	3.80	Own funds and loans
Phase I expansion project for the container terminal at Baoman Port Area, Zhanjiang Port	2,342,775,800.00	180,616,086.92	10,847,597.65	-	-	-	191,463,684.57	8.17	8.17	953,620.60	-	-	Own funds and loans
Back land reclamation project on Haidagan Bulk Yard and Supporting Facilities and Liquid Bulk Berth	61,000,000.00	59,111,396.60	1,464,943.20	-	-	-	60,576,339.80	99.31	99.31	-	-	-	Own funds
28# Warehouse Relocation Project, Zhanjiang Port	67,670,000.00	47,477,624.53	10,091,009.49	-	-	-	57,568,634.02	85.07	85.07	-	-	-	Own funds
Installation project of bucket-wheel stacker reclaimer, Zhanjiang Port	74,800,000.00	37,281,088.36	14,270,438.57	-	-	-	51,551,526.93	68.92	68.92	1,834,635.19	1,031,500.49	3.80	Own funds and loans
Hydraulic structure engineering for the reconstruction project of Berth 1# - 4#, Haixing Terminal	2,467,361,016.88	55,554,170.62	38,946,560.03	57,254,963.46	2,455,752.20	-	34,790,014.99	98.95	98.95	66,037,883.84	-	-	Own funds and loans
TCPI38 kV gas insulated substation project	44,495,436.48	380,307.99	33,031,583.03	-	-	254,565.41	33,666,456.43	75.66	75.66	-	-	-	Own funds
Reconstruction project of automatic fire-fighting process at terminal, old warehouse area and bonded warehouse area	51,200,000.00	1,585,078.25	27,193,143.23	-	-	-	28,778,221.48	56.21	56.21	-	-	-	Own funds
Total	9,438,657,424.21	1,791,255,877.61	320,893,338.62	57,254,963.46	138,825,570.00	77,614,468.87	1,993,683,151.64			133,670,720.25	3,895,042.13		

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

18. Construction in progress - continued

(4) Materials for construction of fixed assets

Item	31/12/2022			31/12/2021		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Materials for construction of fixed assets	7,971,929.03	-	7,971,929.03	13,953,664.33	-	13,953,664.33

19. Right-of-use assets

(1) Details of right-of-use assets

Item	Port and terminal facilities	Buildings and structures	Machinery and equipment, furniture, fixture and other equipment	Land use rights	Motor vehicles, cargo ships and others	Total
I. Cost						
1. At 1 January 2022	6,607,528,989.94	169,444,697.23	461,374,461.67	2,574,889,099.92	9,309,435.58	9,822,546,684.34
2. Increase for the year	288,309,040.70	393,967.46		17,330,062.14	10,283,003.22	316,490,001.78
(1) Purchase	288,309,040.70	393,967.46		17,330,062.14	10,283,003.22	316,490,001.78
3. Decrease for the year	556,587.63	6,769,725.12		-	4,136,016.68	112,485,924.69
(1) Termination of lease	556,587.63	6,769,725.12		-	4,136,016.68	17,378,646.40
(2) Transfer to fixed assets	-	-		-	-	95,107,278.29
4. Effect of translation of financial statements denominated in foreign currencies	519,444,361.48	11,677,345.59		241,248,931.09	-	773,249,975.52
5. At 31 December 2022	7,414,725,804.49	174,746,285.16		2,833,468,093.15	15,456,422.12	10,799,800,736.95
II. Accumulated depreciation						
1. At 1 January 2022	639,047,939.73	44,086,787.40		260,521,584.16	5,910,786.56	1,079,469,142.15
2. Increase for the year	256,563,424.65	18,661,456.23		40,991,223.00	5,656,348.75	349,846,619.98
(1) Provision	256,563,424.65	18,661,456.23		40,991,223.00	5,656,348.75	349,846,619.98
3. Decrease for the year	555,824.01	5,032,643.80		-	1,262,972.43	46,052,664.36
(1) Termination of lease	555,824.01	5,032,643.80		-	1,262,972.43	12,365,838.74
(2) Transfer to fixed assets	-	-		-	-	33,686,825.62
4. Effect of translation of financial statements denominated in foreign currencies	45,649,809.93	2,034,257.96		25,432,286.82	-	73,895,416.85
5. At 31 December 2022	940,705,350.30	59,749,857.79		326,945,093.98	10,304,162.88	1,457,158,514.62
III. Impairment provision						
1. At 1 January 2022	-	-		-	-	-
2. Increase for the year	-	-		-	-	-
3. Decrease for the year	-	-		-	-	-
4. At 31 December 2022	-	-		-	-	-
IV. Carrying amount						
1. At 31 December 2022	6,474,020,454.19	114,996,427.37		2,506,522,999.17	5,152,259.24	9,342,642,222.33
2. At 1 January 2022	5,968,481,050.21	125,357,909.83		2,314,367,515.76	3,398,649.02	8,743,077,542.19

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

19. Right-of-use assets - continued

(2) Amount recognized in profit or loss

Category	2022
Depreciation expenses of right-of-use assets (Note 1)	349,846,619.98
Interest expenses on lease liabilities (Note 2)	73,619,268.64
Expenses on short-term leases	71,711,821.89
Expenses on leases of low value assets	2,118,098.94
Variable lease payments not included in the measurement of lease liabilities (Note 3)	-
Revenue from sublease of right-of-use assets	16,195,950.82

Note 1: In 2022, no depreciation expenses on right-of-use assets are capitalized.

Note 2: In 2022, no interest expenses on lease liabilities are capitalized.

Note 3: In 2022, no variable lease payments are included in the measurement of lease liabilities.

(3) The total cash outflows in relation to leases for the current year amount to RMB 474,672,225.36.

(4) The lease terms of the lease assets of the Group are as follows:

Category	Lease term
Port, terminal facilities and land	1-99 years
Buildings and structures	1 -99 years
Machinery and equipment, furniture, fixture and other equipment	1-6 years
Motor vehicles and cargo ships	1-5 years
Others	1-7 years

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

20. Intangible assets

(1) Details of intangible assets

Items	Land use rights	Terminal management rights	Others	Total
I. Cost				
1. At 1 January 2022	14,631,047,267.00	8,239,023,292.58	1,303,728,681.52	24,173,799,241.10
2. Increase for the year	687,985,073.75	50,660,718.27	124,204,524.49	862,850,316.51
(1) Purchase	135,886,518.56	50,660,718.27	123,235,507.86	309,782,744.69
(2) Effect of changes in the scope of consolidation (Note 1)	307,325,684.21	-	10,088.50	307,335,772.71
(3) Other increase (Note 2)	244,772,870.98	-	958,928.13	245,731,799.11
3. Decrease for the year	23,764,724.70	-	3,104,160.67	26,868,885.37
(1) Disposal	10,129,445.99	-	2,127,349.47	12,256,795.46
(2) Transfer to investment properties	13,635,278.71	-	-	13,635,278.71
(3) Other decrease	-	-	976,811.20	976,811.20
4. Effect of translation of financial statements denominated in foreign currencies	19,249,792.62	744,232,493.19	75,756,252.34	839,238,538.15
5. At 31 December 2022	15,314,517,408.67	9,033,916,504.04	1,500,585,297.68	25,849,019,210.39
II. Accumulated amortization				
1. At 1 January 2022	3,711,905,647.14	1,519,335,933.88	467,145,279.15	5,698,386,860.17
2. Increase for the year	386,303,253.40	244,762,995.36	71,621,959.52	702,688,208.28
(1) Provision	347,310,872.78	244,762,995.36	71,355,306.18	663,429,174.32
(2) Effect of changes in the scope of consolidation (Note 1)	8,085,844.80	-	3,034.88	8,088,879.68
(3) Other increase (Note 2)	30,906,535.82	-	263,618.46	31,170,154.28
3. Decrease for the year	9,927,358.38	-	1,221,363.52	11,148,721.90
(1) Disposal	6,810,071.55	-	1,096,272.32	7,906,343.87
(2) Transfer to investment properties	3,117,286.83	-	-	3,117,286.83
(3) Other decrease	-	-	125,091.20	125,091.20
4. Effect of translation of financial statements denominated in foreign currencies	8,171,003.50	133,601,781.55	24,717,841.08	166,490,626.13
5. At 31 December 2022	4,096,452,545.66	1,897,700,710.79	562,263,716.23	6,556,416,972.68
III. Impairment provision				
1. At 1 January 2022	-	-	-	-
2. Increase for the year (Note 2)	15,537,122.10	-	-	15,537,122.10
3. Decrease for the year	-	-	-	-
4. At 31 December 2022	15,537,122.10	-	-	15,537,122.10
IV. Carrying amount				
1. At 31 December 2022	11,202,527,740.91	7,136,215,793.25	938,321,581.45	19,277,065,115.61
2. At 1 January 2022	10,919,141,619.86	6,719,687,358.70	836,583,402.37	18,475,412,380.93

Note 1: The Group has acquired 51% equity interest of Guangdong Shunkong Port Development and Construction Co., Ltd. (hereinafter refer to as "Shunkong Port"), which constitutes an asset acquisition. Refer to Note (IX) 1(1) for details.

Note 2: It is mainly arising from Shantou Port. Refer to Note (VIII) 9 for details.

(2) Land use rights without ownership certificates as at 31 December 2022:

Item	Carrying amount at 31/12/2022	Carrying amount at 31/12/2021
Land use rights (Note)	2,511,195,386.58	1,882,080,080.20

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

20. Intangible assets - continued

(2) Land use rights without ownership certificates as at 31 December 2022: - continued

Note: At 31 December 2022, the land use rights without ownership certificates mainly represent the land use rights for berth and storage yard within Chiwan Port area obtained by the Group from Nanshan Group, with an area of 815,234.87 m², and the land use rights for Dachanwan Port area Phase II obtained by ASJ, of which the costs are RMB 1,235,852,249.87 and RMB 918,521,317.23 respectively.

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

21. Development expenditure

Item	31/12/2021	Increase for the year	Decrease for the year				Effect of translation of financial statements denominated in foreign currencies	31/12/2022
			Transfer to intangible assets	Transfer to construction in progress	Transfer to fixed assets	Transfer to profit or loss for the year		
The Greater Bay Area combined port program	-	93,915,187.41	-	-	-	93,915,187.41	-	-
Intelligent management platform system	-	15,151,413.80	-	-	-	15,151,413.80	-	-
Development of intelligent gate system	-	10,430,246.01	-	-	-	10,430,246.01	-	-
Multifunctional Port BTOS Cloud Edge Fusion Platform Phase I R&D Project	-	8,075,139.92	-	-	-	8,075,139.92	-	-
RMG automation of the yard operation	-	7,986,770.09	-	-	-	7,986,770.09	-	-
Intelligent terminal program	-	7,549,814.41	-	-	-	7,549,814.41	-	-
R&D of remote control security system of collision prevention for RTG adjacent container	-	7,376,402.29	-	-	-	7,376,402.29	-	-
"Hongzhang" Super Computing Cluster and Port AI model construction system project	-	6,219,670.14	-	-	-	-	-	6,219,670.14
Development and application of automatic control systems for heavy oil, diesel, gasoline, and methanol processes	25,818,970.84	-	-	-	25,818,970.84	-	-	-
Key technical research for the device used to load crude oil to a train	21,874,948.38	-	253,861.16	-	21,621,087.22	-	-	-
Others	34,697,306.63	162,760,457.71	30,006,701.95	-	19,037,331.60	137,221,204.77	-	11,192,526.02
Total	82,391,225.85	319,465,101.78	30,260,563.11	-	66,477,389.66	287,706,178.70	-	17,412,196.16

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

22. Goodwill

(1) Original carrying amount of goodwill

Investee	31/12/2021	Increase	Decrease	Effect of translation of financial statements denominated in foreign currencies	31/12/2022
TCP	2,329,133,573.36	-	-	387,265,949.02	2,716,399,522.38
Mega Shekou Container Terminals Limited	1,815,509,322.42	-	-	-	1,815,509,322.42
China Merchants Port Holdings	993,992,000.00	-	-	-	993,992,000.00
Shantou Port	552,317,736.65	-	-	-	552,317,736.65
Zhanjiang Port	418,345,307.68	-	-	-	418,345,307.68
Shenzhen Mawan Project	408,773,001.00	-	-	-	408,773,001.00
Ningbo Daxie China Merchants International Terminals Co. Ltd. ("Ningbo Daxie")	188,497,194.41	-	-	-	188,497,194.41
Others	288,255,850.88	-	-	-	288,255,850.88
Total	6,994,823,986.40	-	-	387,265,949.02	7,382,089,935.42

(2) Provision for impairment of goodwill

Investee	31/12/2021	Provision	Decrease	Effect of translation of financial statements denominated in foreign currencies	31/12/2022
Zhanjiang Port	418,345,307.68	-	-	-	418,345,307.68
Shantou Port	552,317,736.65	-	-	-	552,317,736.65
Total	970,663,044.33	-	-	-	970,663,044.33

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

The Group takes the ability to independently generate cash inflows, the way to manage the production and operation activities (mainly by geographic areas) and the unified decision on the use and disposal of the assets as the criteria to determine asset groups or portfolio of asset groups, and performs impairment test of goodwill for the asset groups or portfolio of asset groups on such basis. As at 31 December 2022, the asset groups or portfolio of asset groups determined by the Group include: TCP; Mega Shekou Container Terminals Limited, including Shekou Container Terminals Ltd., Shenzhen Lianyunjie Container Terminals Co., Ltd., Anxunjie Container Terminals (Shenzhen) Co., Ltd., CM Port, Shantou Port, Zhanjiang port, Ningbo Daxie, Shenzhen Mawan Project, including Shenzhen Mawan Port Waterway Co., Ltd. and Shenzhen Magang Godown & Wharf Co., Ltd. (hereinafter referred to as "Magang Godown & Wharf").

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

22. Goodwill - continued

(4) Impairment test of goodwill and key parameters

When testing the goodwill for impairment, the Group compares the carrying amount of related asset groups and portfolio of asset groups (including goodwill) with the recoverable amount. If the recoverable amount is less than the carrying amount, the difference is included in profit or loss for the period. The Group determines the recoverable amount of the asset groups and portfolio of asset groups that generate goodwill at fair value less cost of disposal or at present value of expected future cash flows. The fair value is determined using market approach. The present value of cash flows is estimated based on the forecast of cash flows for 5 years to 26 years detailed forecast period and subsequent forecast period. The estimated future cash flows for the detailed forecast period are based on the business plan established by the management; the expected future cash flows for the subsequent forecast period are determined in conjunction with the level of the final year of the detailed forecast period, combined with the Group's business plans, industry trends and inflation rates. The growth rate adopted will not exceed the long-term average growth rate of the country where the asset groups and portfolio of asset groups are located. The key assumptions used by the Group in estimating the present value of future cash flows include growth rate and discount rate etc. The pre-tax discount rate and the growth rate for subsequent forecast period adopted in 2022 are 11.20%-20.47% and 2.00%-2.62% respectively. The parameters of key assumptions determined by the Group's management are in line with the Group's historical experience or external source of information.

23. Long-term prepaid expenses

Presentation of long-term prepaid expenses:

Item	31/12/2021	Increase for the year	Amortization in the year	Other decreases	31/12/2022	Reason for other decreases
Tonggu channel widening project (Note 1)	473,211,130.99	-	17,764,434.24	-	455,446,696.75	
West public channel widening project at West port area (Note 2)	252,759,769.78	3,312,887.13	6,635,254.04	-	249,437,402.87	
Relocation project of Nanhai Rescue Bureau	38,661,479.90	-	1,107,368.40	-	37,554,111.50	
Expenditures for the improvement of leased fixed assets	20,786,525.04	2,460,225.71	2,615,577.38	-	20,631,173.37	
Dredging project	76,591,867.23	9,291,637.47	13,269,093.07	2,853,992.26	69,760,419.37	Reclassified to West public channel widening project at West port area
Others	113,983,768.58	83,025,999.52	43,482,667.06	-	153,527,101.04	
Total	975,994,541.52	98,090,749.83	84,874,394.19	2,853,992.26	986,356,904.90	

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued**23. Long-term prepaid expenses - continued**

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

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

24. Deferred income tax**(1) Deferred tax assets without offsetting**

Item	31/12/2022		31/12/2021	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Unrealized profit	756,772,558.79	184,729,651.97	769,833,723.80	187,934,375.63
Provision for credit loss	190,727,520.03	35,544,695.31	134,107,345.89	22,607,019.97
Deductible losses	182,211,924.34	40,193,891.36	243,923,028.71	77,871,713.03
Accrued and unpaid wages	161,026,788.29	35,802,355.38	133,228,573.09	32,069,398.58
Depreciation of fixed assets	154,724,225.49	35,753,675.92	174,310,058.63	38,498,510.97
Deferred income	36,723,054.56	8,709,144.22	37,320,614.70	8,908,126.11
Provisions	35,365,156.43	12,024,153.19	23,243,718.18	7,902,864.18
Amortization of computer software	9,291,532.77	2,322,883.19	9,375,355.92	2,343,838.98
Provision for impairment of assets	5,507,073.16	1,376,768.29	3,858,354.37	964,588.59
Organization costs	3,498,150.00	874,537.50	5,967,432.36	1,491,858.09
Others	57,124,137.75	15,595,505.07	69,133,036.30	17,553,416.71
Total	1,592,972,121.61	372,927,261.40	1,604,301,241.95	398,145,710.84

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

24. Deferred income tax - continued

(2) Deferred tax liabilities without offsetting

Item	31/12/2022		31/12/2021	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Withholding dividend income tax	37,565,601,815.13	2,568,624,605.88	32,834,363,823.45	2,276,809,099.05
Fair value adjustment of assets acquired from business combination	7,755,954,464.86	1,762,190,010.27	7,922,514,263.15	1,794,717,729.81
Depreciation of fixed assets	1,119,997,714.31	280,579,814.18	855,120,746.48	226,223,855.58
Changes in fair value of other non-current financial assets	330,012,225.76	82,503,056.44	478,483,648.29	99,590,902.64
Changes in fair value of investments in other equity instruments	130,791,178.28	32,697,794.57	138,988,784.68	34,747,196.17
Others	1,169,095,183.52	126,676,026.52	1,101,926,283.77	118,328,687.36
Total	48,071,452,581.86	4,853,271,307.86	43,331,397,549.82	4,550,417,470.61

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

Item	Offset amount of deferred tax assets and liabilities at the end of the year	Balance of deferred tax assets or liabilities after offsetting at the end of the year	Offset amount of deferred tax assets and liabilities at the beginning of the year	Balance of deferred tax assets or liabilities after offsetting at the beginning of the year
Deferred tax assets	-	372,927,261.40	-	398,145,710.84
Deferred tax liabilities	-	4,853,271,307.86	-	4,550,417,470.61

(4) Deductible temporary differences and deductible losses for which deferred tax assets are not recognized

Item	31/12/2022	31/12/2021
Deductible temporary differences	930,204,772.41	944,129,558.25
Deductible losses	2,112,659,943.00	2,197,937,158.38
Total	3,042,864,715.41	3,142,066,716.63

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

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued**24. Deferred income tax - continued**

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

Year	31/12/2022	31/12/2021
2022	-	418,419,582.20
2023	515,101,493.80	568,545,269.63
2024	488,358,232.03	501,044,247.06
2025	375,208,491.05	385,310,677.29
2026	112,756,494.15	300,322,682.88
2027	600,178,442.73	-
Deductible losses due after 2028	21,056,789.24	24,294,699.32
Total	2,112,659,943.00	2,197,937,158.38

25. Other non-current assets

Item	31/12/2022	31/12/2021
Advances for the channel project (Note)	989,752,762.75	965,997,076.71
Prepayments for fixed assets	117,094,834.14	66,519,391.16
Prepayments for terminal franchise	27,493,116.21	28,084,523.57
Prepayments for land use rights	-	132,334,704.86
Others	52,448,665.69	38,157,256.39
Subtotal	1,186,789,378.79	1,231,092,952.69
Less: Impairment provision	-	-
Total	1,186,789,378.79	1,231,092,952.69

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

26. Short-term borrowings

- (1) Classification of short-term borrowings

Item	31/12/2022	31/12/2021
Credit loan	7,149,322,782.85	12,450,169,472.03
Pledged loans (Note)	15,015,583.33	
Guaranteed loan	-	1,201,283,333.33
Total	7,164,338,366.18	13,651,452,805.36

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

26. Short-term borrowings - continued

(1) Classification of short-term borrowings - continued

Note: This represents the short-term borrowings of RMB15,015,583.33 from China Merchants Bank Co., Ltd. obtained by Guangdong Yide Port Co., Ltd. (hereinafter referred to as "Yide Port"), a subsidiary of the Company, with its fixed assets as the collateral.

(2) As at 31 December 2022, the Group has no short-term borrowings that are overdue.

27. Notes payable

Category	31/12/2022	31/12/2021
Commercial acceptance	-	1,895,987.17
Total	-	1,895,987.17

28. Accounts payable

Item	31/12/2022	31/12/2021
Service fee	299,350,272.24	279,969,574.04
Material purchase	132,460,163.17	147,895,793.90
Construction fee	110,687,325.42	189,852,525.62
Equipment payments	87,445,302.02	34,478,229.18
Rental fee	8,304,019.32	6,226,422.72
Others	172,902,315.49	185,397,893.05
Total	811,149,397.66	843,820,438.51

(1) Aging of accounts payable

Aging	31/12/2022		31/12/2021	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (inclusive)	710,976,970.28	87.65	751,095,352.31	89.01
1-2 years (inclusive)	47,038,049.65	5.80	58,151,929.86	6.89
2-3 years (inclusive)	26,667,189.69	3.29	8,515,047.38	1.01
More than 3 years	26,467,188.04	3.26	26,058,108.96	3.09
Total	811,149,397.66	100.00	843,820,438.51	100.00

(2) Significant accounts payable aged more than one year

Name of entity	31/12/2022	Aging	Reason for outstanding or not being carried forward
Shenzhen City Planning and Land Resources Committee Nanshan Administration	21,642,795.50	More than 3 years	The government planning project has not been completed, and the ownership certificate is not obtained.
Quanzhou Antong Logistics Co., Ltd.	16,948,161.45	1-2 years	To be paid upon confirmation by both parties.
Total	38,590,956.95		

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

29. Receipts in advance

Item	31/12/2022	31/12/2021
Rental fee received in advance	6,205,443.31	6,724,007.73
Management fee received in advance	-	2,163,886.70
Others	3,681,088.28	425,271.58
Total	9,886,531.59	9,313,166.01

(1) Aging of receipts in advance

Aging	31/12/2022		31/12/2021	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (inclusive)	9,884,079.59	99.98	9,283,472.35	99.68
1-2 years (inclusive)	-	-	13,943.66	0.15
2-3 years (inclusive)	-	-	-	-
More than 3 years	2,452.00	0.02	15,750.00	0.17
Total	9,886,531.59	100.00	9,313,166.01	100.00

(2) As at 31 December 2022, the Group has no significant receipts in advance aged more than one year.

30. Contract liabilities

(1) Presentation of contract liabilities

Item	31/12/2022	31/12/2021
Service fee received in advance	59,729,035.75	47,772,567.97
Port charges received in advance	55,045,635.27	122,718,356.71
Warehousing fee received in advance	3,048,588.90	15,698,102.34
Others	24,076,291.11	10,595,498.24
Total	141,899,551.03	196,784,525.26

(2) There are no significant changes in the carrying amount of contract liabilities during the year.

(3) As at 31 December 2022, the Group has no significant contract liabilities aged more than one year.

(4) Qualitative and quantitative analysis of contract liabilities

Contract liabilities mainly represent the amount received by the Group for the port services provided to customers. The payment is collected according to the time agreed in the contract. The Group recognizes contract revenue based on the progress of the contract. The contract liabilities will be recognized as revenue after the Group fulfils its performance obligations.

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued**30. Contract liabilities - continued**

- (5) Revenue recognized in the year and included in the carrying amount of contract liabilities at the beginning of the year

An amount of RMB 140,142,620.89 included in the carrying amount of contract liabilities at the beginning of 2022 has been recognized as revenue in the current year, including contract liabilities arising from settled but unfinished construction resulting from the contract of service fees received in advance amounting to RMB 8,013,654.49, contract liabilities arising from settled but unfinished construction resulting from the contract of port charges received in advance amounting to RMB 116,799,424.52, contract liabilities arising from settled but unfinished construction resulting from contract of warehousing fee received in advance amounting to RMB 5,750,669.26, and contract liabilities arising from settled but unfinished construction resulting from other contracts amounting to RMB 9,578,872.62.

