



CHINA MERCHANTS PORT GROUP CO., LTD.

ANNUAL REPORT 2021

Date of disclosure: 31 March 2022

Chairman's Statement

Dear shareholders,

I hereby present to you the annual report of China Merchants Port Group Co., Ltd. and its subsidiaries (the "Company") for the year ended 31 December 2021. On behalf of the Board, I would like to express my sincere gratitude to all of you for your long-term support to the Company.

The Company is a crucial vehicle for CMG to implement the "Belt and Road" Initiative promoted by China and the strategy of Guangdong-Hong Kong-Macao Greater Bay Area. Serving not only as the core enterprise of China Merchants Group's port sector, the Company is also the capital operation and management platform for the group's global port assets, hence playing a key role in the consolidation and synergistic development of CMG's port assets. The Company has become a world-leading port investor, developer and operator.

Looking ahead, by seizing the important opportunities arising from implementing major national strategies, apply a new vision of development and implement high-quality development requirements, the Company will take actions and strive to become a world-class comprehensive port service provider. While actively innovating the service model with a focus on core port businesses and promoting the construction of "Intelligent Port" ecosystem under the guidance of technology innovation, it will proactively take part in international port investment, development and operation, so as to optimize the port network system on a continuous basis. By offering top-notch service solutions, it will become customers' first choice of partner for cooperation, creating greater value for the Company, enhancing return for shareholders and contributing to building a more stable, reliable and secure supply chain.

Review for the year

In 2021, COVID-19 situation around the world was complex and severe. Benefiting from the accelerated vaccination process, loose monetary policy and continued active fiscal policy, the global economy, especially of major economies, was generally showing a recovery trend. However, repeated outbreak of the pandemic and discrepancy in national policy response against the pandemic have caused divergence in the economic recovery of different countries. Under the multiple impacts of inflation, supply chain disruption, complicated geopolitics, and exchange rate fluctuations, along with other uncertainties, the Company's daily operation and management faced certain challenges. Confronted with a grave and complex external environment, the Company adhered to the strategic principle of "leveraging on its long-term strategy, tapping the current edges, driving through technology and embracing changes". Apart from coping with challenges proactively as the COVID-19 pandemic spread, it pursued various key construction projects in a steady manner, including the pandemic prevention and control, development of leading ports, innovative development, overseas expansion and comprehensive development, and successfully accomplished its strategic goals and various operational objectives of the year.

In terms of port operation, the container port business delivered a container throughput totaled 136.394 million twenty-foot equivalent units (TEUs) in 2021, up 12.0% year-on-year. Looking into the regional performance, container throughput handled by the Company's ports in Mainland China totaled 95.138 million TEUs, up 10.9% year-on-year. Ports in Hong Kong and Taiwan handled a combined container throughput of 7.684 million TEUs, up 7.4% year-on-year, while overseas port projects handled a total container throughput of 33.572 million TEUs, up 16.3% year-on-year, mainly because the business volume of eight terminals which Terminal Link SAS(TL) newly acquired was included in the statistics in April 2020 and the business growth of Lomé Container Terminal S.A. (LCT) in Togo and TCP Participações S.A. (TCP) in Brazil. In terms of bulk cargo volume, the Company's ports in Mainland China handled a total bulk cargo volume of 607 million tons, up 35.3% year-on-year, mainly due to the merger of Yingkou Port by the shareholding company Dalian Port, the whole changed to Liaoning Port Co., Ltd and the Company will include the business volume of Yingkou Port into the statistics since February 2021; the overseas port handled a total bulk cargo volume of 6.21 million tons, up 6.5% year-on-year, mainly due to the business increase of HIPG in Sri Lanka. Among the major ports, container throughput handled in West Shenzhen Port Zone in China was 12.834 million TEUs, up 8.4% year-on-year; bulk cargo volume handled by it increased by 7.9% year-on-year to 19.504 million tons. SIPG handled a container throughput of 47.032 million TEUs, representing a year-on-year increase of 8.1%; bulk cargo volume handled by it increased by 8.9% year-on-year to 82.388 million tons. For overseas projects, CICT in Sri Lanka delivered a year-on-year growth of 4.4% by handling a container throughput of 3.060 million TEUs; bulk cargo volume handled by HIPG in Sri Lanka increased by 25.6% year-on-year to 1.555 million tons. LCT in Togo handled a container throughput of 1.626 million TEUs, representing a growth of 19.2% year-on-year. Kumport in Turkey handled a container throughput of 1.248 million TEUs, representing an increase of 2.5% year-on-year; bulk cargo volume handled by it increased by 62.1% year-on-year to 0.107 million tons. TCP in Brazil handled a container throughput of 1.101 million TEUs, representing a year-on-year increase of 12.0%. Terminal Link SAS (TL) handled a container throughput of 25.523 million TEUs in the year, up 20.3% year-on-year.