31. Employee benefits payable

- (1) Presentation of employee benefits payable

Item	31/12/2021	Effect of changes in the scope of consolidation	Increase for the year	Decrease for the year	31/12/2022
1. Short-term benefits	808,913,314.49	-	3,310,660,483.51	3,198,040,372.01	921,533,425.99
2. Post-employment benefits - defined contribution plan	6,125,899.58	-	343,308,676.05	336,051,060.70	13,383,514.93
3. Termination benefits	5,900,000.00	-	15,889,694.23	19,366,411.45	2,423,282.78
4. Other benefits due within 1 year	-	-	4,157,316.73	4,157,316.73	-
5. Others	-522,798.60	-	4,105,888.70	4,088,595.67	-505,505.57
Total	820,416,415.47	-	3,678,122,059.22	3,561,703,756.56	936,834,718.13

- (2) Presentation of short-term benefits

Item	31/12/2021	Effect of changes in the scope of consolidation	Increase for the year	Decrease for the year	31/12/2022
I. Wages and salaries, bonuses, allowances and subsidies	783,600,775.04	-	2,695,618,818.79	2,581,777,331.00	897,442,262.83
II. Staff welfare	-	-	155,387,145.54	155,387,145.54	-
III. Social insurance contributions	9,058,171.24	-	186,709,033.43	185,221,665.23	10,545,539.44
Including: Medical insurance	7,678,856.08	-	158,869,279.10	157,916,591.22	8,631,543.96
Work injury insurance	47,248.95	-	16,735,913.65	16,729,245.83	53,916.77
Others	1,332,066.21	-	11,103,840.68	10,575,828.18	1,860,078.71
IV. Housing funds	-74,747.24	-	195,607,230.11	195,627,543.34	-95,060.47
V. Labor union and employee education funds	16,412,863.42	-	46,296,443.95	49,067,177.41	13,642,129.96
VI. Other short-term benefits	-83,747.97	-	31,041,811.69	30,959,509.49	-1,445.77
Total	808,913,314.49	-	3,310,660,483.51	3,198,040,372.01	921,533,425.99

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

31. Employee benefits payable - continued

(3) Defined benefit plans

Item	31/12/2021	Effect of changes in the scope of consolidation	Increase for the year	Decrease for the year	31/12/2022
I. Basic pension	5,795,491.40	-	256,851,622.57	252,886,027.83	9,761,086.14
II. Unemployment insurance	43,200.24	-	4,199,055.46	4,193,228.79	49,026.91
III. Enterprise annuity	287,207.94	-	82,257,998.02	78,971,804.08	3,573,401.88
Total	6,125,899.58	-	343,308,676.05	336,051,060.70	13,383,514.93

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

32. Taxes payable

Item	31/12/2022	31/12/2021
Enterprise income tax	804,846,345.79	2,098,884,089.24
VAT	30,032,002.80	19,025,631.30
Other taxes	83,054,820.50	44,809,531.14
Total	917,933,169.09	2,162,719,251.68

33. Other payables

(1) Summary of other payables

Item	31/12/2022	31/12/2021
Dividends payable	92,374,921.29	48,803,019.31
Other payables	1,663,510,336.97	2,091,305,321.77
Total	1,755,885,258.26	2,140,108,341.08

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

33. Other payables - continued

(2) Dividends payable

Item	31/12/2022	31/12/2021
Ordinary share dividends	92,374,921.29	48,803,019.31
Including: Zhanjiang Infrastructure Construction Investment Group Co., Ltd.	41,400,234.06	-
China Merchants Zhangzhou Development Zone Co., Ltd. (Note)	20,000,000.00	20,000,000.00
Dalian Port Container Development Co., Ltd. ("Dalian Port Container") (Note)	14,000,000.00	18,349,264.69
Sri Lanka Ports Authority	10,446,900.00	-
Dalian City Investment Holding Group Co., Ltd.	3,527,787.23	3,527,787.23
Dalian Port Jifa Logistics Co., Ltd. ("Jifa Logistics")	3,000,000.00	4,945,967.80
Qingdao Qingbao Investment Holding Co., Ltd.	-	1,979,999.59

Note: As at 31 December 2022, the significant dividends payable over one year include RMB 20,000,000.00 due to China Merchants Zhangzhou Development Zone Co., Ltd. and RMB 14,000,000.00 due to Dalian Port Container, which are dividends not yet distributed to the investors.

(3) Other payables

(a) Disclosure of other payables by nature

Item	31/12/2022	31/12/2021
Amount payable for construction and quality warranty	643,816,817.51	821,093,777.44
Deposits	221,628,920.81	446,198,541.16
Accrued expenses	190,048,988.98	198,863,463.79
Customer discount (Note)	164,622,341.62	102,393,978.35
Port construction and security fee	36,697,168.04	59,026,576.51
Balance of payment for transfer of land use rights	11,295,700.00	11,295,700.00
Others	395,400,400.01	452,433,284.52
Total	1,663,510,336.97	2,091,305,321.77

Note 1: Refer to Note (VIII) 50 (3) for details.

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

33. Other payables - continued

(3) Other payables - continued

(b) Significant other payables aged over 1 year

Company name	Amount payable	Aging	Reason for being outstanding
Transport Bureau of Shenzhen Municipality (Ports Administration of Shenzhen Municipality)	79,639,296.08	2-3 years and more than 3 years	To be paid upon confirmation by both parties
Zhanjiang Transportation Bureau	44,941,876.39	1-2 years and 2-3 years	To be paid upon confirmation by both parties
Shanghai Zhenhua Heavy Industries Co., Ltd.	35,727,372.57	1-2 years and more than 3 years	The contracted settlement condition has not been reached
Shantou Transportation Bureau	31,358,355.47	More than 3 years	To be paid upon confirmation by both parties
Guangdong JIAYE Reserve Logistics Co., Ltd.	25,000,000.00	2-3 years	To be paid upon confirmation by both parties
CCCC Fourth Harbor Engineering Co., Ltd.	23,261,795.77	1-2 years and 2-3 years	To be paid upon confirmation by both parties
China First Metallurgical Group Co., Ltd.	16,798,178.60	2-3 years	The contracted settlement condition has not been reached
Suhua Construction Group Co., Ltd.	12,717,406.19	1-2 years	The contracted settlement condition has not been reached
Shenzhen Bulk Cement Office	12,238,226.14	More than 3 years	To be paid upon confirmation by both parties
Dalian Huarui Heavy Industry Group Co., Ltd.	12,169,705.81	2-3 years	To be paid upon confirmation by both parties
Wuxi Huadong Heavy Machinery Co., Ltd.	10,090,410.68	1-2 years	To be paid upon confirmation by both parties
China Merchants Real Estate (Shenzhen) Co., Ltd.	10,079,369.00	More than 3 years	To be paid upon confirmation by both parties
Guangdong Hengtai Guotong Industrial Co., Ltd.	10,000,000.00	More than 3 years	The contracted settlement condition has not been reached
Shantou Finance Bureau	10,000,000.00	More than 3 years	To be paid upon confirmation by both parties
Shenzhen Penglilong Industrial Co., Ltd.	8,157,000.00	2-3 years and more than 3 years	To be paid upon confirmation by both parties
Shaanxi Nonferrous Construction Co., Ltd.	7,880,134.55	1-2 years, 2-3 years	To be paid upon confirmation by both parties
CCCC Third Harbor Engineering Co., Ltd.	6,829,964.04	1-2 years and more than 3 years	The contracted settlement condition has not been reached
Shenzhen Aohua Zhongmao Industry Co., Ltd.	6,156,000.00	2-3 years and more than 3 years	To be paid upon confirmation by both parties
CCCC Guangzhou Dredging Co., Ltd.	6,059,593.85	1-2 years	The contracted settlement condition has not been reached
Total	369,104,685.14		

34. Non-current liabilities due within one year

Item	31/12/2022	31/12/2021
Long-term borrowings due within one year (Note VIII 36)	2,313,191,859.96	1,187,781,073.61
Including: Credit borrowings	1,368,934,869.99	399,437,084.19
Guaranteed borrowings	219,564,028.82	158,812,554.95
Mortgage and pledged borrowings	724,692,961.15	629,531,434.47
Bonds payable due within one year (Note VIII 37)	8,668,651,537.27	6,554,177,357.66
Lease liabilities due within one year (Note VIII 38)	306,942,164.80	298,117,295.41
Long-term payables due within one year (Note VIII 39)	155,665,725.85	139,696,643.49
Long-term employee benefits payable due within one year (Note VIII 40)	54,414,877.57	64,306,914.00
Other non-current liabilities due within one year (Note VIII 43)	142,357,523.50	24,130,000.00
Total	11,641,223,688.95	8,268,209,284.17

35. Other current liabilities

Item	31/12/2022	31/12/2021
Short-term bonds payable	3,017,713,424.64	2,002,416,438.36
Accrued professional agency fee	124,799,040.22	128,664,439.94
Others	18,635,061.10	27,416,897.55
Total	3,161,147,525.96	2,158,497,775.85

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

35. Other current liabilities - continued

Changes in short-term bonds payable:

Name of bond	Face value	Date of issue	Term of the bond	Amount of issue	31/12/2021	Amount issued in the current year	Interest accrued based on par value	Amortization of premiums or discounts	Repayment in the current year	31/12/2022
2.45% RMB 2 billion Super & Short-term Commercial Paper	2,000,000,000.00	2021-12-13	90 days	2,000,000,000.00	2,002,416,438.36	-	9,665,753.42	-	2,012,082,191.78	-
2.32% RMB 2 billion Super & Short-term Commercial Paper	2,000,000,000.00	2022-1-17	90 days	2,000,000,000.00	-	2,000,000,000.00	11,441,095.89	-	2,011,441,095.89	-
2.15% RMB 1 billion Super & Short-term Commercial Paper	1,000,000,000.00	2022-3-2	180 days	1,000,000,000.00	-	1,000,000,000.00	10,602,739.73	-	1,010,602,739.73	-
2.13% RMB 2 billion Super & Short-term Commercial Paper	2,000,000,000.00	2022-3-28	180 days	2,000,000,000.00	-	2,000,000,000.00	21,008,219.18	-	2,021,008,219.18	-
2.00% RMB 2 billion Super & Short-term Commercial Paper	2,000,000,000.00	2022-6-14	180 days	2,000,000,000.00	-	2,000,000,000.00	19,726,027.40	-	2,019,726,027.40	-
1.75% RMB 1 billion Super & Short-term Commercial Paper	1,000,000,000.00	2022-9-1	270 days	1,000,000,000.00	-	1,000,000,000.00	5,657,534.24	-	-	1,005,657,534.24
1.93% RMB 2 billion Super & Short-term Commercial Paper	2,000,000,000.00	2022-9-8	180 days	2,000,000,000.00	-	2,000,000,000.00	12,055,890.40	-	-	2,012,055,890.40
Total	12,000,000,000.00			12,000,000,000.00	2,002,416,438.36	10,000,000,000.00	90,157,260.26	-	9,074,860,273.98	3,017,713,424.64

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

36. Long-term borrowings

Category	31/12/2022	31/12/2021	Range of year-end interest rate
Credit borrowings	12,319,883,867.05	5,366,543,524.76	1.20%-5.17%
Guaranteed borrowings (Note 1)	1,020,670,858.02	1,076,679,935.08	1.20%-13.58%
Mortgage and pledged borrowings (Note 2)	1,362,736,312.74	1,889,397,484.66	3.72%-7.08%
Total	14,703,291,037.81	8,332,620,944.50	
Less: Long-term borrowings due within one year	2,313,191,859.96	1,187,781,073.61	
Including: Credit borrowings	1,368,934,869.99	399,437,084.19	
Guaranteed borrowings	219,564,028.82	158,812,554.95	
Mortgage and pledged borrowings	724,692,961.15	629,531,434.47	
Long-term borrowings due after one year	12,390,099,177.85	7,144,839,870.89	

Note 1: The borrowings were guaranteed by Magang Godown & Wharf, China Merchants Port (Shenzhen) Co., Ltd., CM Port and Guangdong Zhanjiang Logistics Co., Ltd.

Note 2: As at 31 December 2022, the Group obtained the long-term borrowings of RMB1,362,736,312.74 (31 December 2021: RMB1,889,397,484.66) with its entire equity in Colombo International Container Terminals Limited (hereinafter referred to as "CICT"), the entire equity in Thesar Maritime Limited (hereinafter referred to as "TML"), the land use rights with property right, fixed assets and construction in progress of Yide Port, the land use rights with property right of Shenzhen Haixing Harbor Development Co., Ltd. (hereinafter referred to as "Shenzhen Haixing"), as well as the land use rights with property right and fixed assets of CM Port (Zhoushan) RoRo Wharf Co., Ltd. (hereinafter referred to as "Zhoushan RoRo"), mortgaged as collaterals.

Details of mortgage and pledged borrowings are as follows:

Company name	31/12/2022	31/12/2021	Collateral and pledge
China Development Bank Corporation	494,997,308.55	747,186,761.93	The Group's entire equity in CICT
Bank of China Qianhai Shekou Branch	280,013,198.30	241,370,822.03	Land use rights of Shenzhen Haixing
China Construction Bank Shunde Branch	236,479,995.32	264,182,129.41	Land use rights, fixed assets and construction in progress of Yide Port
International Finance Corporation	123,849,460.76	230,966,536.60	The Group's entire equity in TML
African Development Bank	56,864,864.36	106,074,913.93	
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.	46,859,749.65	87,410,830.23	
The OpecFund For International Development	40,139,904.25	74,876,376.58	
Societe de Promotion et de Participation pour la Cooperation Economique S.A.	40,170,265.09	74,932,105.74	
Deutsche Investitions-und Entwicklungsgesellschaft MBH	33,449,920.21	62,397,008.21	
China Minsheng Bank Co., Ltd. Zhoushan Branch	9,911,646.25	-	Land use rights and fixed assets of Zhoushan RoRo
Total	1,362,736,312.74	1,889,397,484.66	

Note: See Note (VIII) 63 for the above mortgages and pledges.

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

37. Bonds payable

(1) Bonds payable

Item	31/12/2022	31/12/2021
4.375% USD 900 million corporate bond	6,371,347,105.64	5,814,296,318.30
5.000% USD 600 million corporate bond	4,227,154,465.35	3,859,622,116.07
4.750% USD 500 million corporate bond	3,542,544,662.47	3,236,350,690.37
4.000% USD 500 million corporate bond	3,482,186,896.02	-
2.690% RMB 3 billion corporate bond	3,027,415,890.40	-
2.450% RMB 3 billion corporate bond	3,023,560,273.97	-
3.520% RMB 2 billion corporate bond	2,050,147,945.19	2,050,147,945.19
3.360% RMB 2 billion corporate bond	2,032,587,397.25	2,032,587,397.26
5.000% USD 500 million corporate bond	-	3,207,848,098.69
4.890% RMB 2.5 billion corporate bond	-	2,585,407,534.25
IPCA + 7.816% BRL300 million corporate bond	-	438,789,671.67
Total	27,756,944,636.29	23,225,049,771.80
Less: Bonds payable due within one year	8,668,651,537.27	6,554,177,357.66
Bonds payable due after one year	19,088,293,099.02	16,670,872,414.14

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

37. Bonds payable - continued

(2) Changes in bonds payable

Name of bonds	Face value	Date of issue	Term of the bond	Amount of issue	31/12/2021	Amount issued in the current year	Interest accrued based on par value	Amortization of premiums or discounts	Repayment in current year	Effect of translation of financial statements denominated in foreign currencies	31/12/2022
4.375% USD 900 million corporate bond	USD 900,000,000.00	2018-8-6	5 years	USD 900,000,000.00	5,814,296,318.30	-	264,896,739.04	11,073,294.93	264,383,189.24	545,463,942.61	6,371,347,105.64
5.000% USD 600 million corporate bond	USD 600,000,000.00	2018-8-6	10 years	USD 600,000,000.00	3,859,622,116.07	-	201,826,086.88	5,180,268.23	201,434,810.85	361,960,805.02	4,227,154,465.35
4.750% USD 500 million corporate bond	USD 500,000,000.00	2015-8-3	10 years	USD 500,000,000.00	3,236,350,690.37	-	159,745,629.95	5,992,447.04	159,745,630.01	300,201,525.12	3,542,544,662.47
5.000% USD 500 million corporate bond	USD 500,000,000.00	2012-5-4	10 years	USD 500,000,000.00	3,207,848,098.69	-	56,051,102.73	2,373,647.20	3,453,390,105.04	187,117,256.42	-
4.890% RMB 2.5 billion corporate bond	2,500,000,000.00	2017-4-21	5 years	2,500,000,000.00	2,585,407,534.25	-	36,842,465.75	-	2,622,250,000.00	-	-
3.360% RMB2 billion corporate bond	2,000,000,000.00	2020-7-7	3 years	2,000,000,000.00	2,032,587,397.26	-	67,199,999.99	-	67,200,000.00	-	2,032,587,397.25
3.520% RMB2 billion corporate bond	2,000,000,000.00	2021-4-14	3 years	2,000,000,000.00	2,050,147,945.19	-	70,400,000.00	-	70,400,000.00	-	2,050,147,945.19
IPCA + 7.816% BRL300 million corporate bond	BRL299,632,900.00	2016-11-7	6 years	BRL 299,632,900.00	438,789,671.67	-	52,973,250.12	55,225,349.19	617,313,997.29	70,325,726.31	-
4.000% USD 500 million corporate bond	USD 500,000,000.00	2022-6-1	5 years	USD 500,000,000.00	-	3,351,484,939.46	79,052,449.94	1,561,139.17	67,422,791.10	117,511,158.55	3,482,186,896.02
2.690% RMB 3 billion corporate bond	3,000,000,000.00	2022-8-29	3 years	3,000,000,000.00	-	3,000,000,000.00	27,415,890.40	-	-	-	3,027,415,890.40
2.450% RMB 3 billion corporate bond	3,000,000,000.00	2022-9-5	2 years	3,000,000,000.00	-	3,000,000,000.00	23,560,273.97	-	-	-	3,023,560,273.97
Total					23,225,049,771.80	9,351,484,939.46	1,039,963,888.77	81,406,145.76	7,523,540,523.53	1,582,580,414.03	27,756,944,636.29
Less: Bonds payable due within one year					6,554,177,357.66						8,668,651,537.27
Bonds payable due after one year					16,670,872,414.14						19,088,293,099.02

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

38. Lease liabilities

(1) Lease liabilities

Category	31/12/2022	31/12/2021
Lease payment	1,963,098,776.36	2,060,643,997.13
Unrecognized financing cost	-707,805,697.52	-707,331,795.63
Total	1,255,293,078.84	1,353,312,201.50
Less: Lease liabilities due within one year	306,942,164.80	298,117,295.41
Lease liabilities due after one year	948,350,914.04	1,055,194,906.09

(2) Maturity of lease liabilities

Item	31/12/2022
Minimum lease payments under non-cancellable leases:	
1 st year subsequent to the balance sheet date	364,803,817.74
2 nd year subsequent to the balance sheet date	215,854,408.62
3 rd year subsequent to the balance sheet date	48,250,795.11
Subsequent years	1,334,189,754.89
Total	1,963,098,776.36

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

39. Long-term payables

(1) Summary of long-term payables

Item	31/12/2022	31/12/2021
Long-term payables	3,698,632,219.45	3,540,616,228.99
Special payables	8,349,096.71	21,259,780.90
Total	3,706,981,316.16	3,561,876,009.89
Less: Long-term payables due within one year	155,665,725.85	139,696,643.49
Long-term payables due after one year	3,551,315,590.31	3,422,179,366.40

(2) Long-term payables

Item	31/12/2022	31/12/2021
Terminal management rights (Note 1)	3,657,579,951.15	3,125,647,576.58
Finance lease payable (Note 2)	41,052,268.30	-
Payable to minority shareholders of subsidiaries	-	411,858,969.58
Others	-	3,109,682.83
Total	3,698,632,219.45	3,540,616,228.99
Less: Long-term payables due within one year	155,665,725.85	139,696,643.49
Long-term payables due after one year	3,542,966,493.60	3,400,919,585.50

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

39. Long-term payables - continued

(2) Long-term payables - continued

Note 1: On 12 August 2011, the Group reached a 35-year building, operation and transfer agreement through the subsidiary CICT and Sri Lanka Port Authority on the building, operation, management and development of Colombo Port South Container Terminal (hereinafter referred to as "BOT"). The above-mentioned amount payable for the acquisition of terminal management rights is determined by discounting the amount to be paid in the future using the prevailing market interest rate according to the BOT agreement. As at 31 December 2022, the amount payable for the acquisition of terminal management rights is RMB 867,784,742.01.

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

On 9 September 2021, TCP, a subsidiary of the Company, entered into a supplemental agreement to the Lease Agreement with APPA for the franchising rights of the Ports of Paranaguá and Antonina, pursuant to which the base figure for the calculation of franchising rights for the Ports of Paranaguá and Antonina was adjusted from Brazil IGP-M Inflation Index ("IGP-M index") to the Extended National Consumer Price Index ("IPCA index") of Brazilian Institute of Geography and Statistics ("IBGE"). In November 2021, TCP readjusted the franchising rights using the IPCA index. As at 31 December 2022, the amount of franchising rights payable was RMB 2,789,795,209.14.

Note 2: On 15 June 2022, Zhoushan RoRo, a subsidiary of the Company, entered into a finance lease contract for sale and leaseback with China Merchants Finance Leasing (Tianjin) Co., Ltd.

(3) Special payables

Item	31/12/2021	Increase for the year	Decrease for the year	31/12/2022	Reason
Refunds of port construction fee	12,675,502.52	-	12,675,502.52	-	Note 1
Employee housing fund	4,686,678.97	439,962.71	-	5,126,641.68	Note 2
Innovation workshop for model workers	3,897,599.41	-	675,144.38	3,222,455.03	
Total	21,259,780.90	439,962.71	13,350,646.90	8,349,096.71	

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

39. Long-term payables - continued

(3) Special payables - continued

Note 1: This represents the refund of the construction fee received by the Group from the Ministry of Transport, Shenzhen Municipal Transportation Bureau. According to the "Port Construction Fee Management Measures" promulgated by the Ministry of Finance, this payment is dedicated to the construction of water transport infrastructure and terminal construction, which has been fully used in the current period.

Note 2: This represents the repairing fund for public areas and public facilities and equipment established after the Group sells the public-owned house on the collectively allocated land to employees. The fund is contributed by all the employees having ownership of the house according to the rules and is specially managed and used for specific purpose.

40. Long-term employee benefits payable

(1) Long-term employee benefits payable

Item	31/12/2022	31/12/2021
Post-employment benefits - net liabilities of defined benefit plans	516,950,669.03	463,858,274.44
Termination benefits	64,274,552.96	71,467,335.47
Others (Note)	112,285,587.01	117,662,796.72
Total	693,510,809.00	652,988,406.63
Less: Long-term employee benefits payable due within one year	54,414,877.57	64,306,914.00
Long-term employee benefits payable due after one year	639,095,931.43	588,681,492.63

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

(2) Changes in defined benefit plans

Present value of defined benefit plan obligations:

Item	2022	2021
I. Opening balance	463,858,274.44	429,830,989.42
II. Defined benefit cost included in profit or loss for the period	24,392,165.72	26,633,751.24
1. Current service cost	11,191,538.44	11,482,700.68
2. Past service cost	-	-
3. Interest adjustment	13,200,627.28	15,151,050.56
III. Defined benefit cost included in other comprehensive income	50,820,198.04	31,841,388.55
1. Actuarial gains	49,959,657.35	32,665,927.62
2. Effect of exchange rate changes	860,540.69	-824,539.07
IV. Other changes	-22,119,969.17	-24,447,854.77
1. Benefits paid	-22,119,969.17	-24,447,854.77
2. Changes in the scope of consolidation	-	-
V. Closing balance	516,950,669.03	463,858,274.44

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

40. Long-term employee benefits payable - continued

(2) Changes in defined benefit plans - continued

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

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

41. Provisions

Item	31/12/2021	Increase for the year	Decrease for the year	Effect of translation of financial statements denominated in foreign currencies	31/12/2022	Reason
Pending litigation	23,243,718.18	17,513,729.66	9,547,298.48	4,155,007.07	35,365,156.43	Note
Sales discount	-	193,589,600.16	193,589,600.16	-	-	
Other	1,003,584.24	-	1,003,584.24	-	-	
Total	24,247,302.42	211,103,329.82	204,140,482.88	4,155,007.07	35,365,156.43	

Note: This represents the estimated compensation amount that the Company's subsidiary TCP may need to pay due to the pending litigation.

42. Deferred income

Item	31/12/2021	Increase for the year	Decrease for the year	31/12/2022
Government grants	1,075,566,122.15	1,565,800.00	45,858,732.41	1,031,273,189.74
Unrealized sale-and-leaseback income	391,762.76	-	391,762.76	-
Total	1,075,957,884.91	1,565,800.00	46,250,495.17	1,031,273,189.74

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

42. Deferred income - continued

Items involving government grants are as follows:

Category	31/12/2021	Addition	Amount recognized in other income	31/12/2022	Related to assets /related to income
Refund from marine reclamation land	336,471,484.55	-	19,349,167.92	317,122,316.63	Related to assets
Tonggu channel widening project (Note)	262,314,289.68	-	7,057,783.56	255,256,506.12	Related to assets
Special subsidies for facilities and equipment	233,339,756.18	-	10,372,155.79	222,967,600.39	Related to assets
West public channel widening project at West port area (Note)	208,661,435.58	-	5,439,716.28	203,221,719.30	Related to assets
Government subsidies for intelligent system	13,471,673.46	1,090,800.00	1,626,034.95	12,936,438.51	Related to assets
Refund of land transfer charges	6,301,466.61	-	267,200.04	6,034,266.57	Related to assets
Subsidy for green and low carbon port project	140,390.02	-	140,390.02	-	Related to assets
Others	14,865,626.07	475,000.00	1,606,283.85	13,734,342.22	Related to assets
Total	1,075,566,122.15	1,565,800.00	45,858,732.41	1,031,273,189.74	

Note: Refer to Note (VIII) 23 for details.

43. Other non-current liabilities

Item	31/12/2022	31/12/2021
Actuarial cost for the calculation of pension benefit difference for the public security bureau staff (Note 1)	175,742,813.67	176,939,999.96
Third party borrowings (Note 2)	143,755,523.50	-
Berth priority call right (Note 3)	4,480,217.05	9,595,454.89
Related party borrowings (Note 2)	3,162,000.00	-
Others	1,600,086.28	660,123.68
Total	328,740,640.50	187,195,578.53
Less: Other non-current liabilities due within one year	142,357,523.50	24,130,000.00
Including: Third party borrowings	123,755,523.50	-
Actuarial cost for the calculation of pension benefits difference for the public security bureau staff	15,440,000.00	24,130,000.00
Related party borrowings	3,162,000.00	-
Other non-current liabilities due after one year	186,383,117.00	163,065,578.53

Note 1: Refer to Note (VIII) 49 for details.

Note 2: This represents the principal and interest on borrowings of the subsidiary of the Company Shunkong Port from its minority shareholder Guangdong Shunkong City Investment Real Estate Co., Ltd. and its related party Guangdong Shunkong Transportation Investment Co., Ltd.

Note 3: This represents the berth priority call right as agreed in the contract entered into with the customers in 2003, with total amount of USD14 million. The Group must give priority to the berthing requirements of the contracted customers during the contract period. The Group amortized the berth priority right over 20 years using straight-line method. In 2022, the amount included in operating income is RMB 5,115,237.84.

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

44. Share capital

Item	31/12/2021	Changes for the year					31/12/2022
		New issue of share	Bonus issue	Capitalization of surplus reserve	Others	Sub-total	
2022							
I. Restricted tradable shares							
1. State-owned shares	-	-	-	-	-	-	-
2. State-owned legal person shares (Note 1)	-	576,709,537.00	-	-	-	576,709,537.00	576,709,537.00
3. Other domestic shares	9,821.00	-	-	-	-2,455.00	-2,455.00	7,366.00
4. Foreign shares (Note2)	1,148,648,648.00	-	-	-	-1,148,648,648.00	-1,148,648,648.00	-
Total restricted tradable shares	1,148,658,469.00	576,709,537.00	-	-	-1,148,651,103.00	-571,941,566.00	576,716,903.00
II. Non-restricted tradable shares							
1. Ordinary shares denominated in RMB	593,819,745.00	-	-	-	1,148,648,973.00	1,148,648,973.00	1,742,468,718.00
2. Foreign capital shares listed domestically	179,886,910.00	-	-	-	2,130.00	2,130.00	179,889,040.00
3. Foreign capital shares listed overseas	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-
Total non-restricted tradable shares	773,706,655.00	-	-	-	1,148,651,103.00	1,148,651,103.00	1,922,357,758.00
III. Total shares	1,922,365,124.00	576,709,537.00	-	-	-	576,709,537.00	2,499,074,661.00

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

44. Share capital - continued

Item	31/12/2020	Changes for the year					31/12/2021
		New issue of share	Bonus issue	Capitalization of surplus reserve	Others	Sub-total	
2021							
I. Restricted tradable shares							
1. State-owned shares	-	-	-	-	-	-	-
2. State-owned legal person shares	-	-	-	-	-	-	-
3. Other domestic shares	9,496.00	-	-	-	325.00	325.00	9,821.00
4. Foreign shares	1,148,648,648.00	-	-	-	-	-	1,148,648,648.00
Total restricted tradable shares	1,148,658,144.00	-	-	-	325.00	325.00	1,148,658,469.00
II. Non-restricted tradable shares							
1. Ordinary shares denominated in RMB	593,820,070.00	-	-	-	-325.00	-325.00	593,819,745.00
2. Foreign capital shares listed domestically	179,886,910.00	-	-	-	-	-	179,886,910.00
3. Foreign capital shares listed overseas	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-
Total non-restricted tradable shares	773,706,980.00	-	-	-	-325.00	-325.00	773,706,655.00
III. Total shares	1,922,365,124.00	-	-	-	-	-	1,922,365,124.00

Note 1: The changes for the year represent 576,709,537 A-shares issued by the Company to Zhejiang Haigang Investment Operation Group Co., Ltd. in a private placement at RMB 18.50 per share. The net proceeds after deducting all issuing expenses amount to RMB 10,632,533,330.40, increasing the share capital by RMB 576,709,537.00 and capital reserve by RMB 10,055,823,793.40.

Note 2: On 30 October 2018, pursuant to the Reply of China Securities Regulatory Commission to Approve Shenzhen Chiwan Wharf Holdings Ltd. on Issuing Shares to China Merchants Investment Development Company Limited for Acquisition of Assets and Raising Supporting Funds (Zheng Jian Xu Ke [2018] No.1750), the Company issued 1,148,648,648 A-shares to China Merchants Investment Development Company Limited, which were listed on SZSE on 26 December 2018, subject to a sale restriction for a period of 36 months from the listing date with an automatic 6-month extension. The restricted shares began to be circulated in 2022, and were transferred into non-restricted shares.

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

45. Capital Reserve

Item	31/12/2021	Increase	Decrease	31/12/2022
2022				
Capital premium	23,189,922,809.62	11,018,890,153.88	-	34,208,812,963.50
Including: Capital contributed by investors (Note 1)	7,012,992,483.94	10,055,823,793.40	-	17,068,816,277.34
Differences arising from business combination involving enterprises under common control	13,302,937,205.73	-	-	13,302,937,205.73
Differences arising from acquisition of minority interests (Note 2)	1,215,209,939.74	950,213,874.28	-	2,165,423,814.02
Others	1,658,783,180.21	12,852,486.20	-	1,671,635,666.41
Other capital reserve	402,779,949.08	151,303,029.21	11,255,106.54	542,827,871.75
Including: Transfer from capital reserve under the previous accounting system	-2,781,133.00	-	-	-2,781,133.00
Unexercised share-based payment (Note 3)	9,956,938.60	5,617,671.30	9,983,207.90	5,591,402.00
Other changes in owners' equity of the investee under equity method other than changes in net profit or loss, profit distribution and other comprehensive income	395,604,143.48	145,685,357.91	1,271,898.64	540,017,602.75
Total	23,592,702,758.70	11,170,193,183.09	11,255,106.54	34,751,640,835.25
2021				
Capital premium	22,730,949,021.44	501,665,416.93	42,691,628.75	23,189,922,809.62
Including: Capital contributed by investors	7,012,992,483.94	-	-	7,012,992,483.94
Differences arising from business combination involving enterprises under common control	13,345,628,834.48	-	42,691,628.75	13,302,937,205.73
Differences arising from acquisition of minority interests	714,658,981.71	500,550,958.03	-	1,215,209,939.74
Others	1,657,668,721.31	1,114,458.90	-	1,658,783,180.21
Other capital reserve	108,649,303.12	353,196,864.64	59,066,218.68	402,779,949.08
Including: Transfer from capital reserve under the previous accounting system	-2,781,133.00	-	-	-2,781,133.00
Unexercised share-based payment	10,096,607.62	11,870,209.58	12,009,878.60	9,956,938.60
Other changes in owners' equity of the investee under equity method other than changes in net profit or loss, profit distribution and other comprehensive income	101,333,828.50	341,326,655.06	47,056,340.08	395,604,143.48
Total	22,839,598,324.56	854,862,281.57	101,757,847.43	23,592,702,758.70

Note 1: Refer to Note (VIII) 44 for details.

Note 2: The changes for the year mainly represent the dividends attributable to CM Port that the Company chose to acquire in the form of share replacement and shareholding increase, which increased the capital reserve by RMB 950,213,874.28. Refer to Note (X) 2 for details.

Note 3: Refer to Note (XIV) 2 for details.

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

46. Other comprehensive income

Item	31/12/2021	2022					Other changes	31/12/2022
		Pre-tax amount for the year	Less: Amount included in other comprehensive income in the prior period but transferred to profit or loss in the current period	Less: Income tax expenses	Attributable to owners of the Company, net of tax	Attributable to minority shareholders, net of tax		
2022								
I. Other comprehensive income that will not be reclassified subsequently to profit or loss	81,233,996.26	-72,230,027.20	-	329,334.05	-22,706,023.29	-49,853,337.96	7,513,669.91	51,014,303.06
Including: Changes arising from remeasurement of defined benefit plans	2,603,415.85	-49,039,668.45	-	-	-12,793,128.73	-36,246,539.72	-	-10,189,712.88
Other comprehensive income that can't be reclassified to profit or loss under equity method	2,643,088.68	-25,906,733.50	-	-	-11,550,762.02	-14,355,971.48	-	-8,907,673.34
Changes in fair value of other equity instruments	75,987,491.73	2,716,374.75	-	329,334.05	1,637,867.46	749,173.24	7,513,669.91	70,111,689.28
II. Other comprehensive income that will be reclassified subsequently to profit or loss	-971,359,314.44	1,696,086,234.25	-	-	228,808,762.94	1,467,277,471.31	-	-742,550,551.50
Including: Other comprehensive income that may be reclassified to profit or loss under equity method	49,431,519.10	-246,633,232.89	-	-	-110,193,707.53	-136,439,525.36	-	-60,762,188.43
Translation differences of financial statements denominated in foreign currencies	-1,020,790,833.54	1,942,719,467.14	-	-	339,002,470.47	1,603,716,996.67	-	-681,788,363.07
Total other comprehensive income	-890,125,318.18	1,623,856,207.05	-	329,334.05	206,102,739.65	1,417,424,133.35	7,513,669.91	-691,536,248.44

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

46. Other comprehensive income - continued

Item	31/12/2020	2021					Other changes	31/12/2021
		Pre-tax amount for the year	Less: Amount included in other comprehensive income in the prior period but transferred to profit or loss in the current period	Less: Income tax expenses	Attributable to owners of the Company, net of tax	Attributable to minority shareholders, net of tax		
2021								
I. Other comprehensive income that will not be reclassified subsequently to profit or loss	81,416,891.26	-11,657,252.55	-	-398,211.33	-316,112.17	-10,942,929.05	-133,217.17	81,233,996.26
Including: Changes arising from remeasurement of defined benefit plans	11,318,269.18	-32,665,927.62	-	-	-8,714,853.33	-23,951,074.29	-	2,603,415.85
Other comprehensive income that can't be reclassified to profit or loss under equity method	-6,986,086.44	22,223,934.38	-	-	9,495,957.95	12,727,976.43	-133,217.17	2,643,088.68
Changes in fair value of other equity instruments	77,084,708.52	-1,215,259.31	-	-398,211.33	-1,097,216.79	280,168.81	-	75,987,491.73
II. Other comprehensive income that will be reclassified subsequently to profit or loss	-908,114,194.32	-700,532,642.69	-	-	-60,790,651.33	-639,741,991.36	2,454,468.79	-971,359,314.44
Including: Other comprehensive income that may be reclassified to profit or loss under equity method	31,725,280.52	42,635,389.45	-	-	20,160,707.37	22,474,682.08	2,454,468.79	49,431,519.10
Translation differences of financial statements denominated in foreign currencies	-939,839,474.84	-743,168,032.14	-	-	-80,951,358.70	-662,216,673.44	-	-1,020,790,833.54
Total other comprehensive income	-826,697,303.06	-712,189,895.24	-	-398,211.33	-61,106,763.50	-650,684,920.41	2,321,251.62	-890,125,318.18

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

47. Special reserve

Item	31/12/2021	Increase	Decrease	31/12/2022
Safety production cost	9,184,429.12	62,696,039.72	45,522,208.87	26,358,259.97

48. Surplus reserve

Item	31/12/2021	Increase	Decrease	31/12/2022
Statutory surplus reserve	961,182,562.00	40,734,887.15	-	1,001,917,449.15

49. Unappropriated profit

Item	Amount	Proportion of appropriation or allocation
2022		
Unappropriated profit at the beginning of the year before adjustment	14,205,879,106.49	
Add: Adjustment to unappropriated profit at beginning of the year	-	
Including: Effect of business combinations involving enterprises under common control	-	
Unappropriated profit at the beginning of the year after adjustment	14,205,879,106.49	
Add: Net profit of the year attributable to shareholders of the Company	3,337,446,222.82	
Transfer of other comprehensive income	7,513,669.91	
Less: Transfer to statutory surplus reserve	40,734,887.15	
Transfer to discretionary surplus reserve	-	
Transfer to general risk reserve	-	
Ordinary shares' dividends payable	826,617,003.32	Note (1)
Ordinary shares' dividends converted into share capital	-	
Pension benefit difference	3,798,761.66	Note (2)
Others	-	
Unappropriated profit at the end of the year	16,679,688,347.09	

Item	Amount	Proportion of appropriation or allocation
2021		
Unappropriated profit at the beginning of the year before adjustment	12,316,177,395.17	
Add: Adjustment to unappropriated profit at beginning of the year	12,942,703.53	
Including: Effect of business combinations involving enterprises under common control	12,942,703.53	
Unappropriated profit at the beginning of the year after adjustment (restated)	12,329,120,098.70	
Add: Net profit of the year attributable to shareholders of the Company	2,685,829,204.07	
Less: Transfer to statutory surplus reserve	70,492,239.72	
Transfer to discretionary surplus reserve	-	
Transfer to general risk reserve	-	
Ordinary shares' dividends payable	730,498,747.12	
Ordinary shares' dividends converted into share capital	-	
Pension benefit difference	3,525,104.12	
Others	4,554,105.32	
Unappropriated profit at the end of the year	14,205,879,106.49	

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

49. Unappropriated profit - continued

Note 1: According to the resolution of shareholders' meeting on 21 April 2022, the Company distributes cash dividends of RMB 4.30 (inclusive of tax) for every 10 shares, totalling RMB 826,617,003.32 on the basis of the total shares of 1,922,365,124 at the end of 2021.

Note 2: This represents the difference between the pension benefits under the original standard and the retirement benefits of Zhanjiang municipal police borne by Zhanjiang Port. Zhanjiang Port recognizes the related liabilities based on the actuarial results, and unappropriated profit of RMB 3,798,761.66 is eliminated based on the proportion of equity interest in Zhanjiang Port.

50. Operating income and operating costs

(1) Operating income and operating costs

Item	2022		2021	
	Income	Cost	Income	Cost
Principal operation	16,072,394,601.93	9,433,786,605.46	15,099,983,817.24	8,827,960,579.72
Other operations	158,094,525.62	216,675,107.48	183,824,357.36	218,875,602.77
Total	16,230,489,127.55	9,650,461,712.94	15,283,808,174.60	9,046,836,182.49

(2) Revenue from contracts

Category of contracts	Ports operation	Bonded logistics operation	Other operations	Total
Mainland China, Hong Kong and Taiwan area	11,540,287,421.98	406,998,753.60	158,094,525.62	12,105,380,701.20
- Pearl River Delta	6,774,045,422.66	263,389,266.60	158,094,525.62	7,195,529,214.88
- Yangtze River Delta	1,139,944,516.62	-	-	1,139,944,516.62
- Bohai Rim	74,222,857.10	143,609,487.00	-	217,832,344.10
- Other areas	3,552,074,625.60	-	-	3,552,074,625.60
Other countries	4,086,514,642.86	38,593,783.49	-	4,125,108,426.35
Total	15,626,802,064.84	445,592,537.09	158,094,525.62	16,230,489,127.55

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

50. Operating income and operating costs - continued

(3) Description of performance obligations

The Group provides port service, bonded logistics service and other services. These services are obligations performed over a period of time. For port services, as the handling time for containers and bulk cargos is short, the management believes that it is not necessary to recognize revenue according to the progress towards the completion of contract and it is an appropriate method to recognize the fulfilment of performance obligation and revenue upon the completion of the service. For bonded logistics service and other services, the customers evenly obtain and consume the economic benefits from the Group's performance of contract, meanwhile the charging rules as agreed in the contract terms usually adopt daily/month/yearly basis. During the process of rendering services, the Group recognizes revenue using straight-line method.

Part of the Group's handling contracts are established with discount terms, i.e. the customers whose business volume reaches agreed level, are granted with preferential charge rate or discount. At the end of the year, as the business volume finally realized within the contract period is uncertain, the contract consideration is subject to variable factors. The management includes this part of discount in other payables and provisions. At the end of the year, the variable considerations arising from sales discount are set out in Note (VIII) 33 (3) and Note (VIII) 41.

51. Taxes and surcharges

Item	2022	2021
Property tax	63,233,633.53	70,389,135.52
Land use tax	36,260,260.97	34,202,909.60
City construction and maintenance tax	8,456,389.09	9,898,436.53
Education surcharges and local education surcharges	6,253,550.00	7,369,925.21
Stamp duty	8,694,943.46	3,995,999.87
Others (Note)	159,350,696.41	66,117,837.58
Total	282,249,473.46	191,974,244.31

Note: Others mainly represent the social contribution tax and tax on services borne by TCP, a subsidiary of the Company, totalled BRL116,502,509.42 (equivalent to RMB 151,706,417.51) for the year.

52. Administrative expenses

Item	2022	2021
Employee benefits	1,280,394,043.79	1,254,118,714.39
Fees paid to agencies	80,164,840.55	67,169,001.82
Depreciation expenses	79,095,275.09	71,427,267.44
Amortization of intangible assets	54,493,578.78	62,610,371.46
Others	270,946,998.30	273,835,203.39
Total	1,765,094,736.51	1,729,160,558.50

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

53. Financial expenses

Item	2022	2021
Interest expenses	1,960,177,578.36	1,740,044,260.37
Less: Interest income	469,834,098.05	377,563,874.49
Less: Capitalized interest expenses	30,960,097.84	55,177,640.96
Exchange differences	477,004,284.27	-8,805,663.12
Interest expenses -Terminal management rights (Note)	222,326,056.63	145,044,317.17
Interest expenses on lease liabilities	73,619,268.64	79,937,678.42
Handling fee	21,148,526.03	14,643,061.91
Others	5,232,154.38	7,216,457.99
Total	2,258,713,672.42	1,545,338,597.29

Note: Details are set out in Note (VIII) 39.

54. Other income

Item	2022	2021
Business development subsidy	94,355,004.33	250,536,747.94
Transfer from allocation of deferred income (Note VIII 42)	45,858,732.41	44,110,161.98
Additional deduction of VAT	45,179,805.12	24,740,974.05
Special fund for operation	7,385,898.57	9,947,660.80
Steady post subsidies	5,771,198.38	15,167,723.22
Others	43,097,431.61	18,741,893.09
Total	241,648,070.42	363,245,161.08

55. Investment income

(1) Details of investment income:

Item	2022	2021
Income from long-term equity investments under equity method	7,185,182,148.75	6,290,957,480.59
Including: Income from long-term equity investments of associates under equity method	6,765,840,426.95	6,048,315,587.10
Income from long-term equity investments of joint ventures under equity method	419,341,721.80	242,641,893.49
Income from disposal of long-term equity investments	-20,508.06	225,846,183.50
Investment income from held-for-trading financial assets	152,728,622.47	72,438,700.63
Investment income from other non-current financial assets	39,525,241.71	40,297,383.53
Dividend income from investments in other equity instruments	240,001.46	7,409,762.66
Total	7,377,655,506.33	6,636,949,510.91

CHINA MERCHANTS PORT GROUP CO., LTD.

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

55. Investment income - continued

(2) Details of income from long-term equity investments under equity method

Investee	2022	2021	Reason for changes
SIPG	4,762,565,562.93	4,190,349,799.99	Changes in net profit of investee
Terminal Link SAS	364,965,366.44	476,262,839.86	Changes in net profit of investee
Ningbo Zhoushan	351,607,511.90	229,363,153.19	Changes in net profit of investee
Shenzhen China Merchants Qianhai Industrial Development Co., Ltd.	218,696,415.40	130,229,025.57	Changes in net profit of investee
Nanshan Group	206,680,217.04	685,312,588.00	Changes in net profit of investee
Liaoning Port	144,196,061.13	177,413,349.12	Changes in net profit of investee
Euro-Asia Oceangate, S. à.r.l.	140,072,915.26	57,559,118.21	Changes in net profit of investee
Qingdao Qianwan United Container Terminal Co., Ltd.	112,414,404.75	83,154,378.77	Changes in net profit of investee
Yantai Port Group Laizhou Port Co., Ltd	32,565,975.37	33,327,096.27	Changes in net profit of investee
Port of Newcastle	28,511,394.42	12,868,828.80	Changes in net profit of investee
China Merchants Northeast Asia Development and Investment Co., Ltd	-13,657,927.07	8,262,246.98	Changes in net profit of investee
Others	836,564,251.18	206,855,055.83	Changes in net profit of investee
Total	7,185,182,148.75	6,290,957,480.59	

56. Gains (Losses) from changes in fair value

Item	2022	2021
Held-for-trading financial assets	34,417,357.38	11,666,053.97
Other non-current financial assets	-163,451,007.49	-96,596,314.84
Including: Financial assets at fair value through profit or loss	-163,451,007.49	-96,596,314.84
Other non-current liabilities	-	306,172,536.04
Including: Financial liabilities at fair value through profit or loss	-	306,172,536.04
Total	-129,033,650.11	221,242,275.17

57. Gains (losses) from impairment of credit

Item	2022	2021
I. Gains (losses) from impairment of credit of accounts receivable	-5,939,952.37	-13,674,941.27
II. Gains (losses) from impairment of credit of other receivables	-217,234,842.93	-239,661,663.35
III. Gains (losses) from impairment of credit of long-term receivables	-298,781.25	382,987.12
Total	-223,473,576.55	-252,953,617.50

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

58. Gains (losses) from impairment of assets

Item	2022	2021
Gains (losses) from decline in value of inventories	-573,122.05	-
Gains (losses) from impairment of fixed assets	-6,048,776.05	-
Gains (losses) from impairment of intangible assets	-15,537,122.10	-
Gains (losses) from impairment of long-term equity investments	-	-2,147,208.07
Gains (losses) from impairment of goodwill	-	-418,345,307.68
Total	-22,159,020.20	-420,492,515.75

59. Gains (losses) on disposal of assets

Item	2022	2021	Amount included in non-recurring profit or loss for the current year
Gains on disposal of non-current assets	55,130,095.52	35,576,459.42	55,130,095.52
Including: Gains (losses) on disposal of fixed assets	-1,824,719.58	9,374,568.54	-1,824,719.58
Gains on disposal of intangible assets	57,590,483.04	30,064,375.22	57,590,483.04
Other gains (losses)	-635,667.94	-3,862,484.34	-635,667.94

60. Non-operating income

Item	2022	2021	Amount included in non-recurring profit or loss for the current year
Operation compensation (Note)	213,574,591.16	-	213,574,591.16
Exempted current accounts	25,091,421.77	1,446,930.55	25,091,421.77
Management service fee and directors' remuneration	8,190,857.40	7,912,260.93	8,190,857.40
Income from relocation compensation	6,955,000.00	-	6,955,000.00
Land rent deduction	6,421,113.49	6,952,470.22	6,421,113.49
Gains from retirement or damage of non-current assets	3,138,573.24	3,613,726.26	3,138,573.24
Including: Gains from retirement or damage of fixed assets	3,138,573.24	3,613,726.26	3,138,573.24
Compensation received for violation of contracts	2,930,876.85	3,519,366.77	2,930,876.85
Government grants	1,640,553.77	875,528.75	1,640,553.77
Insurance claims	341,555.58	886,184.77	341,555.58
Profit from tax saving	-	12,743,050.88	-
Others	10,989,909.51	5,518,018.37	10,989,909.51
Total	279,274,452.77	43,467,537.50	279,274,452.77

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

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

61. Non-operating expenses

Item	2022	2021	Amount included in non-recurring profit or loss for the current year
Losses on retirement of non-current assets			162,620,964.79
Including: Losses on retirement or damage of fixed assets			
Donations			
Litigation loss			
Compensation, liquidated damages and penalties			
Others			
Total			

62. Income tax expenses

Item	2022	2021
Current income tax expenses	871,429,455.95	1,162,076,514.07
Deferred income tax expenses	241,750,223.40	267,016,570.24
Total	1,113,179,679.35	1,429,093,084.31

Reconciliation of income tax expenses to the accounting profit is as follows:

Item	2022
Total profit	9,344,862,977.02
Income tax expenses calculated at 25%	2,336,215,744.26
Effect of non-deductible costs, expenses and losses	289,093,163.69
Accrued income tax	396,949,980.28
Effect of deductible temporary differences and deductible losses for which deferred tax assets are not recognized in the year	179,395,402.49
Effect of tax-free income (Note)	-1,014,336,274.34
Effect of tax incentives and changes in tax rate	-437,172,907.98
Effect of different tax rates of subsidiaries operating in other jurisdictions	-585,607,312.75
Effect of utilizing deductible losses for which deferred tax assets were not recognized in prior period	-106,596,821.30
Effect of adjustments to income tax of prior year	13,427,061.13
Others	41,811,643.87
Income tax expenses	1,113,179,679.35

Note: This mainly represents the tax effect of income from investments in joint ventures and associates.