In terms of key priorities, firstly, the Company simultaneously focused on the prevention and control of the pandemic as well as the production and operation. The Company adhered to "enhancing the sense of responsibility, guarding the gate for the country, and keeping the first line of defense for foreign input", worked to ensure constant vigilance against the pandemic, made unremitting efforts in prevention and control work and scientifically implemented ongoing targeted control. At the same time, new achievements in production and operation have been achieved, the Company's operating income and recurrent operating profits both set a new record. Secondly, the development of leading ports has been advanced to a new stage. The West Shenzhen homebase port saw a net addition of 35 new routes, the regionally leading ports Zhanjiang Port and Shantou Port have greatly improved their capacity, and the business volumes of two overseas homebase ports in Sri Lanka have both made breakthroughs. TCP in Brazil has entered the Million TEU Terminal Club in Brazil for the first time. Thirdly, new results in innovation and development have been achieved. The Company actively explored model innovation, built an innovation-driven development platform, and cooperated closely with relevant entities to jointly build demonstration ports of international hydrogen energy industry; actively accelerated industrial digitization and established a smart port technology innovation laboratory; continued to promote the construction of Mawan Intelligent Port which passed the completion acceptance and officially put into operation at the end of June 2021; the number of port

complex in the Guangdong-Hong Kong-Macao Greater Bay Area continued to increase, greatly improving the comprehensive competitiveness of the West Shenzhen Port Area in the Pearl River Delta region. Fourth, the Company continuously improved the quality of overseas ports and comprehensive development business, strengthened the business coordination of various sites and enhanced the influence of various regions by taking advantage of the global port network layout. At the same time, the PPC comprehensive development model was further promoted, and the number of enterprises entering the park from overseas continued to increase. Fifth, corporate governance and social responsibility performance were recognized. The Company stood out from 440 central enterprises and was selected into the "Central Enterprise ESG Pioneer 50 Index (央企 ESG·先鋒 50 指數)", ranking ninth on the index list, which fully reflected the SASAC's affirmation of the Company's ESG work; the Company continued to be practical and meticulous in the governance of the board of directors and won the award of "Top 20 Board Governance of Listed Companies in the Greater Bay Area (2021 大灣區上市公司董事會治理 TOP20)" and the recognition from the industry. The Company's influence has continued to increase.

Outlook

Looking forward into 2022, the global economy will gradually return to normal from the impact of the pandemic and fiscal stimulus, and will present the main principle of recovery in general. However, the recurrence of the COVID-19 pandemic has led to uncertainties about the recovery prospects of the global economy. 2022 is the year of deepening China's implementation of the "14th Five-Year Plan". China will adhere to the general guideline of economic work of seeking progress while maintaining stability, continue to implement new development concepts, accelerate the construction of a new development pattern, adhere to innovation-driven development, and promote high-quality development, adhere to the supply-side structural reform as the main line, and focus on stabilizing the macroeconomic market. It is expected that the Chinese economy will resume trend growth in 2022, and the growth rate will be slower than that in 2021, but the economic structure will continue to be optimized. Policies such as supporting technological innovation-driven development, deepening the reform of the logistics supply chain system, and promoting green new infrastructure are expected to be successively introduced and implemented, which will continue to bring new development opportunities for the development of the industry. The Company will firmly grasp the general thrust of "seeking progress while maintaining stability", practice new development concepts, adhere to the two development paths of "endogenous growth + innovation and transformation", take active actions and respond scientifically, focus on key areas, and overcome difficulties. Through reform and innovation, we will continuously improve the quality of customer service, continue to enhance the competitiveness of the global market, and become a world-class leading integrated port service provider with high-quality development, and strive to achieve greater value for the Company and more returns for shareholders.