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

63. Assets with restricted ownership or use right

Item	31/12/2022	31/12/2021
Cash and bank balances (Note 1)	9,309,145.94	12,830,212.33
Equity investment in CICT (Note 2)	2,115,796,097.99	2,026,382,103.10
Equity investment in TML (Note 2)	1,047,063,416.30	411,893,452.06
Fixed assets (Note 3)	341,870,382.84	278,015,952.68
Intangible assets (Note 4)	222,040,259.68	212,232,642.30
Construction in progress (Note 4)	4,298,598.50	12,388,924.87
Total	3,740,377,901.25	2,953,743,287.34

Note 1: Details of restricted cash and bank balances are set out in Note (VIII) 1.

Note 2: Details of mortgaged equity and interests are set out in Note (VIII) 36.

Note 3: Details of mortgage borrowings are set out in Note (VIII) 26 and Note (VIII) 36.
Details of sale and leaseback are set out in (VIII) 39.

Note 4: Details of mortgage borrowings are set out in Note (VIII) 36.

64. Other comprehensive income, net of tax

Details are set out in Note (VIII) 46.

65. Items in cash flow statement

(1) Other cash receipts relating to operating activities:

Item	2022	2021
Interest income	258,843,106.76	133,986,424.52
Government grants	146,183,117.33	300,310,363.33
Insurance indemnities	58,668,674.41	7,390,248.30
Guarantees and deposits	56,548,699.29	38,247,722.18
Rentals	6,633,711.38	9,641,271.39
Refund of port construction fee and service charges	-	130,668.41
Others	614,917,616.16	534,021,573.18
Total	1,141,794,925.33	1,023,728,271.31

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

65. Items in cash flow statement - continued

(2) Other cash payments relating to operating activities

Item	2022	2021
Advance payment	328,830,785.30	275,907,895.42
Operating expenses such as operating costs and administrative expenses etc.	136,317,839.62	182,351,696.26
Guarantees and deposits	47,134,870.60	28,616,516.45
Rentals	22,559,158.93	14,653,775.08
Harbor dues on cargo	14,619,372.24	15,776,034.06
Port charges	5,422,920.14	11,723,562.35
Port construction fee	-	12,001,158.90
Others	471,440,206.57	334,083,168.45
Total	1,026,325,153.40	875,113,806.97

(3) Other cash receipts relating to investing activities

Item	2022	2021
Interest on advances for the project	169,844,015.81	162,918,518.18
Net cash receipts from acquisition of subsidiaries and other business units (Note)	74,295,900.85	-
Recovered principal for the advances of the project	45,535,614.18	179,243,313.40
Recovered lending	-	8,980,037.68
Others	5,388,978.50	86,014,701.83
Total	295,064,509.34	437,156,571.09

Note: Refer to Note (VIII) 65 (4) for details.

(4) Net cash receipts from acquisition of subsidiaries and other business units

Item	2022
Business combination and cash or cash equivalents paid for the year	
Including: Shunkong Port	
Less: Cash and cash equivalents held by subsidiaries at the acquisition date	
Including: Shunkong Port	
Net cash receipts for acquisition of subsidiaries	
Including: Shunkong Port	

(5) Other cash payments relating to investing activities

Item	2022	2021
Taxes on land acquisition and reserve paid by ATJ	947,426,040.54	-
Staff relocation cost in respect of land acquisition and reserve paid by Shantou Port	-	22,231,894.84
Others	7,376,441.76	406.11
Total	954,802,482.30	22,232,300.95

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

65. Items in cash flow statement - continued

(6) Other cash receipts relating to financing activities

Item	2022	2021
Sale and leaseback proceeds	50,000,000.00	-
Others	630,168.80	-
Total	56,301,168.80	-

(7) Other cash payments relating to financing activities

Item	2022	2021
Payment for the Company's acquisition of minority interests of CM Port	660,552,076.54	76,767,514.23
Lease expenses paid	422,373,905.31	412,013,733.57
Payment for non-public shares issued by the Company	7,778,570.52	-
Amount paid by Dalian Port Logistics Network Co., Ltd. ("DPN") for acquisition of minority interests	-	8,748,637.26
Others	33,412,187.98	6,000,631.68
Total	1,124,116,740.35	503,530,516.74

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

66. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

Supplementary information	2022	2021
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	8,231,683,297.67	7,655,005,989.75
Add: Provision for impairment of assets	22,159,020.20	420,492,515.75
Provision for impairment of credit	223,473,576.55	252,953,617.50
Depreciation of fixed assets	2,015,080,231.04	1,877,442,392.55
Depreciation of investment properties	184,276,397.36	189,639,743.80
Depreciation of right-of-use assets	349,846,619.98	329,603,141.83
Amortization of intangible assets	663,429,174.32	616,107,419.01
Amortization of long-term prepaid expenses	84,874,394.19	53,478,222.59
Losses (gains) on disposal of fixed assets, intangible assets and other long-term assets	-55,130,095.52	-35,576,459.42
Losses on retirement of fixed assets, intangible assets and other long-term assets	159,482,391.55	27,871,089.13
Losses (gains) on changes in fair value	129,033,650.11	-221,242,275.17
Financial expenses	2,532,320,466.47	1,733,787,046.57
Investment loss (income)	-7,377,655,506.33	-6,636,949,510.91
Decrease in deferred tax assets	25,218,449.44	22,711,365.92
Increase in deferred tax liabilities	216,531,773.96	244,305,204.32
Decrease (increase) in inventories	-30,798,761.65	20,057,846.98
Decrease (increase) in operating receivables	-245,987,914.80	-4,503,635.75
Increase (decrease) in operating payables	-207,459,774.19	-34,857,143.97
Net cash flows from operating activities	6,920,377,390.35	6,510,326,570.48
2. Significant investing and financing activities that do not involve cash receipts and payments:		
Conversion of debt into capital	-	-
Convertible bonds due within one year	-	-
Fixed assets acquired under finance leases	-	-
3. Net changes in cash and cash equivalents:		
Closing balance of cash	13,567,309,471.62	12,727,355,238.36
Less: Opening balance of cash	12,727,355,238.36	11,898,618,327.29
Add: Closing balance of cash equivalents	-	-
Less: Opening balance of cash equivalents	-	-
Net increase in cash and cash equivalents	839,954,233.26	828,736,911.07

(2) Cash and cash equivalents

Item	31/12/2022	31/12/2021
I. Cash	13,567,309,471.62	12,727,355,238.36
Including: Cash on hand	726,960.10	501,446.73
Bank deposits available for payment at any time	13,045,336,190.09	12,353,104,402.58
Other monetary funds available for payment at any time	521,246,321.43	373,749,389.05
II. Cash equivalents	-	-
III. Balance of cash and cash equivalents at the end of the year	13,567,309,471.62	12,727,355,238.36

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

67. Foreign currency monetary items

Item	Closing balance in foreign currency	Exchange rate	Closing balance in RMB
Cash and bank balances			80,626
Including: HKD	23,605,028.38	0.8933	21,100
USD	106,236,908.63	6.9646	740,000
EUR	50,979,458.93	7.4229	380,000
RMB	730,646,554.18	1.0000	730,000
Accounts receivable			15,000
Including: HKD	1,650,559.86	0.8933	1,475
USD	3,901,868.86	6.9646	27,000
EUR	20,211,423.30	7.4229	150,000
Other receivables			3,000
Including: HKD	104,683,569.40	0.8933	93,500
USD	1,318,255.97	6.9646	9,200
EUR	4,248,621.51	7.4229	31,500
RMB	255,903,845.50	1.0000	255,000
Other non-current assets			900
Including: EUR	3,928,091.03	7.4229	52,500
Short-term borrowings			4,000,000
Including: RMB	4,090,000,000.00	1.0000	4,000,000
Accounts payable			4,000
Including: HKD	2,235,282.58	0.8933	1,995
USD	10,927.50	6.9646	75
EUR	6,151,416.39	7.4229	45,000
RMB	300,000.00	1.0000	300
Other payables			8,000
Including: HKD	41,791,974.49	0.8933	37,300
USD	75,312,750.17	6.9646	540,000
EUR	7,882,441.07	7.4229	59,000
RMB	234,171,771.78	1.0000	234,000
Non-current liabilities due within one year			7,000,000
Including: USD	938,308,019.19	6.9646	6,540,000
RMB	670,000,000.00	1.0000	670,000
Long-term borrowings			4,100,000
Including: USD	600,000.00	6.9646	4,200
EUR	45,900,000.00	7.4229	340,000
RMB	3,669,000,000.00	1.0000	3,600,000
Bonds payable			11,800,000
Including: USD	1,592,093,314.62	6.9646	11,800,000

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

68. Government grants

(1) New government grants for the year

Type	Amount	Item	Presentation account	Amount included in profit or loss for the year
Related to income	94,355,004.33	Business development subsidy	Other income	94,355,004.33
Related to income	7,385,898.57	Special operation subsidy	Other income	7,385,898.57
Related to income	5,771,198.38	Steady post subsidies	Other income	5,771,198.38
Related to assets	1,090,800.00	Subsidies for intelligent system	Deferred income	-
Related to income	40,691,109.58	Others	Other income	40,691,109.58
Related to income	1,640,553.77	Others	Non-operating income	1,640,553.77
Related to assets	475,000.00	Others	Deferred income	12,500.00
Total	151,409,564.63			149,856,264.63

69. Leases

(1) Lessor under operating lease

Item	Amount
I. Revenue	-
Lease income	267,730,741.43
Including: Income related to variable lease payments that are not included in lease receipts	-
II. Undiscounted lease receipts received after the balance sheet date	
1 st year	332,586,492.93
2 nd year	147,065,372.48
3 rd year	126,383,756.18
4 th year	114,227,301.08
5 th year	89,037,712.60
Over 5 years	232,530,205.50

Note: The operating leases where the Group acts as the lessor are related to port and terminal facilities, machinery and equipment, vehicles, land and buildings, with lease terms ranging from 1 month to 50 years and option to renew the lease of port and terminal facilities, machinery and equipment, land and buildings. The Group considers that the unguaranteed balance of leased assets does not constitute significant risk of the Group, as the assets are properly used.

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

69. Lease - continued

(2) Lessee

Item	Amount
Interest expenses on lease liabilities	73,619,268.64
Short-term lease expenses that are accounted for using simplified approach and included in cost of related assets or profit or loss for the period	71,711,821.89
Expenses on leases of low-value assets (exclusive of expenses on short-term leases of low-value assets) that are accounted for using simplified approach and included in cost of related assets or profit or loss for the period	2,118,098.94
Variable lease payments that are included in cost of related assets or profit or loss but not included in measurement of lease liabilities	-
Including: The portion arising from sale and leaseback transactions	-
Income from sub-lease of right-of-use assets	16,195,950.82
Total cash outflows relating to leases	474,672,225.36
Income (loss) from sale and leaseback transactions	-21,082,256.97
Cash inflows from sale and leaseback transactions	50,000,000.00
Cash outflows from sale and leaseback transactions	217,934,853.80
Others	-

(IX) CHANGES IN SCOPE OF CONSOLIDATION

1. Changes in scope of consolidation due to other reasons

(1) Subsidiary newly added through asset acquisition

Name	Net assets at the end of the year	RMB
Shunkong Port		45,804,616.24

Note: On 18 November 2022, the Company acquired 51% equity interest of Shunkong Port at the consideration of RMB 50,000,000.00.

The above-mentioned acquisition is an asset acquisition, and does not form a business combination.

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(X) EQUITY IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the Group - Major subsidiaries

Name of the subsidiary	Principal place of business	Place of incorporation	Nature of business	Registered capital (RMB'0000, unless otherwise specified)	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
Shenzhen Chiwan International Freight Agency Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	550.00	100.00	-	Established through investment
Chiwan Wharf Holdings (Hong Kong) Ltd. (Wharf Holdings Hong Kong)	HK China	HK China	Investment holding	HKD 1,000,000	100.00	-	Established through investment
Dongguan Shenchiwan Port Affairs Co., Ltd.	Dongguan China	Dongguan China	Logistics support services	45,000.00	85.00	-	Established through investment
Dongguan Shenchiwan Wharf Co., Ltd.	Dongguan China	Dongguan China	Logistics support services	40,000.00	100.00	-	Established through investment
Shenzhen Chiwan Harbor Container Co. Ltd.	Shenzhen China	Shenzhen China	Logistics support services	28,820.00	100.00	-	Business combination involving enterprises under common control
Shenzhen Chiwan Port Development Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	10,000.00	100.00	-	Business combination involving enterprises under common control
Chiwan Container Terminal Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	USD 95,300,000	55.00	20.00	Business combination involving enterprises under common control
Shenzhen Chiwan Tugboat Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	2,400.00	100.00	-	Business combination involving enterprises under common control
Chiwan Shipping (Hong Kong) Limited	HK China	HK China	Logistics support services	HKD 800,000	100.00	-	Business combination involving enterprises under common control
CM Port (Note 1)	HK China	HK China	Investment holding	HKD 46,668,174,000	0.37	45.32	Business combination involving enterprises under common control
China Merchants Bonded Logistics Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	70,000.00	40.00	60.00	Business combination involving enterprises under common control
China Merchants Holdings (International) Information Technology Co., Ltd. ("CM International Tech")	Shenzhen China	Shenzhen China	IT service	8,784.82	13.18	43.74	Business combination involving enterprises under common control
DPN	Liaoning China	Liaoning China	IT service	3,200.00	-	79.03	Business combination involving enterprises under common control
Gangxin Technology	Liaoning China	Liaoning China	IT service	800.00	-	100.00	Business combination involving enterprises under common control
China Merchants International (China) Investment Co., Ltd.	Shenzhen China	Shenzhen China	Investment holding	USD67,400,000	-	100.00	Business combination involving enterprises under common control
China Merchants International Container Terminal (Qingdao) Co., Ltd.	Qingdao China	Qingdao China	Logistics support services	USD 206,300,000	-	100.00	Business combination involving enterprises under common control
China Merchants Container Services Limited	HK China	HK China	Logistics support services	HKD 500,000	-	100.00	Business combination involving enterprises under common control
China Merchants Port (Shenzhen) Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	55,000.00	-	100.00	Business combination involving enterprises under common control
Shenzhen Haiqin Project Management Co., Ltd.	Shenzhen China	Shenzhen China	Engineering supervision service	1,000.00	-	100.00	Business combination involving enterprises under common control
ATJ	Shenzhen China	Shenzhen China	Preparation for the warehousing project	HKD 100,000,000	-	100.00	Business combination involving enterprises under common control
ASJ	Shenzhen China	Shenzhen China	Preparation for the warehousing project	HKD 100,000,000	-	100.00	Business combination involving enterprises under common control
China Merchants International Terminal (Qingdao) Co., Ltd.	Qingdao China	Qingdao China	Logistics support services	USD 44,000,000	-	90.10	Business combination involving enterprises under common control
CICT	Sri Lanka	Sri Lanka	Logistics support services	USD 150,000,100	-	85.00	Business combination involving enterprises under common control
Magang Godown & Wharf	Shenzhen China	Shenzhen China	Logistics support services	33,500.00	-	100.00	Business combination involving enterprises under common control
Shenzhen Mawan Port Services Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	20,000.00	-	100.00	Business combination involving enterprises under common control
Zhangzhou China Merchants Tugboat Co., Ltd.	Zhangzhou China	Zhangzhou China	Logistics support services	1,500.00	-	70.00	Business combination involving enterprises under common control
Zhangzhou China Merchants Port Co., Ltd.	Zhangzhou China	Zhangzhou China	Logistics support services	116,700.00	-	60.00	Business combination involving enterprises under common control
Zhangzhou Investment Promotion Bureau Xiamenwan Port Affairs Co., Ltd. ("Xiamenwan Port Affairs") (Note 2)	Zhangzhou China	Zhangzhou China	Logistics support services	44,450.00	-	31.00	Business combination involving enterprises under common control
Shekou Container Terminals Ltd.	Shenzhen China	Shenzhen China	Logistics support services	HKD 618,201,200	-	100.00	Business combination involving enterprises under common control
Shenzhen Lianyungjie Container Terminals Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	60,854.90	-	100.00	Business combination involving enterprises under common control
Anxunjie Container Terminals (Shenzhen) Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	127,600.00	-	100.00	Business combination involving enterprises under common control
Anyunjie Port Warehousing Service (Shenzhen) Co., Ltd.	Shenzhen China	Shenzhen China	Preparation for the warehousing project	6,060.00	-	80.00	Business combination involving enterprises under common control

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(X) EQUITY IN OTHER ENTITIES - continued

1. Interests in subsidiaries - continued

(1) Composition of the Group - Major subsidiaries - continued

Name of the subsidiary	Principal place of business	Place of incorporation	Nature of business	Registered capital (RMB'0000, unless otherwise specified)	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
Shenzhen Haixing	Shenzhen China	Shenzhen China	Logistics support services	53,072.92	-	67.00	Business combination involving enterprises under common control
Shenzhen Lianyongtong Terminal Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	USD 7,000,000	-	100.00	Business combination involving enterprises under common control
Yide Port	Foshan China	Foshan China	Logistics support services	21,600.00	51.00	-	Business combination involving enterprises under common control
Mega Shekou Container Terminals Limited	BVI	BVI	Investment holding	USD 120.00	-	80.00	Business combination involving enterprises under common control
Lome Container Terminal S.A. (Note 3)	Republic of Togo	Republic of Togo	Logistics support services	XOF 200,000,000	-	35.00	Business combination involving enterprises under common control
Gainpro Resources Limited	BVI	BVI	Investment holding	USD 1.00	-	76.47	Business combination involving enterprises under common control
Hambantota International Port Group (Private) Limited	Sri Lanka	Sri Lanka	Logistics support services	USD 1,145,480,000	-	65.00	Business combination involving enterprises under common control
Shantou port	Shantou China	Shantou China	Logistics support services	12,500.00	-	60.00	Business combination involving enterprises under common control
Shenzhen Jinyu Rongtai Investment Development Co., Ltd.	Shenzhen China	Shenzhen China	Property lease, etc.	80,000.00	-	100.00	Business combination involving enterprises under common control
Shenzhen Merchants Qianhaiwan Real Estate Co., Ltd	Shenzhen China	Shenzhen China	Property lease, etc.	20,000.00	-	100.00	Business combination involving enterprises under common control
Juzhongzhi Investment (Shenzhen) Co., Ltd.	Shenzhen China	Shenzhen China	Investment consulting	4,000.00	-	75.00	Business combination involving enterprises under common control
Shenzhen Lianda Tugboat Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	200.00	-	60.29	Business combination involving enterprises under common control
China Ocean Shipping Tally Zhangzhou Co., Ltd.	Zhangzhou China	Zhangzhou China	Logistics support services	200.00	-	84.00	Business combination involving enterprises under common control
China Merchants Holdings (Djibouti) FZE	Djibouti	Djibouti	Logistics support services	USD 38,140,000	-	100.00	Business combination involving enterprises under common control
Xinda Resources Limited (hereinafter referred to as "Xinda")	BVI	BVI	Investment holding	USD 107,620,000	-	77.45	Business combination involving enterprises under common control
Kong Rise Development Limited	HK China	HK China	Investment holding	USD 107,620,000	-	100.00	Business combination involving enterprises under common control
TCP	Brazil	Brazil	Logistics support services	BRL 68,851,600	-	100.00	Business combination not involving enterprises under common control
Direcet Achieve Investments Limited	HK China	HK China	Investment holding	USD 814,781,300	-	100.00	Business combination involving enterprises under common control
Zhoushan RoRo	Zhoushan China	Zhoushan China	Logistics support services	17,307.86	51.00	-	Asset acquisition
Shenzhen Haixing Logistics Development Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	7,066.79	-	67.00	Asset acquisition
Zhanjiang Port	Zhanjiang China	Zhanjiang China	Logistics support services	587,420.91	3.42	54.93	Business combination not involving enterprises under common control
Zhanjiang Port International Container Terminal Co., Ltd.	Zhanjiang China	Zhanjiang China	Logistics support services	60,000.00	-	80.00	Business combination not involving enterprises under common control
Zhanjiang Port Petrochemical Terminal Co., Ltd. (Note 4)	Zhanjiang China	Zhanjiang China	Logistics support services	18,000.00	-	50.00	Business combination not involving enterprises under common control
China Ocean Shipping Tally Co., Ltd., Zhanjiang	Zhanjiang China	Zhanjiang China	Logistics support services	300.00	-	84.00	Business combination not involving enterprises under common control
Zhanjiang Port Donghaidao Bulk Cargo Terminal Co., Ltd.	Zhanjiang China	Zhanjiang China	Logistics support services	5,000.00	-	100.00	Business combination not involving enterprises under common control
Guangdong Zhanjiang Port Logistics Co., Ltd.	Zhanjiang China	Zhanjiang China	Logistics support services	10,000.00	-	100.00	Business combination not involving enterprises under common control
Zhanjiang Port Haichuan Trading Co., Ltd.	Zhanjiang China	Zhanjiang China	Logistics support services	200.00	-	100.00	Business combination not involving enterprises under common control
Guangdong Zhanjiang Port Longteng Shipping Co., Ltd.	Zhanjiang China	Zhanjiang China	Logistics support services	9,000.00	-	70.00	Business combination not involving enterprises under common control
Ningbo Daxie (Note 5)	Ningbo China	Ningbo China	Logistics support services	120,909.00	-	45.00	Business combination not involving enterprises under common control
Shantou Harbor Towage Service Co., Ltd.	Shantou China	Shantou China	Logistics support services	1,000.00	-	100.00	Established through investment
Sanya Merchants Port Development Co., Ltd.	Sanya China	Sanya China	Logistics support services	1,000.00	51.00	-	Established through investment
Malai Warehousing (Shenzhen) Co., Ltd	Shenzhen China	Shenzhen China	Owning China Qianhai property	HKD 1,600,000,000	-	100.00	Business combination not involving enterprises under common control
Ports Development (Hong Kong) Limited (Note 6)	Hong Kong China	Hong Kong China	Investment holding	2,768,291.56	100.00	-	Established through investment
Shunkong Port	Foshan China	Foshan China	Property development and management	6,122.45	51.00	-	Asset acquisition

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(X) EQUITY IN OTHER ENTITIES - continued

1. Interests in subsidiaries - continued

(1) Composition of the Group - Major subsidiaries - continued

Note 1: On 19 June 2018, the Company and China Merchants Group (Hong Kong) Co., Ltd. ("CMHK") entered into an "Agreement of Concerted Action on China Merchants Port Holdings Company Limited". According to the agreement, CMHK unconditionally keeps consistent with the Company when voting for the matters discussed at the general shareholders' meeting of CM Port in respect of its voting power of CM Port as entrusted, and performs the voting as per the Company's opinion. In March 2022, the Company transferred its 43.00% equity contribution in China Merchants Port Holdings Company Limited to the wholly-owned subsidiary Ports Development (Hong Kong) Co., Ltd.

In June and October 2022, CM Port respectively distributed 2021 dividends and 2022 interim dividends to shareholders. The shareholders may select to receive the dividends all in cash or shares, or receive the dividends part in cash and part in new shares. The Company, Ports Development (Hong Kong) Co., Ltd. and CMHK select to receive all its share of dividends from the shareholding in CM Port in the form of scrip dividends. In 2022, the Company and Ports Development (Hong Kong) Co., Ltd. acquired 64,556,000 ordinary shares of CM Port from the secondary market. Upon the completion of above distribution and the transaction, the proportion of the ordinary shares of CM Port held by the Group to the total issued ordinary shares of CM Port was changed from 43.18% to 45.69%, while the proportion of the ordinary shares of CM Port held by CMHK to the total issued ordinary shares of CM Port was changed from 21.98% to 22.42%. Therefore, the Company has 68.11% voting power of CM Port in total and has control over CM Port.

Note 2: The Group and China Merchants Zhangzhou Development Zone Co., Ltd. entered into an "Equity Custody Agreement", according to which China Merchants Zhangzhou Development Zone Co., Ltd. entrusted its 29% equity of ZCMG to the Group for operation and management. Therefore, the Group has 60% voting power of ZCMG and includes it in the scope of consolidation of the consolidated financial statements.

Note 3: The Group is entitled to the nomination of most members of the executive commission and has control over Lome Container Terminal S.A. Therefore, the Group includes it in the scope of consolidation of the consolidated financial statements.

Note 4: The Group holds 50% equity interest in Zhanjiang Port Petrochemical Terminal Co., Ltd. According to the agreement, the Group has control over Zhanjiang Port Petrochemical Terminal Co., Ltd., and therefore includes it in the scope of consolidation of the consolidated financial statements.

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(X) EQUITY IN OTHER ENTITIES - continued

1. Interests in subsidiaries - continued

(1) Composition of the Group - Major subsidiaries - continued

Note 5: Cyber Chic Company Limited, a subsidiary of the Company, entered into a cooperation agreement with Ningbo Zhoushan. According to the cooperation agreement, Cyber Chic Company Limited and Ningbo Zhoushan will negotiate and communicate to reach a unanimous action before exercising their shareholder rights over Ningbo Daxie. If the parties to the agreement fail to reach a consensus on matters such as the operation and management of Ningbo Daxie, the decision will be based on the opinion of Cyber Chic Company Limited. After the signing of the Cooperation Agreement, Cyber Chic Company Limited and Ningbo Zhoushan together own more than 50% of the voting rights in Ningbo Daxie. As a result, the Group is able to exercise control over Ningbo Daxie and includes it in the scope of consolidation of the consolidated financial statements.

Note 6: Ports Development (Hong Kong) Co., Ltd. is a limited liability company established by the Company in Hong Kong, China on 16 February 2022.

(2) Significant non-wholly-owned subsidiaries

Name of the subsidiary	Proportion of ownership interest held by the minority shareholders (%)	Profit or loss attributable to minority shareholders in the current year	Dividends distributed to minority shareholders in the current year	Balance of minority interests at the end of the year
CM Port	54.31	4,707,642,117.09	1,590,573,974.57	68,280,647,974.87

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(X) **EQUITY IN OTHER ENTITIES** - continued

1. **Interests in subsidiaries** - continued

(3) Key financial information of significant non-wholly-owned subsidiaries

Name of the subsidiary	31/12/2022						31/12/2021					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
CM Port	12,837,082,258.94	137,558,098,661.09	150,395,180,920.03	18,761,895,893.60	25,152,356,977.50	43,914,252,871.10	12,688,479,912.82	129,676,976,538.08	142,365,456,450.90	17,301,652,593.00	26,291,693,462.84	43,593,346,055.84

Name of the subsidiary	2022				2021			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
CM Port	10,926,649,847.41	7,771,272,424.87	9,468,881,467.49	5,181,954,271.51	9,835,827,140.59	7,324,839,959.14	6,890,512,293.77	4,700,305,072.57

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(X) EQUITY IN OTHER ENTITIES - continued

2. Transactions resulting from changes in ownership interests in subsidiaries without losing control over the subsidiaries

(1) Description of changes in ownership interests in subsidiaries

During the year, the Company's ownership interests in CM Port is changed from 43.18% to 45.69%. Details are set out in Note (X) 1 (1).

(2) Effect of the transactions on minority interests and equity attributable to owners of the Company

	CM Port
Acquisition cost	
- Cash	684,350,978.87
- Fair value of non-cash assets	1,408,249,596.23
Total acquisition cost	2,092,600,575.10
Less: Share of net assets of subsidiaries calculated based on the proportion of equity acquired	3,042,814,449.38
Difference	-950,213,874.28
Including: Adjustment to capital reserve	950,213,874.28
Adjustment to surplus reserve	-
Adjustment to unappropriated profit	-

3. Interests in joint ventures and associates

(1) Significant joint ventures or associates

Investee	Principal place of business	Place of registration	Nature of business	Proportion of ownership interests held by the Group (%)		Accounting treatment of investments in associates
				Direct	Indirect	
Associate						
SIPG	Shanghai, PRC	Shanghai, PRC	Port and container terminal business	-	28.05	Equity method

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(X) EQUITY IN OTHER ENTITIES - continued

4. Key financial information of significant associate

Item	SIPG	
	31/12/2022 / 2022	31/12/2021/ 2021
Current assets	46,525,054,810.02	50,550,358,636.59
Including: Cash and cash equivalents	26,843,326,028.04	28,494,577,716.81
Non-current assets	135,276,650,788.84	120,237,119,876.27
Total assets	181,801,705,598.86	170,787,478,512.86
Current liabilities	25,863,891,496.14	29,281,912,321.67
Non-current liabilities	34,770,765,671.21	33,699,936,944.88
Total liabilities	60,634,657,167.35	62,981,849,266.55
Minority interests	8,839,640,972.54	8,014,833,731.08
Equity attributable to shareholders of the Company	112,327,407,458.97	99,790,795,515.23
Share of net assets calculated based on the proportion of ownership interests	31,507,837,792.24	26,584,267,925.26
Adjustments		
- Goodwill	2,427,508,397.27	2,066,192,806.75
- Others	236,552,011.66	193,346,651.68
Carrying amount of equity investments in associates	34,171,898,201.17	28,843,807,383.69
Fair value of publicly quoted equity investments in associates	34,877,210,592.30	33,990,040,779.28
Operating income	37,279,806,723.63	34,288,697,334.43
Net profit	17,910,112,648.83	15,480,719,994.16
Other comprehensive income	-526,788,637.24	573,880,124.36
Total comprehensive income	17,383,324,011.59	16,054,600,118.52
Dividends received from associates in the current year	1,240,688,187.97	793,927,959.22

5. Summarized financial information of insignificant associates and joint ventures

Item	31/12/2022 /2022	31/12/2021 / 2021
Joint ventures:		
Total carrying amount of investments	9,716,793,055.72	8,540,003,758.64
Aggregate of following items calculated based on the proportion of ownership interest		
- Net profit	419,341,721.80	242,641,893.49
- Other comprehensive income	175,421,702.38	4,375,404.14
- Total comprehensive income	594,763,424.18	247,017,297.63
Associates:		
Total carrying amount of investments	48,475,602,662.16	32,969,640,682.19
Aggregate of following items calculated based on the proportion of ownership interest		
- Net profit	2,003,274,864.02	1,857,965,787.11
- Other comprehensive income	-300,868,120.56	-92,265,491.63
- Total comprehensive income	1,702,406,743.46	1,765,700,295.48

6. The investees where the Group holds long-term equity investments are not restricted to transfer funds to the Group.

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(XI) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

1. Currency risk

Currency risk is the risk that losses will occur because of changes in foreign exchange rates. The Group's exposure to the currency risk is primarily associated with HKD, USD and EUR. Except for part of the purchases and sales, the Group's other principal activities are denominated and settled in RMB. As at 31 December 2022, the balances of the Group's assets and liabilities are both denominated in functional currency, except that the assets and liabilities set out below are recorded using foreign currencies. Currency risk arising from the foreign currency balance of assets and liabilities may have impact on the Group's performance.

Item	31/12/2022	31/12/2021
Cash and bank balances	799,833,569.05	304,226,402.75
Accounts receivable	29,766,083.42	37,640,821.94
Other receivables	360,531,571.16	292,001,737.01
Short-term borrowings	4,090,000,000.00	653,200,000.00
Accounts payable	2,372,883.60	3,534,444.32
Other payables	246,131,122.92	131,844,034.16
Non-current liabilities due within one year	670,000,000.00	2,585,407,534.25
Long-term borrowings	3,669,000,000.00	670,000,000.00
Long-term payables	-	3,433,175,756.61

The Group closely monitors the effects of changes in the foreign exchange rates on the Group's currency risk exposures. According to the current risk exposure and judgment on the exchange rate movements, the management considers it is unlikely that the exchange rate changes in the next year will result in significant loss to the Group.

Sensitivity analysis on currency risk

The assumption for the sensitivity analysis on currency risk is that all the cash flow hedges and hedges of a net investment in a foreign operation are highly effective. On the basis of the above assumption, where all other variables are held constant, the reasonably possible changes in the foreign exchange rate may have the following pre-tax effect on the profit or loss for the period and shareholders' equity:

Item	Changes in exchange rate	2022		2021	
		Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
All foreign currencies	5% increase against RMB	-383,846,068.61	-383,846,068.61	-146,440,030.80	-146,440,030.80
All foreign currencies	5% decrease against RMB	383,846,068.61	383,846,068.61	146,440,030.80	146,440,030.80
All foreign currencies	5% increase against USD	5,221,127.37	5,221,127.37	5,092,313.03	5,092,313.03
All foreign currencies	5% decrease against USD	-5,221,127.37	-5,221,127.37	-5,092,313.03	-5,092,313.03
All foreign currencies	5% increase against HKD	3,837,255.04	3,837,255.04	-201,218,971.96	-201,218,971.96
All foreign currencies	5% decrease against HKD	-3,837,255.04	-3,837,255.04	201,218,971.96	201,218,971.96
All foreign currencies	5% increase against EUR (including FCFA)	419,047.06	419,047.06	402,049.34	402,049.34
All foreign currencies	5% decrease against EUR (including FCFA)	-419,047.06	-419,047.06	-402,049.34	-402,049.34

(XI) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued

2. Interest rate risk - changes in cash flows

Risk of changes in cash flows of financial instruments arising from interest rate changes is mainly related to bank loans with floating interest rate. (See Note (VIII) 26 and Note (VIII) 36). The Group continuously and closely monitors the impact of interest rate changes on the Group's interest rate risk. The Group's policy is to maintain these borrowings at floating rates. Presently, the Group has no arrangement such as interest rate swaps.

Sensitivity analysis on interest rate risk

Sensitivity analysis on interest rate risk is based on the following assumptions:

- Fluctuations of market interest rate can affect the interest income or expense of a financial instrument with floating interest rate;
- For a financial instrument at fair value with fixed interest rate, the fluctuations of market interest rate can only affect its interest income or expense;
- For a derivative financial instrument designated as hedging instrument, the fluctuations of market interest rate affect its fair value, and all interest rate hedges are expected to be highly effective;
- The changes in fair value of derivative financial instruments and other financial assets and liabilities are calculated using cash flow discounting method by applying the market interest rate at balance sheet date.

On the basis of above assumptions, where the other variables held constant, the pre-tax effect of possible and reasonable changes in interest rate on the profit or loss for the period and shareholders' equity are as follows:

Item	Changes in interest rate	2022		2021	
		Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
Short-term borrowings and long-term borrowings	1% increase	-207,621,560.74	-207,621,560.74	-163,962,806.32	-163,962,806.32
Short-term borrowings and long-term borrowings	1% decrease	207,621,560.74	207,621,560.74	163,962,806.32	163,962,806.32

3. Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

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(XI) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued

3. Liquidity risk - continued

As at 31 December 2022, the Group had total current liabilities in excess of total current assets of RMB 6,123,555,489.62. As at 31 December 2022, the Group had available and unused line of credit and bonds amounting to RMB 74,112,485,433.51, which is greater than the balance of the net current liabilities. The Group can obtain financial support from the available line of credit and bonds when needed. Therefore, the Group's management believes that the Group has no significant liquidity risk.

The following is the maturity analysis for financial assets and financial liabilities held by the Group which is based on undiscounted remaining contractual obligations:

Item	Carrying amount	Gross amount	Within 1 year	1 to 5 years	Over 5 years
Short-term borrowings	7,164,338,366.18	7,235,206,811.18	7,235,206,811.18	-	-
Accounts payable	811,149,397.66	811,149,397.66	811,149,397.66	-	-
Other payables	1,755,885,258.26	1,755,885,258.26	1,755,885,258.26	-	-
Non-current liabilities due within one year	11,571,368,811.38	13,000,513,740.76	13,000,513,740.76	-	-
Other current liabilities	3,161,147,525.96	3,175,491,532.81	3,175,491,532.81	-	-
Long-term borrowings	12,390,099,177.85	13,332,739,038.22	-	11,944,558,295.20	1,388,180,743.02
Bonds payable	19,088,293,099.02	20,991,603,102.02	-	16,723,687,844.84	4,267,915,257.18
Lease liabilities	948,350,914.04	1,598,294,958.62	-	364,988,464.83	1,233,306,493.79
Other non-current liabilities	20,000,000.00	20,543,476.71	-	20,543,476.71	-
Long-term payables	3,542,966,493.60	3,546,292,462.09	-	643,944,866.57	2,902,347,595.52

(XII) DISCLOSURE OF FAIR VALUE

1. Closing balance of assets and liabilities measured at fair value

Item	Fair value at 31/12/2022			Total
	Level 1	Level 2	Level 3	
	Fair value measurement	Fair value measurement	Fair value measurement	
Continuously measured at fair value				
Held-for-trading financial assets	135,742.11	2,998,645,857.52	-	2,998,781,599.63
Receivables financing	-	-	163,766,913.10	163,766,913.10
Investments in other equity instruments	-	-	171,945,275.02	171,945,275.02
Other non-current financial assets	1,717,875,084.72	-	27,865,811.69	1,745,740,896.41
Total assets continuously measured at fair value	1,718,010,826.83	2,998,645,857.52	363,577,999.81	5,080,234,684.16

2. Basis for determining the market price of items continuously measured at level 1 fair value

The market prices of held-for-trading financial assets and other non-current financial assets are determined based on the closing price of the equity instruments at Stock Exchange at 31 December 2022.

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(XII) DISCLOSURE OF FAIR VALUE - continued**3. Qualitative and quantitative information of valuation techniques and key parameters adopted for items continuously measured at level 2 fair value**

Item	Fair value at 31/12/2022	Valuation techniques	Inputs
Held-for-trading financial assets	2,998,645,857.52	Cash flow discounting	Expected rate of return

The fair value of debt instruments at fair value through profit or loss is determined using the cash flow discounting approach. During the valuation, the Group adopts the expected return as the input.

4. Qualitative and quantitative information of valuation techniques and key parameters adopted for items continuously measured at level 3 fair value

Item	Fair value at 31/12/2022	Valuation techniques	Inputs
Receivables financing	163,766,913.10	Cash flow discounting	Discount rate
Investments in other equity instruments	171,945,275.02	Net worth method	Carrying amount
Other non-current financial assets	2,000,000.00	Cash flow discounting	Discount rate
Other non-current financial assets	723,955.24	Net worth method	Carrying amount
Other non-current financial assets	25,141,856.45	Listed company comparison approach	Share price

The fair value of non-listed equity instruments included in equity instruments at fair value through profit or loss or other comprehensive income is determined using the valuation techniques such as cash flow discounting method, net worth method, listed company comparison approach etc. During the valuation, the Group needs to make estimates in respect of the future cash flows, credit risk, market volatility and relevance etc., select appropriate discount rate and take into consideration the adjustment of discount and premium.

5. Fair value of financial assets and financial liabilities not measured at fair value

The financial assets and liabilities not measured at fair value mainly include notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, bonds payable, lease liabilities and long-term payables etc.

The Group's management believes that the carrying amounts of financial assets and financial liabilities at amortized cost in the financial statements approximate their fair values.

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(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. Parent of the Company

Name of the Company	Related party relationship	Type of the entity	Place of registration	Nature of business	Issued share capital	Proportion of ownership interests held by the Company (%)	Proportion of voting power held by the Company (%)
Broadford Global Limited	Parent	Private limited company (share limited)	Hong Kong	Investment holding	HKD 21,120,986,262	2.21	63.01 (Note)

Note: Broadford Global Limited directly holds 2.21% equity of the Company, and indirectly holds 14.84% and 45.96% equity of the Company through the subsidiaries China Merchants Gangtong Development (Shenzhen) Co., Ltd. and China Merchants Port Investment Development Company Limited (formerly known as China Merchants Investment Development Co., Ltd.) respectively. The ultimate controlling shareholder of the Company is China Merchants Group.

2. Subsidiaries of the Company

Details of the subsidiaries of the Company are set out in Note (X) 1.

CHINA MERCHANTS PORT GROUP CO., LTD.

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(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

3. Associates and joint ventures of the Company

Details of the Company's significant joint ventures and associates are set out in Note (X) 3.

Other joint ventures or associates that have related party transactions with the Group in the current year, or formed balances of related party transactions with the Group in the prior year are as follows:

Name of joint venture or associate	Relationship with the Company
Port of Newcastle and its subsidiaries	Joint venture
Guizhou East Land Port Operation Co., Ltd.	Joint venture
Qingdao Qianwan United Container Terminal Co., Ltd.	Joint venture
Qingdao Qianwan West Port United Wharf Co., Ltd.	Joint venture
Qingdao Qianwan New United Container Terminal Co., Ltd.	Joint venture
COSCO Logistics (Zhanjiang) Co., Ltd.	Joint venture
China Ocean Shipping Agency (Zhanjiang) Co., Ltd	Joint venture
Yantai Port Group Laizhou Port Co., Ltd.	Joint venture
Qingdao Wutong Century Supply Chain Co., Ltd.	Joint venture
China Merchants Port (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership) ("Investment Fund")	Joint venture
Doraleh Multi-purpose Port	Associate
Great Horn Development Company FZCo	Associate
International Djibouti Industrial Parks Operation FZCo	Associate
Port de Djibouti S.A.	Associate
Terminal Link SAS	Associate
Tin-Can Island Container Terminal Ltd	Associate
Guizhou Qiangongnan Continental Land Port Operation Co., Ltd.	Associate
Nanshan Group and its subsidiaries	Associate
SIPG	Associate
Ningbo Zhoushan and its subsidiaries	Associate
Shenzhen Baohong Technology Co., Ltd.	Associate
Tianjin Haitian Bonded Logistics Co., Ltd.	Associate
Merchants Port City	Associate
Zhanjiang Xiagang United Development Co., Ltd.	Associate
Zhangzhou COSCO Shipping Agency Co., Ltd.	Associate
Chu Kong River Trade Terminal Co., Ltd.	Associate
Shantou Zhonglian Tally Co., Ltd	Associate
Shantou International Container Terminals Limited	Associate
Shenzhen Bay Electricity Industry Co., Ltd.	Associate
Tianjin Port Container Terminal Co., Ltd.	Associate
Lac Assal Investment Holding Company Limited	Associate
CM Port Chuangrong (Shenzhen) Technology Co., Ltd.	Associate
Liaoning Port and its subsidiaries	Associate, controlled by the same ultimate controlling shareholder

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(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

4. Other related parties of the Company

Name of other related parties	Relationship with the Company
Antong Holdings and its subordinate companies (Note)	The same related natural person
Zhanjiang Infrastructure Construction Investment Group Co., Ltd.	Minority shareholder of subsidiary
Zhoushan Blue Ocean Investment Co., Ltd.	Minority shareholder of subsidiary
Sri Lanka Ports Authority	Minority shareholder of subsidiary
Guangdong Shunkong City Investment Real Estate Co. Ltd.	Minority shareholder of subsidiary
China Marine Shipping Agency Guangdong Co., Ltd.	Controlled by the same ultimate controlling shareholder
Hoi Tung (Shanghai) Company Limited	Controlled by the same ultimate controlling shareholder
Hoi Tung (Shenzhen) Company Limited	Controlled by the same ultimate controlling shareholder
South China Sinotrans Supply Chain Management Co., Ltd.	Controlled by the same ultimate controlling shareholder
EuroAsia Dockyard Enterprise and Development Limited	Controlled by the same ultimate controlling shareholder
Qingdao Bonded Logistics Park Sinotrans Warehousing Logistics Co., Ltd.	Controlled by the same ultimate controlling shareholder
Qingdao Sinotrans Supply Chain Management Co., Ltd.	Controlled by the same ultimate controlling shareholder
Penavico Shenzhen Warehousing Co., Ltd.	Controlled by the same ultimate controlling shareholder
Shenzhen Nanyou (Holdings) Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans Shenzhen Qianhai Supply Chain Management Ltd.	Controlled by the same ultimate controlling shareholder
Shenzhen Qianhai Shekou Free Trade Investment Development Co. Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants International Shipping Agency (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Real Estate (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Real Estate Co., Ltd.	Controlled by the same ultimate controlling shareholder
Shenzhen Merchants to Home Technology Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Shenzhen Ro-Ro Shipping Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Property Management (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Marine Shipping Agency Shenzhen Co., Ltd.	Controlled by the same ultimate controlling shareholder
Yiu Lian Dockyards (Shekou) Limited	Controlled by the same ultimate controlling shareholder
Yiu Lian Dockyards Limited	Controlled by the same ultimate controlling shareholder
China Merchants International Cold Chain (Shenzhen) Company Limited	Controlled by the same ultimate controlling shareholder
China Merchants Group Finance Company Limited	Controlled by the same ultimate controlling shareholder
China Merchants Port Investment Development Company Limited	Controlled by the same ultimate controlling shareholder
China Merchants Finance Lease (Shanghai) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Finance Lease (Tianjin) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchant Food (China) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Tongshang Finance Lease Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Logistics Group Qingdao Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Zhangzhou Development Zone Power Supply Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Securities Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Traffic Import and Export Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans Changhang Group Limited	Controlled by the same ultimate controlling shareholder
China Merchants Your Cellar (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
Shenzhen Dehan Investment Development Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Marine Shipping Agency Guangdong Co., Ltd.	Controlled by the same ultimate controlling shareholder

Note: Zheng Shaoping resigned as the deputy general manager of the Company on 6 August 2021 and became the chairman of Antong Holdings within 12 months of his departure. Therefore, the related party relationship between the Group and Antong Holdings lasted from 22 October 2020 to 6 August 2022.