In 2022, the Company will continue to grasp the general thrust of the work of seeking progress while maintaining stability, stand on the new stage of development, implement new development concepts, and build new development pattern. The Company will continue to make breakthroughs in homebase port construction, pandemic prevention and control, technological innovation, market expansion, operation management, capital operation, comprehensive development, etc., and make every effort to promote the Company's overall high-quality development.

In terms of homebase port construction, the West Shenzhen homebase port will continue to closely follow the Guangdong-Hong Kong-Macao Greater Bay Area construction strategy, continuously improve customer service levels, and further enhance comprehensive capabilities. Meanwhile, the Company will focus on building its overseas homebase ports in Sri Lanka, CICT and HIPG into an international container hub port and a regional comprehensive port, respectively. The Company continue to promote the construction of the international shipping center in South Asia, and continue to improve the integrated operation and management of the two ports.

In terms of pandemic prevention and control, the Company will continue to build a normalized pandemic prevention and control system, continuously improve emergency plans and operational norms, adhere to the “human” and “material” prevention and control, and maintain the defense line to ensure the safety and stability of the pandemic prevention and control situation.

In respect of technology innovation, the Company will focus on industrial transformation, upgrade driven by innovation and technology empowerment and realize sustainable and stable growth of the company. The Company will develop the ecosystem for technology and innovation, and generate innovative solutions with technology for ports to build the integrated platform for industry, education and research. With the “CM Chip” platform, the Company will develop three major leading products for the industry, strive to intelligentize the production and operation within the terminals. With the “CM ePort” platform, the Company will innovate the service models by improving the information service system and adopting the “Port + Internet” approach for the port, so as to explore and develop an open platform for intelligent ports.

In terms of market expansion, the Company will deepen the concept with the focus on customers, continue to strengthen the cooperation with major shipping companies, build a three dimensional, multi-dimensional and multi-business collaborative alliance chain circle around the coordinated ports model, with the West Shenzhen homebase ports as the core, to enhance the linkage with end customers. At the same time, the Company will construct a collaborative business platform, improve the construction of the market commerce system, and expand the coverage of the logistics supply chain endogenously and externally via shaping the integration, platform and digitalization.

In terms of operation management, the Company will accelerate the development of an international operation management and control system, build a management and control model that matches business development, continue to deepen the construction of smart operation management platform system, promote the building of a first class operation and management system highlighting “empowerment, professional and value”, strengthen the benchmarking between overseas companies and world-class enterprises, and shape international competitive advantages on all fronts.

In respect of capital operation, the Company constantly promote the optimization of asset structure and reduce investment risks. In line with the strategies of the company and the direction of “asset-heavy to asset-light” and “quantity to quality”, the company will promote the "asset management + capital operation" two-wheel drive and improve capital operation plans, asset allocation and endogenous growth in order to enhance shareholder returns.

In respect of comprehensive development, the Company will closely adapt to the changes in the global trade environment, strive to become an important link in the internal and external economic cycle, and a cornerstone for the security and stability of the industrial supply chain. Apart from improving quality of services to existing customers and increasing customer stickiness, the Company

will enhance the capacity to nurture and support hinterland industries.

Appreciation

In 2021, under the external environment of repeated pandemic and various risks, the Company adhered to its strategic directives, took the initiative to embrace changes, and thus recorded positive results for various tasks and its operating performances have been growing significantly year-on-year. All of these could not be accomplished without the dedication from all of our staff and the support from our shareholders, investors, business partners, and those in the society who have taken to heart the Company's interest. For this, I would like to extend my most sincere appreciation and deepest gratitude.