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(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

4. Other related parties of the Company - continued

Name of other related parties	Relationship with the Company
China Merchants Healthcare (Qichun) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Ocean Shipping Tally Shenzhen Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans Central China Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans (HK) Shipping Limited	Controlled by the same ultimate controlling shareholder
Sinoway Shipping Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants (Liaoning) Port Development Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Heavy Industry (Jiangsu) Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans Shantou Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Apartment Development (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants-Logistics Shenzhen Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Zhangzhou Development Zone Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Ocean Shipping Agency Shenzhen Co. Ltd.	Controlled by the same ultimate controlling shareholder
China Marine Shipping Agency Ningbo Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans Container Lines (Hong Kong) Company Limited	Controlled by the same ultimate controlling shareholder
Sinotrans Container Lines Co., Ltd.	Controlled by the same ultimate controlling shareholder
Yingkou Port Group Co., Ltd. ("Yingkou Port Group") and its subsidiaries	Controlled by the same ultimate controlling shareholder
Panjin Port Group Co., Ltd.	Controlled by the same ultimate controlling shareholder
Broadford (Shenzhen) Port Development Co., Ltd.	Controlled by the same ultimate controlling shareholder
Liaoning Port Group Co., Ltd.	Controlled by the same ultimate controlling shareholder
Liaoning Electronic Port Co., Ltd	Controlled by the same ultimate controlling shareholder
China Yangtze River Shipping Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Gangrong Big Data Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dalian Port Construction Supervision Consulting Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dalian Port Group Corporation Limited	Controlled by the same ultimate controlling shareholder
Dalian Container Terminal Co., Ltd.	Controlled by the same ultimate controlling shareholder
Shenzhen Municipal Public Security Bureau Shekou Police Substation	Controlled by the same ultimate controlling shareholder
Shenzhen West Port Security Service Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans South China Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dalian Port Container	Controlled by the same ultimate controlling shareholder
Jifa Logistics	Controlled by the same ultimate controlling shareholder
Dalian Port Communications Engineering Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dalian Jifa South Coast International Logistics Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dalian Jifa Port Logistics Co., Ltd.	Controlled by the same ultimate controlling shareholder
CHINA MERCHANTS SHIPPING AND ENTERPRISES COMPANY LIMITED	Controlled by the same ultimate controlling shareholder
Ningbo Transocean International Forwarding Agency Co., Ltd.	Controlled by the same ultimate controlling shareholder
Qingdao Sinotrans Mining Technology Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dalian Bonded Zone Yongdixin Real Estate Development & Construction Co., Ltd.	Controlled by the same ultimate controlling shareholder
Yingkou Xingang Kuangshi Terminals Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dandong Port Group Co., Ltd.	Controlled by the same ultimate controlling shareholder
Datong Securities Co., Ltd	Significantly influenced by the ultimate controlling shareholder
Dalian Automobile Terminal Co., Ltd	Significantly influenced by the ultimate controlling shareholder
Dalian Port Design Research Institute Co., Ltd.	Significantly influenced by the ultimate controlling shareholder
Khor Ambado FZCo	Significantly influenced by the ultimate controlling shareholder
Djibouti International Hotel Company	Significantly influenced by the ultimate controlling shareholder
China Merchants Bank Co., Ltd.	Significantly influenced by the ultimate controlling shareholder
China Merchants (Shenzhen) Power Supply Co., Ltd.	Significantly influenced by the ultimate controlling shareholder
Shenzhen Wanhai Building Management Co., Ltd.	Significantly influenced by the ultimate controlling shareholder

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(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions

(1) Rendering and receipt of services

Related party	Content of transaction	Pricing method and decision procedures of related transactions	2022	2021
Receipt of services:				
Shenzhen Bay Electricity Industry Co., Ltd.	Service expense	Negotiation	55,476,519.62	52,118,359.34
China Merchants Finance Lease (Shanghai) Co., Ltd.	Service expense	Negotiation	21,363,353.64	-
Nanshan Group and its subsidiaries	Service expense	Negotiation	20,553,330.63	12,899,160.06
Hoi Tung (Shanghai) Company Limited	Service expense	Negotiation	19,923,373.82	9,908,555.07
Qingdao Qianwan West Port United Wharf Co., Ltd.	Service expense	Negotiation	18,229,532.95	17,429,281.52
Shenzhen Merchants Electricity Supply Co., Ltd.	Service expense	Negotiation	17,893,208.32	16,896,892.16
COSCO Logistics (Zhanjiang) Co., Ltd.	Service expense	Negotiation	16,324,326.06	13,741,598.64
Ningbo Zhoushan	Service expense	Negotiation	14,417,120.66	14,902,071.93
Shenzhen West Port Security Service Co., Ltd.	Service expense	Negotiation	11,952,754.94	8,628,090.47
Yiu Lian Dockyards Limited	Service expense	Negotiation	8,489,653.19	8,484,365.83
China Merchants Property Management (Shenzhen) Co., Ltd.	Service expense	Negotiation	7,959,601.92	11,411,320.65
Shenzhen Nanyou (Holdings) Ltd.	Service expense	Negotiation	5,764,441.32	-
China Merchants Port Investment Development Company Limited	Service expense	Negotiation	5,571,699.92	2,511,488.39
China Merchants Zhangzhou Development Zone Power Supply Co., Ltd.	Service expense	Negotiation	5,562,706.02	5,148,081.30
China Merchants Securities Co., Ltd.	Service expense	Negotiation	5,547,169.80	-
Sinoway Shipping Ltd.	Service expense	Negotiation	4,886,700.00	-
China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	Service expense	Negotiation	3,896,620.63	6,963,663.53
Liaoning Port and its subsidiaries	Service expense	Negotiation	3,612,247.90	1,453,666.27
Yingkou Port Group and its subsidiaries	Service expense	Negotiation	2,838,787.56	3,655,450.63
China Marine Shipping Agency Guangdong Co., Ltd.	Service expense	Negotiation	2,619,862.38	5,128,165.14
China Merchant Food (China) Co., Ltd.	Service expense	Negotiation	2,534,006.83	2,010,522.22
China Marine Shipping Agency Shenzhen Co., Ltd.	Service expense	Negotiation	2,486,175.66	2,886,771.98
Djibouti International Hotel Company	Service expense	Negotiation	2,344,919.84	-
Shenzhen Merchants to Home Technology Co.	Service expense	Negotiation	2,270,488.10	2,529,286.74
China Ocean Shipping Tally Shenzhen Co., Ltd.	Service expense	Negotiation	2,086,506.13	2,367,078.52
Khor Ambado FZCo	Service expense	Negotiation	1,765,467.27	-
China Merchants Healthcare (Qichun) Co., Ltd.	Service expense	Negotiation	1,188,397.44	874,591.30
Shenzhen Municipal Public Security Bureau Shekou Police	Service expense	Negotiation	-	13,215,162.92
Shenzhen Qianhai Shekou Free Trade Investment Development Co. Ltd.	Service expense	Negotiation	-	3,246,406.82
Qingdao Wutong Century Supply Chain Co., Ltd.	Service expense	Negotiation	-	1,412,347.77
China Merchants Logistics Group Qingdao Co., Ltd.	Service expense	Negotiation	-	278,746.88
China Merchants Your Cellar (Shenzhen) Co., Ltd.	Service expense	Negotiation	-	145,501.77
Other related parties	Service expense	Negotiation	6,780,732.36	5,426,539.23
China Merchants Bank Co., Ltd.	Purchase of structured deposits	Negotiation	900,061,111.11	901,314,575.34
China Merchants Group Finance Company Limited	Interest expense	Negotiation	74,066,413.54	57,267,460.41
China Merchants Bank Co., Ltd.	Interest expense	Negotiation	8,970,399.98	7,309,189.97
China Merchants Finance Lease (Tianjin) Co., Ltd.	Interest expense	Negotiation	724,437.17	-
China Merchants Tongshang Finance Lease Co., Ltd.	Property utilities	Negotiation	4,089,619.16	-
Other related parties	Property utilities	Negotiation	-	1,527,482.73
Total			1,262,251,685.87	1,193,091,875.53

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(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(1) Rendering and receipt of services - continued

Related party	Content of transaction	Pricing method and decision procedures of related transactions	2022	2021
Rendering of services:				
COSCO Logistics (Zhanjiang) Co., Ltd.	Service income	Negotiation	203,783,472.45	172,689,315.75
Liaoning Port and its subsidiaries	Service income	Negotiation	165,608,963.82	84,665,638.27
Antong Holdings and its subordinate companies	Service income	Negotiation	124,308,389.86	149,257,485.43
Qingdao Qianwan United Container Terminal Co., Ltd.	Service income	Negotiation	61,896,678.04	57,107,934.04
China Ocean Shipping Agency (Zhanjiang) Co., Ltd.	Service income	Negotiation	59,100,409.00	58,774,852.27
China Marine Shipping Agency Guangdong Co., Ltd.	Service income	Negotiation	57,816,828.74	78,136,291.87
Yingkou Port Group and its subsidiaries	Service income	Negotiation	41,932,643.50	59,158,823.90
China Merchants International Shipping Agency (Shenzhen) Co., Ltd.	Service income	Negotiation	29,854,035.10	19,931,387.34
Sinoway Shipping Ltd.	Service income	Negotiation	22,315,438.97	2,275,910.33
Liaoning Port Group Co., Ltd.	Service income	Negotiation	19,746,474.90	30,230,480.12
Yiu Lian Dockyards (Shekou) Limited	Service income	Negotiation	15,088,720.57	15,861,643.81
Sinotrans Central China Co., Ltd.	Service income	Negotiation	9,600,255.49	2,557.32
CM Port Chuangrong (Shenzhen) Technology Co., Ltd.	Service income	Negotiation	8,665,860.83	5,060,041.98
Sinotrans Container Lines Co., Ltd.	Service income	Negotiation	7,891,652.35	9,659,053.11
South China Sinotrans Supply Chain Management Co., Ltd.	Service income	Negotiation	5,745,399.44	3,315,529.59
Shenzhen Baohong Technology Co., Ltd.	Service income	Negotiation	5,562,857.25	12,375,371.81
Sinotrans Shenzhen Qianhai Supply Chain Management Ltd.	Service income	Negotiation	5,354,930.31	8,201,186.45
China Ocean Shipping Agency Shenzhen Co. Ltd.	Service income	Negotiation	4,966,841.25	6,742,585.37
China Marine Shipping Agency Shenzhen Co., Ltd.	Service income	Negotiation	4,955,801.22	6,065,850.59
China Yangtze River Shipping Co., Ltd.	Service income	Negotiation	4,864,882.39	4,015,942.03
Qingdao Bonded Logistics Park Sinotrans Warehousing Logistics Co., Ltd.	Service income	Negotiation	4,633,215.32	2,060,322.30
Qingdao Qianwan West Port United Wharf Co., Ltd.	Service income	Negotiation	4,335,903.64	3,556,894.16
China Merchants International Cold Chain (Shenzhen) Company Limited	Service income	Negotiation	4,050,145.80	-
Sinotrans Container Lines (Hong Kong) Company Limited	Service income	Negotiation	3,545,752.04	2,618,545.62
Qingdao Qianwan New United Container Terminal Co., Ltd.	Service income	Negotiation	3,174,751.23	2,727,630.47
Sinotrans & CSC Holdings Co., Ltd.	Service income	Negotiation	2,971,698.12	1,349,056.61
SIPG	Service income	Negotiation	2,633,413.21	1,430,583.02
Shantou Zhonglian Tally Co., Ltd.	Service income	Negotiation	2,509,658.22	2,688,839.07
Yantai Port Group Laizhou Port Co., Ltd.	Service income	Negotiation	2,075,471.68	2,043,962.25
China Merchants Port Investment Development Company Limited	Service income	Negotiation	1,907,632.07	6,100,924.53
China Merchants Heavy Industry (Jiangsu) Co., Ltd.	Service income	Negotiation	1,814,935.95	2,788,745.68
Nanshan Group and its subsidiaries	Service income	Negotiation	1,707,871.21	1,147,657.18
Merchants Port City	Service income	Negotiation	1,672,423.95	1,591,345.21
Sinotrans Shantou Co., Ltd.	Service income	Negotiation	1,610,585.09	1,411,180.98
Tianjin Port Container Terminal Co., Ltd.	Service income	Negotiation	1,475,548.18	722,817.00
CHINA MERCHANTS SHIPPING AND ENTERPRISES COMPANY LIMITED	Service income	Negotiation	1,204,104.79	459,445.09
Ningbo Transocean International Forwarding Agency Co., Ltd.	Service income	Negotiation	1,179,815.94	-
Investment Fund	Service income	Negotiation	1,142,414.06	821,804.81
Shantou International Container Terminals Limited	Service income	Negotiation	1,068,566.79	2,830,152.56
Dalian Port Construction Supervision Consulting Co., Ltd.	Service income	Negotiation	1,060,945.09	1,561,447.66
Dalian Automobile Terminal Co., Ltd.	Service income	Negotiation	968,960.44	2,162,744.31
Dalian Port Group Co., Ltd.	Service income	Negotiation	890,607.59	1,471,595.43
China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Service income	Negotiation	867,155.09	2,379,478.59
China Merchants Gangrong Big Data Co., Ltd.	Service income	Negotiation	833,383.69	3,839,970.76
Shenzhen Dehan Investment Development Co., Ltd.	Service income	Negotiation	760,365.57	1,106,438.68
Datong Securities Co., Ltd.	Service income	Negotiation	752,654.88	1,464,247.85

CHINA MERCHANTS PORT GROUP CO., LTD.

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(Unless otherwise specified, the monetary unit shall be RMB.)

(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(1) Rendering and receipt of services - continued

Related party	Content of transaction	Pricing method and decision procedures of related transactions	2022	2021
Rendering of service:				
China Marine Shipping Agency Guangdong Co., Ltd.	Service income	Negotiation	681,455.19	1,234,211.32
Liaoning Electronic Port Co., Ltd.	Service income	Negotiation	613,207.55	1,007,547.18
Guizhou East Land Port Operation Co., Ltd.	Service income	Negotiation	592,407.92	2,379,122.83
Dalian Port Design Research Institute Co., Ltd.	Service income	Negotiation	197,369.99	1,217,915.13
Penavico Shenzhen Warehousing Co., Ltd.	Service income	Negotiation	160,663.44	206,068.60
China Merchants-Logistics Shenzhen Co., Ltd.	Service income	Negotiation	107,700.00	364,878.63
Broadford (Shenzhen) Port Development Co., Ltd.	Service income	Negotiation	-	233,023,495.03
China Marine Shipping Agency Ningbo Co., Ltd.	Service income	Negotiation	-	127,750,175.04
China Merchants International Cold Chain (Shenzhen) Company Limited	Service income	Negotiation	-	6,932,874.90
Sinotrans (HK) Shipping Limited	Service income	Negotiation	-	1,270,858.60
Guizhou Qiandongnan Continental Land Port Operation Co., Ltd.	Service income	Negotiation	-	975,890.37
China Merchants (Liaoning) Port Development Co., Ltd.	Service income	Negotiation	-	943,396.22
Zhangzhou COSCO Shipping Agency Co., Ltd.	Service income	Negotiation	-	820,987.04
Doraleh Multi-purpose Port	Service income	Negotiation	-	585,604.28
International Djibouti Industrial Parks Operation FZCO	Service income	Negotiation	-	502,024.39
Other related parties	Service income	Negotiation	26,887,970.55	13,882,596.99
Terminal Link SAS	Interest income	Negotiation	169,844,015.81	165,180,415.51
Port of Newcastle and its subsidiaries	Interest income	Negotiation	17,721,583.77	76,683,050.81
China Merchants Group Finance Company Limited	Interest income	Negotiation	25,519,980.42	24,994,228.38
Tianjin Haitian Bonded Logistics Co., Ltd.	Interest income	Negotiation	1,558,375.91	1,558,375.91
China Merchants Bank Co., Ltd.	Interest income	Negotiation	105,426,962.23	32,931,572.09
Merchants Port City	Interest income	Negotiation	-	1,957,067.27
Total			1,259,220,207.90	1,530,266,057.72

(2) Leases with related parties

The Group as the lessor:

Name of the lessee	Type of leased assets	Pricing method and decision procedures of related transactions	Lease income recognized in the current year	Lease income recognized in the prior year
Qingdao Qianwan West Port United Wharf Co., Ltd.	Buildings and structures	Negotiation	10,222,395.86	9,711,263.00
China Merchants Real Estate (Shenzhen) Co., Ltd.	Buildings and structures	Negotiation	7,152,157.00	-
Qingdao Bonded Logistics Park Sinotrans Warehousing Logistics Co., Ltd.	Port and terminal facilities	Negotiation	6,876,165.97	5,533,737.88
China Merchant Food (China) Co., Ltd.	Buildings and structures	Negotiation	5,683,461.66	5,414,148.96
China Traffic Import and Export Co., Ltd.	Buildings and structures	Negotiation	5,473,072.56	5,212,396.32
Nanshan Group and its subsidiaries	Buildings and structures	Negotiation	5,065,342.55	2,478,760.43
Qingdao Sinotrans Mining Technology Co., Ltd.	Buildings and structures	Negotiation	4,750,557.12	-
Qingdao Sinotrans Supply Chain Management Co., Ltd.	Buildings and structures	Negotiation	3,558,552.62	3,926,471.23
Qingdao Qianwan United Container Terminal Co., Ltd.	Buildings and structures	Negotiation	3,037,651.81	2,407,032.41
China Merchants Securities Co., Ltd.	Buildings and structures	Negotiation	2,567,514.78	2,265,123.10
Yiu Lian Dockyards (Shekou) Limited	Buildings and structures	Negotiation	2,195,466.64	3,008,337.95
Qingdao Wutong Century Supply Chain Co., Ltd.	Buildings and structures	Negotiation	2,119,296.03	619,965.10
Sinotrans South China Co., Ltd.	Buildings and structures	Negotiation	564,605.52	1,897,332.07
Other related parties	Buildings and structures, land use rights	Negotiation	6,856,178.26	7,650,774.22
Total			66,122,418.38	50,125,342.67

CHINA MERCHANTS PORT GROUP CO., LTD.

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(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(2) Leases with related parties - continued

The Group as the lessee:

Name of the lessor	Type of leased assets	Rental (year)	Lease term (disclose the period covered by contract)	Other significant lease terms
Nanshan Group and its subsidiaries	Buildings and structures	64,589,226.16	2019.01.01-2024.12.31	N/A
China Merchants Finance Lease (Shanghai) Co., Ltd.	Port and terminal facilities	58,302,270.50	2018.03.19-2024.03.26	N/A
China Merchants Finance Lease (Shanghai) Co., Ltd.	Machinery and equipment, port and terminal facilities	57,849,868.06	2018.11.30-2024.11.30	N/A
China Merchants Tongshang Finance Lease Co., Ltd.	Machinery and equipment	46,381,918.54	2017.10.31-2023.10.27	N/A
China Merchants Finance Lease (Tianjin) Co., Ltd.	Port and terminal facilities	35,733,649.64	2018.03.19-2024.03.26	N/A
China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Port and terminal facilities	30,584,055.34	2022.01.01-2023.12.31	N/A
China Merchants Tongshang Finance Lease Co., Ltd.	Machinery and equipment	17,717,147.04	2016.12.26-2022.11.15	N/A
EuroAsia Dockyard Enterprise and Development Limited	Port and terminal facilities	14,696,367.93	2022.01.01-2022.12.31	N/A
China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Others	6,115,067.28	2022.01.01-2024.12.31	N/A
Shenzhen Qianhai Shekou Free Trade Investment Development Co. Ltd.	Buildings and structures	4,206,780.00	2022.01.01-2022.12.31	N/A
Shenzhen Qianhai Shekou Free Trade Investment Development Co. Ltd.	Others	3,968,660.38	2022.01.15-2022.07.31	N/A
China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	Buildings and structures	3,889,563.40	2021.01.01-2022.12.31	N/A
Nanshan Group and its subsidiaries	Others	3,795,785.53	2022.01.01-2024.12.31	N/A
China Merchants Finance Lease (Tianjin) Co., Ltd.	Port and terminal facilities	3,105,625.00	2022.06.16-2025.06.16	With progressively increasing and decreasing rent
Nanshan Group and its subsidiaries	Buildings and structures	3,083,925.40	2022.01.01-2022.12.31	N/A
Shenzhen Nanyou (Holdings) Ltd.	Others	1,995,553.15	2022.01.01-2022.12.31	N/A
China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	Buildings and structures	1,342,488.00	2021.01.01-2022.12.31	With progressively increasing rent
China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	Buildings and structures	1,241,376.00	2022.01.01-2022.12.31	N/A
Nanshan Group and its subsidiaries	Buildings and structures	1,200,466.97	2022.01.01-2022.09.30	N/A
Shenzhen Wanhai Building Management Co., Ltd.	Buildings and structures	1,202,209.02	2021.06.15-2024.06.14	With progressively increasing rent
China Merchants International Cold Chain (Shenzhen) Company Limited	Port and terminal facilities	1,032,762.89	2021.05.01-2024.04.30	N/A
China Merchants International Cold Chain (Shenzhen) Company Limited	Buildings and structures	861,000.00	2022.03.22-2023.02.28	N/A
China Merchants International Cold Chain (Shenzhen) Company Limited	Buildings and structures	840,000.00	2021.03.01-2022.02.28	N/A
Qingdao Qianwan United Container Terminal Co., Ltd.	Buildings and structures	662,285.71	2022.05.01-2023.12.31	N/A
Dalian Free Trade Zone Yongdexin Real Estate Development and Construction Co., Ltd.	Buildings and structures	408,741.23	2023.01.01-2023.12.31	N/A
China Nanshan Development (Group) Co., Ltd.	Buildings and structures	319,869.42	2019.01.01-2023.12.31	Attached with renewal option
China Nanshan Development (Group) Co., Ltd.	Others	230,502.86	2021.01.01-2023.12.31	N/A
China Merchants Apartment Development China Merchants Apartment Development	Buildings and structures	142,674.30	2022.01.01-2022.12.31	N/A
Nanshan Group and its subsidiaries	Buildings and structures	118,800.00	2019.01.01-2023.12.31	N/A
Nanshan Group and its subsidiaries	Port and terminal facilities	108,078.38	2019.01.01-2024.12.31	Attached with renewal option
Dalian Port Group Corporation Limited	Buildings and structures	80,000.00	2022.01.01-2022.12.31	N/A
Nanshan Group and its subsidiaries	Buildings and structures	53,931.60	2022.09.01-2023.08.31	N/A
Dalian Port Communications Engineering Co., Ltd.	Buildings and structures	50,000.00	2022.01.01-2022.12.31	N/A
China Merchants International Cold Chain (Shenzhen) Company Limited	Buildings and structures	48,604.84	2022.03.01-2022.03.21	N/A
Nanshan Group and its subsidiaries	Others	11,592.00	2021.07.01-2022.06.30	N/A
Total		365,970,846.57		

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(Unless otherwise specified, the monetary unit shall be RMB.)

(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(3) Related party guarantees

The Group as the guarantor

Secured party	Credit line	Guaranteed amount	Commencement date	Maturity	The guarantee has been completed or not
2022					
Terminal Link SAS (Note 1)	66,490,102.62	66,490,102.62	1 June 2013	2033	No
Khor Ambado FZCo (Note 2)	200,580,480.00	120,182,425.59	24 May 2019	2032	No
Total	267,070,582.62	186,672,528.21			
2021					
Terminal Link SAS (Note 1)	65,122,443.30	65,122,443.30	1 June 2013	2033	No
Khor Ambado FZCo (Note 2)	253,381,120.00	110,394,672.56	24 May 2019	2032	No
Total	318,503,563.30	175,517,115.86			

Note 1: CMA CGM S.A. is another shareholder of Terminal Link SAS, an associate of the Group. The Group has made a commitment to CMA CGM S.A. that the Group will provide guarantee for its bank loans and other liabilities to Terminal Link SAS to the extent of the Group's 49% ownership interest in the company. The actual guaranteed amount is RMB 66,490,102.62 as at 31 December 2022. If any guarantee liability occurs, the Group will compensate CMA CGM S.A.

Note 2: Khor Ambado FZCo is a related party of the Group's ultimate controlling shareholder. The Group provides guarantee for its bank loans and other liabilities, the actual amount of which as at 31 December 2022 is RMB 120,182,425.59.

(4) Borrowings and loans with related parties

Related party	Amount	Commencement date	Maturity date	Description
2022				
Borrowings				
China Merchants Group Finance Company Limited	604,990,472.82	Actual borrowing date	Agreed repayment date	Short-term borrowings
China Merchants Bank Co., Ltd.	140,139,852.77	Actual borrowing date	Agreed repayment date	Long-term borrowings
China Merchants Group Finance Company Limited	31,618,224.87	Actual borrowing date	Agreed repayment date	Long-term borrowings
China Merchants Bank Co., Ltd.	15,015,583.33	Actual borrowing date	Agreed repayment date	Short-term borrowings
Total	791,764,133.79			

(5) Asset transfer from related parties

Related party	Content of transaction	Pricing method and decision procedures of related transactions	2022	2021
Hoi Tung (Shanghai) Company Limited	Fixed assets	Negotiation	8,831,858.42	4,115,044.26
Hoi Tung (Shanghai) Company Limited	Construction in progress	Negotiation	4,853,097.34	-
Broadford (Shenzhen) Port Development Co., Ltd.	Equity investment	Valuation	-	384,000,000.00
Hoi Tung (Shenzhen) Company Limited	Machinery and equipment	Market price	-	1,345,132.74
Other related parties	Construction in progress	Negotiation	-	485,704.85
Total			13,684,955.76	389,945,881.85

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(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(6) Compensation for key management personnel

Item	2022	2021
Compensation for key management personnel	20,313,774.52	14,796,861.98

6. Amounts due from/to related parties

(1) Amounts due from related parties

Item	Related party	31/12/2022	31/12/2021
Cash and bank balances	China Merchants Bank Co., Ltd.	3,387,973,124.59	2,563,011,212.30
	China Merchants Group Finance Company Limited	1,841,698,554.32	2,178,303,655.54
	Total	5,229,671,678.91	4,741,314,867.84
Held-for-trading financial assets	China Merchants Bank Co., Ltd.	900,061,111.11	901,314,575.34
Accounts receivable	Ningbo Zhoushan and its subsidiaries	20,289,988.06	-
	China Marine Shipping Agency Guangdong Co., Ltd.	17,505,768.03	1,970,902.79
	Antong Holdings and its subordinate companies	8,395,245.04	13,014,575.59
	SINOWAY SHIPPING LIMITED	4,564,389.71	512,749.94
	COSCO Logistics (Zhanjiang) Co., Ltd.	4,045,734.88	5,211,554.51
	Qingdao Qianwan West Port United Wharf Co., Ltd.	3,749,064.99	2,315,131.88
	Liaoning Port Co., Ltd.	3,680,900.00	1,414,964.00
	Yiu Lian Dockyards (Shekou) Limited	3,554,521.60	4,414,431.20
	Khor Ambado FZCo	3,108,610.49	2,842,053.59
	Dalian Jifa Port Logistics Co., Ltd.	2,220,941.63	337,180.00
	Great Horn Development Company FZCo	2,157,859.50	2,606,831.64
	Dalian Container Terminal Co., Ltd.	1,957,840.00	330,000.60
	Dalian Jifa South Coast International Logistics Co., Ltd.	1,839,478.79	817,625.00
	Liaoning Port Group Co., Ltd.	1,821,581.00	733,681.00
	Port de Djibouti S.A.	1,770,749.55	1,618,911.45
	Qingdao Qianwan United Container Terminal Co., Ltd.	1,729,380.01	1,049,999.99
	China Merchants International Shipping Agency (Shenzhen) Co., Ltd.	1,530,505.68	1,341,323.72
	Nanshan Group and its subsidiaries	1,404,627.23	-
	Sinotrans Container Lines Co., Ltd.	1,287,851.75	1,436,388.75
	China Ocean Shipping Agency Shenzhen Co., Ltd.	758,113.05	1,418,539.82
	South China Sinotrans Supply Chain Management Co., Ltd.	659,854.40	475,477.60
	Sinotrans (HK) Shipping Limited	375,748.78	1,068,888.42
	China Marine Shipping Agency Ningbo Co., Ltd.	164,981.21	6,502,287.89
	Yingkou Port Group and its subsidiaries	160,491.00	3,333,618.62
	Panjin Port Group	-	1,467,000.00
	China Merchants International Cold Chain (Shenzhen) Company Limited	-	1,215,660.73
	Guizhou East Land Port Operation Co., Ltd.	-	89,177.60
	Other related parties	13,549,055.64	8,951,295.22
	Total	102,283,282.02	66,490,251.55

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(Unless otherwise specified, the monetary unit shall be RMB.)

(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

6. Amounts due from/to related parties - continued

(1) Amounts due from related parties - continued

Item	Related party	31/12/2022	31/12/2021
Dividends receivable	Nanshan Group	240,591,000.00	185,070,000.00
	Tin-Can Island Container Terminal Ltd	65,121,449.40	19,076,909.00
	Qingdao Qianwan United Container Terminal Co., Ltd.	50,000,000.00	-
	Merchants Port City	41,847,044.77	41,847,044.77
	COSCO Logistics (Zhanjiang) Co., Ltd.	18,449,001.16	18,403,959.77
	Other related parties	232,047.23	277,072.09
	Total	416,240,542.56	264,674,985.63
Other receivables	Chu Kong River Trade Terminal Co., Ltd.	36,053,588.00	32,953,940.00
	Port de Djibouti S.A.	24,808,664.70	22,681,372.48
	Shenzhen Nanyou (Holdings) Ltd.	6,725,260.86	1,109,020.00
	Shenzhen Qianhai Shekou Free Trade Investment Development Co., Ltd.	6,310,000.00	6,000,000.00
	Zhoushan Blue Ocean Investment Co., Ltd.	4,996,989.39	4,996,989.39
	China Merchants Shenzhen Ro-Ro Shipping Co., Ltd.	2,899,163.95	2,899,163.95
	EuroAsia Dockyard Enterprise and Development Limited	1,510,055.76	1,380,231.20
	China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	1,132,846.40	1,132,846.40
	Nanshan Group and its subsidiaries	1,009,839.70	129,239.70
	China Merchants Port Investment Development Company Limited	-	5,000,000.00
	Zhanjiang Infrastructure Construction Investment Group Co., Ltd.	-	4,907,365.06
	COSCO Logistics (Zhanjiang) Co., Ltd.	-	2,190,539.40
	Other related parties	3,550,453.73	6,477,504.63
Total	88,996,862.49	90,860,094.21	
Prepayments	Nanshan Group and its subsidiaries	9,000.00	-
	Other related parties	631.75	-
	Total	15,331.75	-
Non-current assets due within one year	Port of Newcastle and its subsidiaries	852,919,208.25	60,029,243.30
	Terminal Link SAS	46,409,214.10	42,429,677.59
	China Merchants Finance Lease (Tianjin) Co., Ltd.	3,800,000.00	-
	Total	903,128,422.35	102,458,920.89
Long-term receivables	Terminal Link SAS	2,931,108,250.96	2,679,769,106.42
	Tianjin Haitian Bonded Logistics Co., Ltd.	34,300,000.00	34,300,000.00
	China Merchants Finance Lease (Shanghai) Co., Ltd.	6,200,000.00	-
	China Merchants Finance Lease (Tianjin) Co., Ltd.	699,515.88	10,000,000.00
	Port of Newcastle and its subsidiaries	-	750,086,910.62
	Total	2,972,267,766.84	3,474,156,017.04
Other non-current assets	China Traffic Import and Export Co., Ltd.	-	20,854,077.98

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(Unless otherwise specified, the monetary unit shall be RMB.)

(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

6. Amounts due from/to related parties - continued

(2) Amounts due to related parties

Item	Related party	31/12/2022	31/12/2021
Short-term borrowings	China Merchants Group Finance Company Limited	413,453,629.50	3,393,366,381.96
	China Merchants Bank Co., Ltd.	150,158,833	-
	Total	428,469,212.83	3,393,366,381.96
Other current liabilities	China Merchants Group Finance Company Limited	100,665,753.4	10,012,082.19
Accounts payable	Antong Holdings and its subordinate companies	169,481,614.5	-
	Ningbo Zhoushan and its subsidiaries	16,725,206.29	1,159,307.43
	Qingdao Qianwan West Port United Wharf Co., Ltd.	800,747,416	6,742,200.79
	Shenzhen Bay Electricity Industry Co., Ltd.	490,501,06	4,987,709.79
	SINOWAY SHIPPING LIMITED	488,670,000	-
	Nanshan Group and its subsidiaries	429,215.79	3,154,427.56
	EuroAsia Dockyard Enterprise and Development Limited	236,408.70	3,142,704.91
	China Merchants Port Investment Development Company Limited	128,536.99	37,539.37
	Yiu Lian Dockyards Limited	79,077.94	2,651,200.00
	China Marine Shipping Agency Shenzhen Co., Ltd.	248,491.7	633,810.99
	Other related parties	421,218.81	3,064,781.40
	Total	64,567,085.36	25,573,682.24
Receipts in advance	Qingdao Wutong Century Supply Chain Co., Ltd.	196,013	-
	Other related parties	160,000	53,057.84
	Total	356,013	53,057.84
Contract liabilities	Dalian Container Terminal Co., Ltd.	969,785.44	3,573,179.78
	Dandong Port Group Co., Ltd.	382,090.7	-
	Qingdao Qianwan United Container Terminal Co., Ltd.	1,556,535.5	1,050,000.00
	Yingkou Xingang Kuangshi Terminals Co., Ltd.	151,484.30	-
	Antong Holdings and its subordinate companies	1,468,616.91	1,994,209.18
	COSCO Logistics (Zhanjiang) Co., Ltd.	127,537.28	-
	Qingdao Sinotrans Supply Chain Management Co., Ltd.	368,846	1,578,302.00
	Other related parties	250,480.44	289,061.68
Total	222,150,715.9	11,027,526.4	
Dividends payable	Zhanjiang Infrastructure Construction Investment Group Co., Ltd.	41,400,234.06	-
	China Merchants Zhangzhou Development Zone Co., Ltd.	20,000,000.00	20,000,000.00
	Dalian Port Container	14,000,000.00	18,349,264.69
	Sri Lanka Ports Authority	10,446,900.00	-
	Jifa Logistics	3,000,000.00	4,945,967.80
	Total	88,847,134.06	43,295,232.49
Other payables	Lac Assal Investment Holding Company Limited	47,359,371.46	-
	Antong Holdings and its subordinate companies	12,730,734.37	8,077,252.00
	China Merchants Real Estate (Shenzhen) Co., Ltd.	10,079,369.00	10,079,369.00
	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	6,420,820.68	-
	China Merchants Port Investment Development Company Limited	4,130,081.82	7,417,802.54
	China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	3,750,000.08	7,839,816.47
	China Merchants Real Estate Co., Ltd.	3,263,853.86	-
	Sinotrans Shenzhen Qianhai Supply Chain Management Ltd.	1,628,515.12	1,579,720.16
	Zhanjiang Xiangang United Development Co., Ltd.	1,439,535.7	1,433,473.84
	China Merchant Food (China) Co., Ltd.	1,090,070.00	1,069,017.00
	Shenzhen Baohong Technology Co., Ltd.	740,000	-
	Port de Djibouti S.A.	-	254,894,592.46
	Terminal Link SAS	-	3,910,337.39
	Other related parties	673,068.14	5,419,228.21
Total	99,352,844.44	301,720,609.07	

CHINA MERCHANTS PORT GROUP CO., LTD.

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(Unless otherwise specified, the monetary unit shall be RMB.)

(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

6. Amounts due from/to related parties - continued

(2) Amounts due to related parties - continued

Item	Related party	31/12/2022	31/12/2021
Non-current liabilities due within one year	China Merchants Group Finance Company Limited	110,838,087.45	27,106,533.22
	China Merchants Finance Lease (Shanghai) Co., Ltd.	103,236,707.51	104,204,701.37
	Nanshan Group and its subsidiaries	65,165,836.97	56,174,150.92
	China Merchants Tongshang Finance Lease Co., Ltd.	45,115,824.42	60,639,407.07
	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	37,012,422.69	-
	China Merchants Finance Lease (Tianjin) Co., Ltd.	32,339,542.44	32,788,124.97
	EuroAsia Dockyard Enterprise and Development Limited	14,255,883.08	13,030,256.95
	China Merchants Bank Co., Ltd.	11,362,639.43	4,227,333.34
	Guangdong Shunkong City Investment Real Estate Co. Ltd.	3,162,000.00	-
	China Merchants International Cold Chain (Shenzhen) Company Limited	1,000,270.17	-
	China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	-	6,029,278.06
	Other related parties	196,281.50	961,513.13
	Total	425,502,029.25	305,161,299.03
Other non-current liabilities	Nanshan Group and its subsidiaries	-	1,020,381.51
Long-term borrowings	China Merchants Group Finance Company Limited	445,490,692.58	543,744,022.45
	China Merchants Bank Co., Ltd.	325,000,000.00	196,000,000.00
	Total	770,490,692.58	739,744,022.45
Lease liabilities	China Merchants Finance Lease (Shanghai) Co., Ltd.	75,833,546.45	177,500,213.13
	Nanshan Group and its subsidiaries	65,431,073.09	58,651,209.31
	China Merchants Finance Lease (Tianjin) Co., Ltd.	15,833,403.29	47,500,069.97
	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	5,993,041.70	-
	China Merchants International Cold Chain (Shenzhen) Company Limited	253,362.41	1,353,404.41
	China Merchants Tongshang Finance Lease Co., Ltd.	-	44,730,575.22
	Other related parties	803,148.25	181,987.02
Total	164,147,575.19	329,917,459.06	
Long-term payables	China Merchants Finance Lease (Tianjin) Co., Ltd.	41,052,268.30	-

(XIV) SHARE-BASED PAYMENTS

1. Overall share-based payments

Total equity instruments granted by the Company in the year	None
Total equity instruments exercised by the Company in the year	None
Total equity instruments of the Company that became invalid in the year	5,948,200 shares
Range of exercise prices and remaining contractual life of the Company's stock options outstanding at the end of the year	Exercise price: RMB 14.71 to RMB 16.69; The remaining contractual life: 49 months
Range of exercise prices and remaining contractual life of the Company's other equity instruments outstanding at the end of the year	None

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(XIV) SHARE-BASED PAYMENTS - continued

2. Equity-settled share-based payments

The method used to determine the fair value of equity instruments at the grant date	The cost of granted stock options was estimated using the Black Scholes Model.
The basis for determining the number of exercisable equity instruments	At each balance sheet date in the vesting period, the best estimate was made and the estimated number of exercisable equity instruments was modified according to the latest changes in the number of employees who can exercise the rights and other subsequent information.
Reasons for the significant difference between the estimates of the current year and the estimates of prior year	Criteria of exercising in vesting period of batch 2 are not satisfied
The aggregate amount of equity-settled share-based payments that is included in capital reserve	5,591,402.00
Total expenses recognized for the equity-settled share-based payments in the year	-7,631,891.11

Pursuant to the Official Reply on the Implementation of the Stock Option Incentive Plan of China Merchants Port Group Co., Ltd. by State-owned Assets Supervision and Administration Commission of the State Council (No. 748 [2019], SASAC), which was deliberated and approved by the 1st Extraordinary General Meeting of the Company in 2020 on 3 February 2020, the Company implemented a stock option plan with effect from 3 February 2020 to grant 238 incentive recipients 17,198,000 stock options with an exercise price of RMB17.80 per share. With a lockup period of 24 months from the grant date, the stock options are exercisable upon expiry of the 24-month lockup period in the premise that the vesting conditions are satisfied. The stock options are exercisable in three batches, specifically, 40% for the first batch (after 24 months but within 36 months subsequent to the grant date), 30% for the second batch (after 36 months but within 48 months subsequent to the grant date) and the remaining 30% for the third batch (after 48 months but within 84 months subsequent to the grant date). Each stock option entitles the holder to subscribe for one ordinary share of the Company.

On 5 March 2021, the granting of stock option (reserved portion) under stock option incentive plan (phase I) was completed. The reserved portion of stock option targets to total 3 persons, granting 530,000 shares of stock option with exercise price of RMB15.09 per share. The grant date is 29 January 2021. With a lockup period of 24 months from the grant date, the stock options are exercisable upon expiry of the 24-month lockup period in the premise that the vesting conditions are satisfied. The stock options are exercisable in two batches, specifically, 50% for the first batch (after 24 months but within 36 months subsequent to the grant date), and the remaining 50% for the second batch (after 36 months but within 72 months subsequent to the grant date). Each stock option entitles the holder to subscribe for one ordinary share of the Company.

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(XIV) SHARE-BASED PAYMENTS - continued

2. Equity-settled share-based payments - continued

According to Article 32 of Stock Option Incentive Plan, since the grant date of the stock option, if the Company distributes dividends prior to the exercise of the option, the exercise price shall be adjusted accordingly. Therefore, the Company uniformly adjusted the exercise price from RMB17.80 per share to 17.34 per share in respect of the first batch of stock option granted under stock option incentive plan (phase I) on 30 January 2021; the Company uniformly adjusted the exercise price from RMB 17.34 per share to 16.69 per share in respect of the first batch of stock option granted under stock option incentive plan (phase I), and the exercise price of the reserved portion of stock option from RMB 15.09 per share to 14.71 per share on 29 January 2022.

As at the date on which the financial statements are issued, as the criteria of exercise in the second vesting period of the stock option (1st batch) under the stock option incentive plan (phase I) are not satisfied, the Company has cancelled the 3,886,800 shares of stock option corresponding to the second vesting period of the stock option (1st batch) under the stock option incentive plan (phase I). Since the criteria of exercise in the first vesting period of the stock option (the reserved portion) under the stock option incentive plan (phase I) are not satisfied, the Company has cancelled the 265,000 shares of stock option corresponding to the first vesting period of the stock option (the reserved portion) under the stock option incentive plan (phase I). As 21 of the incentive targets have retired or no longer serve the Company, the corresponding 1,796,400 shares of stock option have been cancelled.

(XV) COMMITMENTS AND CONTINGENCIES

1. Significant commitments

Item	31/12/2022	31/12/2021
Commitments that have been entered into but have not been recognized in the financial statements		
- Commitment to make contributions to the investees	38,956,185.01	211,620,680.00
- Commitment to acquire and construct long-term assets	1,802,316,899.52	1,755,687,773.54
- Commitment to invest port construction	5,571,690.76	5,093,914.88
- Others	383,560.31	-
Total	1,847,228,335.60	1,972,402,368.42

2. Contingencies

Item	31/12/2022	31/12/2021
Contingent liabilities brought by external litigations (Note 1)	279,438,527.06	207,807,928.33
Guarantee for borrowings of related parties (Note 2)	186,672,528.21	175,517,115.86
Total	466,111,055.27	383,325,044.19

(XV) COMMITMENTS AND CONTINGENCIES - continued

2. Contingencies - continued

Note 1: This mainly represents the significant contingent liabilities arising from the litigations between TCP and its subsidiaries and local tax authority, employee or former employee of TCP and its subsidiaries in Brazil at as the year end. According to the latest estimates of the Group's management, the possible compensation is RMB279,438,527.06 but it is not likely to cause outflow of economic benefits from the Group. Therefore, the contingent liabilities arising from the above pending litigations are not recognized as provisions. The counter-bonification where the Group as the beneficiary will be executed by the former TCP shareholder that disposed the shares. According to the counter-bonification agreement, the former TCP shareholder needs to make counter-bonification to the Group in respect of the above contingent liabilities, with the compensation amount not exceeding pre-determined amount and specified period.

Zhanjiang Port, a subsidiary of the Company, entered into an EPC contract for the General Cargo Terminal Project at Donghai Island Port Area of Zhanjiang Port with CCCC Water Transport Planning and Design Institute Co., Ltd. on 28 June 2016, with the agreed construction period from 28 June 2016 to 8 June 2018. After the contract was signed, the overall progress of the project construction was delayed due to the optimization and adjustment of the layout plan and process design for the terminal. In December 2022, CCCC Water Transport Planning and Design Institute Co., Ltd. filed a litigation to the court for losses caused by delay in construction, adjustment to project scale, changes in design, and other reasons, and may require Zhanjiang Port for compensation.

As at 31 December 2022, the claims of CCCC Water Transport Planning and Design Institute Co., Ltd. were inconsistent with those agreed in the contract, the relevant result of the litigation could not be reasonably estimated, and the management of the Group believed that the possibility of loss was quite low, therefore, no provisions were made for the above pending litigation.

Note 2: As at 31 December 2022, the guarantees provided by the Group for related parties are detailed in Note XIII 5(3).

As at 31 December 2022, the directors of the Company evaluated the default risks of related companies on the above-mentioned loan financing and other liabilities, and believed that the risks were not significant and the possibility of guaranteed payments was very small.

Except for the above-mentioned contingencies, as at 31 December 2022, the Group had no other major guarantees and other contingencies that need to be explained.

(XVI) EVENTS AFTER THE BALANCE SHEET

According to the profit distribution plan for 2022 and as approved by the 7th meeting of the 10th board of directors on 31 March 2023, the Company, based on the total shares of 2,499,074,661 as at 31 December 2022, distributes cash dividends at RMB 4.50 for every 10 shares, totalling RMB 1,124,583,597.45. The above profit distribution plan has not yet been approved by shareholders' meeting.

(XVII) OTHER SIGNIFICANT EVENTS

1. Segment reporting

(1) Basis for determining reporting segments and accounting policies

The key management team of the Company is regarded as the CODM, who reviews the Group's internal reports in order to assess performance, allocate resources and determine the operating segments. The CODM considers the operation of the Group in terms of business and locations.

Individual operating segments for which discrete financial information is available are identified by the CODM and are operated by their respective management teams. These individual operating segments are aggregated in arriving at the reporting segments of the Group.

From business and location perspectives, the management assesses the performance of the Group's business operations including ports operation, bonded logistics operation and other operations.

Ports operation

Ports operation includes container terminal operation, bulk and general cargo terminal operation operated by the Group and its associates and joint ventures.

The Group's ports operation is presented as follows:

- (a) Mainland China, Hong Kong and Taiwan
 - Pearl River Delta
 - Yangtze River Delta
 - Bohai Rim
 - Others
- (b) Other locations outside of Mainland China, Hong Kong and Taiwan

Bonded logistics operation

Bonded logistics operation includes logistics park operation, ports transportation and airport cargo handling operated by the Group and its associates and joint ventures.

(XVII) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(1) Basis for determining reporting segments and accounting policies - continued

Other operations

Other operations mainly include property development and investment and logistics business operated by the Group's associates, property investment operated by the Group and corporate function.

Each of the segments under ports operation includes the operations of a number of ports in various locations within one geographic location. For the purpose of segment reporting, these individual operating segments have been aggregated into reportable segments on geographic basis in order to present a more systematic and structured segment information. To give details of each of the operating segments, in the opinion of the directors of the Company, would result in particulars of excessive length.

Bonded logistics operation and other operations include a number of different operations, each of which is considered as a separate but insignificant operating segment by the CODM. For segment reporting, these individual operating segments have been aggregated according to the nature of their operations to give rise to more meaningful presentation.

There are no material sales or other transactions between the segments.

The revenue from a major customer of ports operation amounts to RMB1,672,365,283.13, representing 10.30% (2021: 11.52%) of the Group's operating income for 2022.

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(XVII) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Financial information of reporting segments

Segment financial information for 2022 is as follows:

Item	Ports operation						Bonded logistics operation	Others	Unappropriated amount	Total
	Mainland China, Hong Kong and Taiwan				Other locations	Sub-total				
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Others						
Operating income	6,774,045,422.66	1,139,944,516.62	74,222,857.10	3,552,074,625.60	4,086,514,642.86	15,626,802,064.84	445,592,537.09	158,094,525.62	-	16,230,489,127.55
Operating cost	3,849,914,782.32	696,788,162.45	62,264,300.65	2,691,172,225.32	1,853,376,921.16	9,153,516,391.90	280,270,213.56	216,675,107.48	-	9,650,461,712.94
Segment operating profit (loss)	2,924,130,640.34	443,156,354.17	11,958,556.45	860,902,400.28	2,233,137,721.70	6,473,285,672.94	165,322,323.53	-58,580,581.86	-	6,580,027,414.61
Taxes and surcharges	32,239,840.06	5,674,557.52	1,102,665.95	49,561,307.23	152,923,436.63	241,501,807.39	22,188,514.91	18,305,796.73	253,354.43	282,249,473.46
Administrative expense	435,544,849.33	37,586,936.77	9,903,393.91	536,045,336.65	266,594,657.88	1,285,675,174.54	46,846,479.95	1,356,901.51	431,216,180.51	1,765,094,736.51
R&D expenses	227,962,954.81	40,790,798.38	-	18,952,425.51	-	287,706,178.70	-	-	-	287,706,178.70
Financial expenses	43,042,474.05	12,623,313.35	16,617,530.89	105,755,359.90	202,779,070.53	380,817,748.72	11,831,333.17	42,509,881.22	1,823,554,709.31	2,258,713,672.42
Other income	128,422,018.54	6,905,602.77	99,278.36	73,123,957.51	-	208,550,857.18	20,996,809.22	2,259,661.58	9,840,742.44	241,648,070.42
Investment income	222,543,823.37	5,152,876,665.17	334,188,303.02	53,824,558.05	1,070,198,985.49	6,833,632,335.10	94,330,245.64	425,089,497.20	24,603,428.39	7,377,655,506.33
Gains (losses) from changes in fair value	34,481,879.58	-	-28,084,576.60	1,009,908.14	-	7,407,211.12	-136,440,861.23	-	-	-129,033,650.11
Gains from impairment of credit (losses)	-5,932,959.08	-	269,053.38	19,276,798.42	-221,119,087.29	-207,506,194.57	-15,967,381.98	-	-	-223,473,576.55
Gains (losses) from impairment of assets	-573,122.05	-	-	-21,585,898.15	-	-22,159,020.20	-	-	-	-22,159,020.20
Gains (losses) from disposal of assets	-186,834.36	-	-	-2,189,571.61	61,495.66	-2,314,910.31	104,763.84	57,352,755.05	-12,513.06	55,130,095.52
Operating profit (loss)	2,564,095,328.09	5,506,263,016.09	290,807,023.86	274,047,723.35	2,459,981,950.52	11,095,195,041.91	47,479,570.99	363,948,752.51	-2,220,592,586.48	9,286,030,778.93

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(XVII) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Financial information of reporting segments - continued

Segment financial information for 2022 is as follows: - continued

Item	Ports operation						Bonded logistics operation	Others	Unappropriated amount	Total
	Mainland China, Hong Kong and Taiwan				Other locations	Sub-total				
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Others						
Non-operating income	18,342,596.09	2,900,356.17	22,378,312.31	10,237,915.83	221,044,827.94	274,904,008.34	50,933.02	992,336.45	3,327,174.96	279,274,452.77
Non-operating expenses	23,387,870.39	1,035,713.16	-	148,923,783.29	29,888,387.79	203,235,754.63	10,000.00	-	17,196,500.05	220,442,254.68
Total profit (loss)	2,559,050,053.79	5,508,127,659.10	313,185,336.17	135,361,855.89	2,651,138,390.67	11,166,863,295.62	47,520,504.01	364,941,088.96	-2,234,461,911.57	9,344,862,977.02
Income tax expenses	517,928,967.15	218,235,972.45	19,104,784.49	39,483,784.58	225,040,819.77	1,019,794,328.44	17,884,281.49	73,694,575.33	1,806,494.09	1,113,179,679.35
Net profit (loss)	2,041,121,086.64	5,289,891,686.65	294,080,551.68	95,878,071.31	2,426,097,570.90	10,147,068,967.18	29,636,222.52	291,246,513.63	-2,236,268,405.66	8,231,683,297.67
Segment assets	24,257,996,252.39	58,080,072,708.01	9,491,073,768.13	27,095,782,491.19	44,322,822,242.58	163,247,747,462.30	4,719,190,904.43	19,523,260,761.95	10,035,331,759.08	197,525,530,887.76
Total assets in the financial statements										197,525,530,887.76
Segment liabilities	10,543,319,204.88	1,993,414,192.41	142,428,100.05	7,095,951,456.64	7,184,350,827.79	26,959,463,781.77	472,931,692.54	849,543,150.07	40,981,807,066.15	69,263,745,690.53
Total liabilities in the financial statements										69,263,745,690.53
Supplementary information:										
Depreciation and amortization	1,119,781,238.27	214,719,968.82	882,688.51	851,694,182.33	801,221,249.28	2,988,299,327.21	98,440,779.50	184,744,488.91	26,022,221.27	3,297,506,816.89
Interest income	49,428,469.37	2,890,732.29	543,508.80	27,921,113.89	255,001,470.66	335,785,295.01	1,231,657.13	1,329,524.29	131,487,621.62	469,834,098.05
Interest expense	86,468,640.13	10,921,214.61	-	128,204,357.08	415,728,796.45	641,323,008.27	13,108,859.14	26,701,866.03	1,544,029,072.35	2,225,162,805.79
Investment income from long-term equity investments under equity method	134,882,198.77	5,114,173,074.83	293,371,940.22	53,436,206.60	1,070,198,985.49	6,666,062,405.91	94,330,245.64	424,789,497.20	-	7,185,182,148.75
Long-term equity investments under equity method	1,741,189,123.54	52,146,528,746.22	8,605,621,312.90	1,094,348,450.19	13,193,855,158.62	76,781,542,791.47	1,496,017,782.58	14,086,733,345.00	-	92,364,293,919.05
Non-current assets other than long-term equity investments	18,338,841,436.04	4,203,682,076.56	15,863,803.61	21,159,269,860.52	25,053,023,827.83	68,770,681,004.56	2,058,218,100.73	5,083,564,521.74	880,089,692.55	76,792,553,319.58

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(XVII) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Financial information of reporting segments - continued

Segment financial information for 2021 is as follows:

Item	Ports operation						Bonded logistics operation	Others	Unappropriated amount	Total
	Mainland China, Hong Kong and Taiwan				Other locations	Sub-total				
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Others						
Operating income	6,169,011,494.33	955,807,808.06	69,178,976.05	3,746,197,331.61	3,695,214,463.69	14,635,410,073.74	464,573,743.50	183,824,357.36	-	15,283,808,174.60
Operating cost	3,453,475,366.43	597,481,157.49	54,665,813.81	2,783,662,072.53	1,680,840,428.09	8,570,124,838.35	257,835,741.37	218,875,602.77	-	9,046,836,182.49
Segment operating profit (loss)	2,715,536,127.90	358,326,650.57	14,513,162.24	962,535,259.08	2,014,374,035.60	6,065,285,235.39	206,738,002.13	-35,051,245.41	-	6,236,971,992.11
Adjustments:										
Taxes and surcharges	33,618,026.16	1,740,839.69	1,145,292.35	46,827,778.00	59,226,541.93	142,558,478.13	25,369,242.73	23,905,217.75	141,305.70	191,974,244.31
Administrative expense	459,095,114.37	41,447,191.06	10,094,331.91	530,495,769.77	239,606,436.10	1,280,738,843.21	43,767,439.19	1,021,783.02	403,632,493.08	1,729,160,558.50
R&D expenses	162,845,174.00	38,114,947.70	-	16,945,513.97	-	217,905,635.67	-	-	-	217,905,635.67
Financial expenses	77,467,350.81	5,641,533.68	-2,466,397.16	120,310,978.09	195,175,809.87	396,129,275.29	12,385,910.10	22,982,823.67	1,113,840,588.23	1,545,338,597.29
Other income	282,932,907.60	9,484,000.67	5,469.40	57,374,140.86	-	349,796,518.53	13,193,859.62	254,782.93	-	363,245,161.08
Investment income	440,035,665.04	4,238,562,309.59	277,273,943.74	345,017,458.52	468,204,189.40	5,769,093,566.29	-12,031,120.80	856,291,297.44	23,595,767.98	6,636,949,510.91
Gains (losses) from changes in fair value	9,359,683.02	-	-98,965,383.40	2,347,751.88	306,172,536.00	218,914,587.50	-	-	2,327,687.67	221,242,275.17
Gains (losses) from impairment of credit	-6,838,168.58	1,020,000.00	-	-7,045,279.31	-192,031,975.00	-204,895,422.89	-48,058,194.61	-	-	-252,953,617.50
Gains (losses) from impairment of assets	-	-	-	-418,345,307.68	-2,147,208.07	-420,492,515.75	-	-	-	-420,492,515.75
Gains (losses) from disposal of assets	2,962,025.35	13,209.72	6,430,654.08	25,740,511.52	266,566.00	35,412,966.67	212,611.41	-	-49,118.66	35,576,459.42
Operating profit (loss)	2,710,962,574.99	4,520,461,658.42	190,484,618.96	253,044,495.04	2,100,829,356.03	9,775,782,703.44	78,532,565.73	773,585,010.52	-1,491,740,050.02	9,136,160,229.67

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(XVII) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Financial information of reporting segments - continued

Segment financial information for 2021 is as follows: - continued

Item	Ports operation						Bonded logistics operation	Others	Unappropriated amount	Total
	Mainland China, Hong Kong and Taiwan				Other locations	Sub-total				
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Others						
Non-operating income	13,008,411.38	574,013.03	508,302.39	9,629,274.10	14,567,738.63	38,287,739.53	27,449.61	597,934.35	4,554,414.01	43,467,537.50
Non-operating expenses	6,917,726.39	2,166,481.95	-	53,226,742.91	24,897,586.02	87,208,537.27	20,000.00	-0.01	8,300,155.85	95,528,693.11
Total profit (loss)	2,717,053,259.98	4,518,869,189.50	190,992,921.35	209,447,026.23	2,090,499,508.64	9,726,861,905.70	78,540,015.34	774,182,944.88	-1,495,485,791.86	9,084,099,074.06
Income tax expenses	524,164,148.32	221,408,593.92	7,548,598.15	61,714,339.27	307,146,501.14	1,121,982,180.80	11,538,241.85	53,526,346.43	242,046,315.23	1,429,093,084.31
Net profit (loss)	2,192,889,111.66	4,297,460,595.58	183,444,323.20	147,732,686.96	1,783,353,007.50	8,604,879,724.90	67,001,773.49	720,656,598.45	-1,737,532,107.09	7,655,005,989.75
Segment assets	28,287,890,207.35	36,766,156,834.80	7,570,933,282.53	27,838,467,531.77	41,135,106,798.84	141,598,554,655.29	3,462,069,538.25	18,978,652,576.39	11,944,824,398.73	175,984,101,168.66
Total assets in the financial statements										175,984,101,168.66
Segment liabilities	10,300,340,684.26	1,641,664,024.25	149,926,571.36	7,645,454,637.72	7,851,403,330.63	27,588,789,248.22	533,057,935.76	1,017,520,046.89	35,809,307,046.31	64,948,674,277.18
Total liabilities in the financial statements										64,948,674,277.18
Supplementary information:										
Depreciation and amortization	889,758,581.06	197,464,949.23	1,093,508.89	917,975,691.54	766,865,123.91	2,773,157,854.63	72,861,519.89	175,029,480.65	45,222,064.61	3,066,270,919.78
Interest income	13,898,280.21	4,223,041.44	402,788.78	32,826,269.88	246,477,465.44	297,827,845.75	1,120,075.68	2,177,357.15	76,438,595.91	377,563,874.49
Interest expense	96,364,688.47	5,094,276.48	-	153,293,454.39	383,901,414.22	638,653,833.56	15,348,819.97	31,819,095.28	1,224,026,866.19	1,909,848,615.00
Investment income from long-term equity investments under equity method	361,451,468.54	4,238,562,309.59	236,693,226.55	141,786,109.87	468,204,189.40	5,446,697,303.95	-12,031,120.80	856,291,297.44	-	6,290,957,480.59
Long-term equity investments under equity method	6,010,920,490.10	30,734,063,685.69	6,722,000,869.89	508,063,722.03	11,990,041,710.35	55,965,090,478.06	672,691,660.83	13,715,669,685.63	-	70,353,451,824.52
Non-current assets other than long-term equity investments	18,760,635,381.65	4,126,611,225.22	16,711,625.75	24,186,695,730.85	20,329,634,458.61	67,420,288,422.08	2,126,565,848.52	4,930,963,314.80	620,648,598.94	75,098,466,184.34

NOTES TO THE FINANCIAL STATEMENTS
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(XVII) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Financial information of reporting segments - continued

The Group's total revenue from external transactions in Mainland China and other countries and regions, and total non-current assets other than financial assets and deferred tax assets located in Mainland China and other countries and regions are presented as follows

Revenue from external transactions	2022	2021
Mainland China, Hong Kong and Taiwan	12,105,380,701.20	11,550,563,244.63
Pearl River Delta	7,195,529,214.88	6,646,437,978.26
Yangtze River Delta	1,139,944,516.62	955,807,808.06
Bohai Rim	217,832,344.10	202,120,126.70
Others	3,552,074,625.60	3,746,197,331.61
Other locations	4,125,108,426.35	3,733,244,929.97
Total	16,230,489,127.55	15,283,808,174.60

Total non-current assets	31/12/2022	31/12/2021
Mainland China, Hong Kong and Taiwan	130,723,044,577.52	109,645,185,780.08
Pearl River Delta	42,150,053,552.57	45,414,657,732.10
Yangtze River Delta	56,350,210,822.78	34,860,356,989.30
Bohai Rim	9,147,542,234.74	7,318,137,784.88
Others	23,075,237,967.43	22,052,033,273.80
Other locations	38,433,802,661.11	35,806,732,228.78
Total	169,156,847,238.63	145,451,918,008.86

(3) Degree of reliance on major customers

The total operating income derived from the top five customers of the Group is RMB 3,298,081,685.23, accounting for 20.32% of the Group's operating income.

(XVIII) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

1. Other receivables

1.1 Summary of other receivables

Item	31/12/2022	31/12/2021
Dividends receivable	147,896,763.88	177,295,422.67
Other receivables	2,601,740,991.35	1,079,447,548.34
Total	2,749,637,755.23	1,256,742,971.01

CHINA MERCHANTS PORT GROUP CO., LTD.

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**(XVIII) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS -
continued**

1. Other receivables - continued

1.2 Dividends receivable

(1) Presentation of dividends receivable

Investee	31/12/2022	31/12/2021
Chiwan Wharf Holdings (Hong Kong) Ltd.	147,680,363.88	147,680,363.88
Shenzhen Petrochemical Industry (Group) Co., Ltd.	216,400.00	216,400.00
China Merchants Bonded Logistics Co., Ltd.	-	15,707,120.00
Dongguan Shenchewan Wharf Co., Ltd.	-	13,691,538.79
Total	147,896,763.88	177,295,422.67
Less: Provision for credit loss	-	-
Carrying amount	147,896,763.88	177,295,422.67

(2) Significant dividends receivable aged over 1 year

Item	31/12/2022	31/12/2021	Reason for outstanding	Impaired or not and the determination basis
Chiwan Wharf Holdings (Hong Kong) Ltd.	147,680,363.88	147,680,363.88	In processing and expected to be recovered in 2023	No
Total	147,680,363.88	147,680,363.88		

1.3 Other receivables

(1) Aging analysis of other receivables

Aging	31/12/2022		
	Other receivables	Provision for credit loss	Proportion of provision (%)
Within 1 year	1,526,322,695.78	-	-
1 to 2 years	289,656,927.75	-	-
2 to 3 years	457,984,135.87	-	-
More than 3 years	328,160,688.55	383,456.60	0.12
Total	2,602,124,447.95	383,456.60	

(2) Disclosure of other receivables by nature

Item	31/12/2022	31/12/2021
Amounts due from related parties	2,596,356,894.67	1,072,941,653.53
Advances	2,467,600.00	4,741,428.81
Others	3,299,953.28	2,147,922.60
Total	2,602,124,447.95	1,079,831,004.94
Less: Provision for credit loss	383,456.60	383,456.60
Carrying amount	2,601,740,991.35	1,079,447,548.34

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(XVIII) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS -
continued

1. Other receivables - continued

1.3 Other receivables - continued

(3) Provision for credit loss of other receivables

As part of the Company's credit risk management, the Company performs internal credit rating on customers, and determines the expected loss rate of other receivables under each credit rating. Such expected average loss rate is based on historical actual impairment and takes into consideration of current and expected future economic conditions.

At 31 December 2022, the credit risk and expected credit loss of other receivables by category of customers are as follows:

Credit rating	Expected credit loss rate (%)	31/12/2022				31/12/2021			
		12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
A	0.00-0.10	2,601,740,991.35	-	-	2,601,740,991.35	1,079,447,548.34	-	-	1,079,447,548.34
B	0.10-0.30	-	-	-	-	-	-	-	-
C	0.30-50.00	-	-	-	-	-	-	-	-
D	50.00-100.00	-	-	383,456.60	383,456.60	-	-	383,456.60	383,456.60
Gross carrying amount		2,601,740,991.35	-	383,456.60	2,602,124,447.95	1,079,447,548.34	-	383,456.60	1,079,831,004.94
Provision for credit loss		-	-	383,456.60	383,456.60	-	-	383,456.60	383,456.60
Carrying amount		2,601,740,991.35	-	-	2,601,740,991.35	1,079,447,548.34	-	-	1,079,447,548.34

(4) Provision, recovery and reversal of credit loss of other receivables

Item	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	
At 1 January 2022		-	383,456.60	383,456.60
Balance of other receivables at 1 January 2022				
- Transfer to Stage 2	-	-	-	-
- Transfer to Stage 3	-	-	-	-
- Reverse to Stage 2	-	-	-	-
- Reverse to Stage 1	-	-	-	-
Provision for the year	-	-	-	-
Reversal for the year	-	-	-	-
Transfer out due to derecognition of financial assets (including direct write-down)	-	-	-	-
Other changes	-	-	-	-
At 31 December 2022	-	-	383,456.60	383,456.60

(5) The Company has no recovery or reversal of significant provision for credit loss in the current year.

CHINA MERCHANTS PORT GROUP CO., LTD.

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FOR THE YEAR ENDED 31 DECEMBER 2022**

(Unless otherwise specified, the monetary unit shall be RMB.)

**(XVIII) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS -
continued**

1. Other receivables - continued

(6) The Group has no other receivables written off during the year.

(7) The top five balances of other receivables at the end of the year classified by debtor

Name of entity	Relationship with the Company	Nature	Closing balance	Aging	Proportion to total other receivables (%)	Closing balance of provision for credit loss
Shenzhen Haixing	Subsidiary	Loan to related parties	1,302,461,738.81	Within 1 year, 1-2 years, 2-3 years, More than 3 years	50.05	-
Chiwan Wharf Holdings (Hong Kong) Ltd.	Subsidiary	Loan to related parties	1,151,028,753.86	Within 1 year	44.23	-
Shunkong Port	Subsidiary	Loan to related parties	142,866,402.00	Within 1 year	5.49	-
CM International Tech	Subsidiary	Advances	2,467,600.00	Within 1 year	0.09	-
Shenzhen Shekou Local Taxation Bureau	Third party	Others	711,772.07	More than 3 years	0.03	-
Total			2,599,536,266.74		99.89	-

CHINA MERCHANTS PORT GROUP CO., LTD

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(XVIII) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS - continued

2. Long-term equity investments

Investee	31/12/2021	Changes for the year						31/12/2022	Closing balance of provision for impairment	
		Increase	Decrease	Investment income under equity method	Reconciliation of other comprehensive income	Other equity movements	Cash dividends or profit declared			Provision for impairment
I. Subsidiaries										
Ports Development (Hong Kong) Limited (Note 1)	-	29,203,045,326.23	-	-	-	-	-	-	29,203,045,326.23	-
Zhanjiang Port	3,381,825,528.52	-	-	-	-	-	-	-	3,381,825,528.52	-
Chiwan Container Terminal Co., Ltd.	421,023,199.85	-	-	-	-	-	-	-	421,023,199.85	-
Shenzhen Chiwan Harbor Container Co., Ltd.	250,920,000.00	-	-	-	-	-	-	-	250,920,000.00	-
Shenzhen Chiwan Port Development Co., Ltd.	206,283,811.09	-	-	-	-	-	-	-	206,283,811.09	-
Dongguan Shenchiwan Port Affairs Co., Ltd.	186,525,000.00	-	-	-	-	-	-	-	186,525,000.00	-
Dongguan Shenchiwan Wharf Co., Ltd.	175,000,000.00	-	-	-	-	-	-	-	175,000,000.00	-
CM Port (Note 2)	29,290,281,157.45	81,605,936.30	-29,203,045,325.40	-	-	-	-	-	168,841,768.35	-
CM Port (Zhoushan) RoRo Logistics Co., Ltd.	149,709,800.00	-	-	-	-	-	-	-	149,709,800.00	-
Yide Port (Note 3)	-	131,866,700.00	-	-	-	-	-	-	131,866,700.00	-
Shunkong Port (Note 4)	-	50,000,000.00	-	-	-	-	-	-	50,000,000.00	-
Shenzhen Chiwan Tugboat Co., Ltd.	24,000,000.00	-	-	-	-	-	-	-	24,000,000.00	-
CM International Tech	20,561,075.02	-	-	-	-	-	-	-	20,561,075.02	-
Shenzhen Chiwan International Freight Agency Co., Ltd.	5,500,000.00	-	-	-	-	-	-	-	5,500,000.00	-
Sanya Merchants Port Development Co., Ltd.	2,040,000.00	-	-	-	-	-	-	-	2,040,000.00	-
Chiwan Wharf Holdings (Hong Kong) Ltd.	1,070,000.00	-	-	-	-	-	-	-	1,070,000.00	-
Chiwan Shipping (Hong Kong) Limited	1,051,789.43	-	-	-	-	-	-	-	1,051,789.43	-
Sub-total	34,115,791,361.36	29,466,517,962.53	-29,203,045,325.40	-	-	-	-	-	34,379,263,998.49	-
II. Associates										
Ningbo Zhoushan (Note 5)	1,792,998,234.68	14,113,777,882.23	-	258,454,001.50	261,596.32	102,528,280.42	-39,140,468.28	-	16,228,879,526.87	-
China Merchants Northeast Asia Development & Investment Co., Ltd.	1,016,048,532.69	-	-	-13,657,927.07	-	14,619,600.09	-	-	1,017,010,205.71	-
China Merchants Bonded Logistics Co., Ltd.	395,249,112.00	-	-	17,113,806.79	-	-	-	-	412,362,918.79	-
Sub-total	3,204,295,879.37	14,113,777,882.23	-	261,909,881.22	261,596.32	117,147,880.51	-39,140,468.28	-	17,658,252,651.37	-
III. Joint ventures										
Yantai Port Group Laizhou Port Co., Ltd.	791,515,741.44	-	-	32,565,975.37	-	-669,119.99	-29,259,207.08	-	794,153,389.74	-
Fujian Zhaohang Logistics Management Partnership (Limited Partnership) ("Zhaohang Logistics")	511,210,432.62	-	-	91,193,783.34	-	-10,269,949.21	-	-	592,134,266.75	-
Shenzhen Gangteng Internet Technology Co., Ltd. (Note 6)	-	11,250,000.00	-	-1,440,834.86	-	-	-	-	9,809,165.14	-
China Merchants Antong Logistics Management Company (Note 7)	9,727,878.94	-	-9,794,887.44	67,008.50	-	-	-	-	-	-
Investment Fund	-	1,085,852.21	-1,047,401.66	-38,450.55	-	-	-	-	-	-
Sub-total	1,312,454,053.00	12,335,852.21	-10,842,289.10	122,347,481.80	-	-10,939,069.20	-29,259,207.08	-	1,396,096,821.63	-
Total	38,632,541,293.73	43,592,631,696.97	-29,213,887,614.50	384,257,363.02	261,596.32	106,208,811.31	-68,399,675.36	-	53,433,613,471.49	-

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(Unless otherwise specified, the monetary unit shall be RMB.)

(XVIII) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS - continued

2. Long-term equity investments - continued

Note 1:Details are set out in Note (X) 1. (1).

Note 2:Details are set out in Note (X) 1. (1).

Note 3:The Company has entered into an equity transfer agreement with its subsidiary China Merchants International Port Development (Hong Kong) Limited (hereinafter referred to as "Port Development") on 22 December 2022. Pursuant to the agreement, Port Development transfers 51% of equity interests in Yide Port to the Company. Upon the completion of the transaction, the Company directly holds and has control over Yide Port.

Note 4:Details are set out in Note (IX) 1.

Note 5:Details are set out in Note (VIII) 13 (1).

Note 6:Shenzhen Gangteng Internet Technology Co., Ltd. is a joint venture established jointly by the Company, Shenzhen Tencent Industry Venture Capital Co., Ltd., CM International Tech, Haixing Port and Shenzhen Zhigangbilin Internet Technology Partnership (LP). The Company has paid the capital contribution of RMB 11,250,000.00 on 23 February 2022.

Note 7:On 7 May 2022, the Company, Shandong Xincheng Hengye Group Co., Ltd. and Quanzhou Antong Internet of Things Co., Ltd. reached an agreement unanimously on the dissolution of the logistics business, and implemented corresponding liquidation and cancellation procedures.

3. Operating income and operating costs

Item	2022		2021	
	Income	Cost	Income	Cost
Principal operation	-	-	-	-
Other operations	3,669,891.36	2,276,202.60	2,642,001.75	2,265,959.45
Total	3,669,891.36	2,276,202.60	2,642,001.75	2,265,959.45

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**(XVIII) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS -
continued**

4. Investment income

(1) Details of investment income

Item	2022	2021
Income from long-term equity investments under cost method	549,150,517.02	1,324,423,832.08
Income from long-term equity investments under equity method	384,257,363.02	226,225,111.65
Income from held-for-trading financial assets	120,227,079.12	38,750,781.56
Income from investments in other equity instruments	-	7,409,500.00
Income from disposal of long-term equity investments	-20,508.07	-
Total	1,053,614,451.09	1,596,809,225.29

(2) Income from long-term equity investments under cost method

Investee	2022	2021	Reason for changes
Shenzhen Chiwan Harbor Container Co. Ltd.	173,751,858.77	143,574,378.69	Changes in profit distribution of investee
Chiwan Container Terminal Co., Ltd.	166,925,696.05	115,287,847.14	Changes in profit distribution of investee
Zhanjiang Port	91,862,080.91	23,395,773.67	Changes in profit distribution of investee
Dongguan Shenchiwán Wharf Co., Ltd.	37,543,998.58	48,020,128.82	Changes in profit distribution of investee
Shenzhen Chiwan Tugboat Co., Ltd.	29,238,925.84	30,409,076.03	Changes in profit distribution of investee
Shenzhen Chiwan Port Development Co., Ltd.	20,415,654.72	14,577,752.63	Changes in profit distribution of investee
Shenchiwán Port Affairs	18,111,237.23	2,664,219.41	Changes in profit distribution of investee
CM Port	11,069,965.98	946,405,578.84	Changes in profit distribution of investee
Shenzhen Chiwan International Freight Agency Co., Ltd.	231,098.94	89,076.85	Changes in profit distribution of investee
Total	549,150,517.02	1,324,423,832.08	

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
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1. BREAKDOWN OF NON-RECURRING PROFIT OR LOSS

Item	Amount	Remark
Gains or losses on disposal of non-current assets	-104,372,804.10	
Tax refunds or reductions with ultra vires approval or without official approval documents	-	
Government grants recognized in profit or loss (except for grants that are closely related to the Company's business and are in amounts and quantities fixed in accordance with the national standard)	196,086,614.17	
Income earned from lending funds to non-financial institutions and recognized in profit or loss	189,123,975.49	
The excess of attributable fair value of identifiable net assets over the consideration paid for subsidiaries, associates and joint ventures	-	
Gains or losses on exchange of non-monetary assets	-	
Gains or losses on entrusted investments or asset management	-	
Provision of impairment of assets due to force majeure, e.g. natural disasters	-	
Gains or losses on debt restructuring	-	
Business restructuring expenses, e.g., expenditure for layoff of employees, integration expenses, etc.	-	
Gains or losses relating to the unfair portion in transactions with unfair transaction price	-	
Net profit or loss of subsidiaries recognized as a result of business combination of enterprises under common control from the beginning of the period up to the business combination date	-	
Gains or losses arising from contingencies other than those related to normal operating business	-	
Gains from changes in fair value of held-for-trading financial assets, derivative financial assets, other non-current financial assets, held-for-trading financial liabilities, derivative financial liabilities other than effective hedging operation relating to the Company's normal operations, and the investment income from disposal of the above financial assets/financial liabilities	-129,033,650.11	
Reversal of provision for accounts receivable that are tested for credit loss individually	18,730,660.58	
Gains or losses on entrusted loans	-	
Gains or losses on changes in fair value of investment properties that are subsequently measured using the fair value model	-	
Effects on profit or loss of one-off adjustment to profit or loss for the period according to the requirements by tax laws and accounting laws and regulations	-	
Custodian fees earned from entrusted operation	-	
Other non-operating income or expenses other than above	216,674,035.87	
Other profit or loss that meets the definition of non-recurring profit or loss	-213,574,591.16	Note
Tax effects	-12,258,847.06	
Effects of minority interests (after tax)	-169,099,324.67	
Total	-7,723,930.99	

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

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
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2. RETURN ON NET ASSETS AND EARNINGS PER SHARE ("EPS")

The return on net assets and EPS have been prepared by the Company in accordance with *Information Disclosure and Presentation Rules for Companies Making Public Offering No. 9 - Calculation and Disclosure of Return on Net Assets and Earnings per Share* (revised in 2010) issued by China Securities Regulatory Commission.

Item	Weighted average return on net assets (%)	EPS	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders	7.5443		
Net profit attributable to ordinary shareholders after deducting non-recurring profit or loss	7.5617		