Deng Renjie
Chairman

Part I Important Notes, Table of Contents and Definitions

The Board of Directors (or the “Board”), the Supervisory Committee as well as the directors, supervisors and senior managers of China Merchants Port Group Co., Ltd. (hereinafter referred to as the “Company”) hereby guarantee the factuality, accuracy and completeness of the contents of this Report and its summary, and shall be jointly and severally liable for any misrepresentations, misleading statements or material omissions therein.

Wang Xiufeng, the Company’s legal representative, Tu Xiaoping, the Company’s Chief Financial Officer and the person-in-charge of the accounting organ hereby guarantee that the financial statements carried in this Report are factual, accurate and complete.

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

Any forward-looking statements such as future plans or development strategies mentioned herein shall not be considered as the Company’s promises to investors. And investors are reminded to exercise caution when making investment decisions. Possible risks faced by the Company and countermeasures have been explained in “Part III Management Discussion and Analysis” herein, which investors are kindly reminded to pay attention to.

Securities Times, *China Securities Journal*, *Shanghai Securities News*, *Ta Kung Pao* (HK) and www.cninfo.com.cn have been designated by the Company for information disclosure. And all information about the Company shall be subject to what’s disclosed on the aforesaid media. Investors are kindly reminded to pay attention to these media.

The Board has approved a final dividend plan as follows: based on 1,922,365,124 shares, a cash dividend of RMB4.30 (tax inclusive) per 10 shares is to be distributed to shareholders, with no bonus issue from either profit or capital reserves.

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

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Documents Available for Reference

I. Financial Statements carrying the signatures and stamps of the Company Principal, the Chief Financial Officer and the person in charge of accounting firm;

II. The 2021 Auditor's Report stamped by the accounting firm and signed and stamped by registered accountants; and

III. Original copies of all documents and the announcements thereof disclosed in the Reporting Period on *Securities Times*, *China Securities Journal*, *Shanghai Securities News*, *Ta Kung Pao* (HK) and www.cninfo.com.cn.

Definitions

Term	Definition
The “Company”, “CMPort” or “we”	China Merchants Port Group Co., Ltd., formerly known as “Shenzhen Chiwan Wharf Holdings Limited”
CMG	China Merchants Group Co., Limited
CMPort Holdings	China Merchants Port Holdings Company Limited (00144.HK)
CMGD	China Merchants Gangtong Development (Shenzhen) Co., Ltd., a Broadford Global majority-owned subsidiary in Shenzhen
CND Group	China Nanshan Development (Group) Inc.
Chiwan Wharf	Shenzhen Chiwan Wharf Holdings Limited (stock name: Chiwan Wharf/ Chiwan Wharf-B; stock code: 000022/200022)
Malai Storage	Shenzhen Malai Storage Co., Ltd.
CMPID	China Merchants Port Investment Development Company Limited
The “Assets Purchase via Share Offering”	Chiwan Wharf’ s purchase of 1,313,541,560 ordinary CMPort Holdings shares from CMPID via share offering
Broadford Global	Broadford Global Limited, a wholly-owned subsidiary of CMG Hong Kong
CSRC	China Securities Regulation Commission
CMIT/ CMHIT	China Merchants International Technology Co., Ltd., formerly known as China Merchants Holdings (International) Information Technology Co., Ltd.
Jifa Logistics	Dalian Port Jifa Logistics Co., Ltd.
DPCD	Dalian Port Container Development Co., Ltd.
Yingkou Port Group	Yingkou Port Group Co., Ltd.
DPN	Dalian Port Logistics Network Co., Ltd.
YPIT	Yingkou Port Information Technology Co., Ltd.
Dongguan Machong	Dongguan Chiwan Port Service Co., Ltd.
Shantou Port	Shantou CMPort Group Co., Ltd.
Zhanjiang Port	Zhanjiang Port (Group) Co., Ltd.
Shunde New Port	Guangdong Yide Port Limited
Zhangzhou Port	Zhangzhou China Merchants Port Co., Ltd.
CMICT	Ningbo Daxie China Merchants International Container Terminal Co., Ltd.
CICT	Colombo International Container Terminals Ltd.
HIPG	Hambantota International Port Group
LCT	Lome Container Terminal Ltd.
TCP	TCP Participações S.A
TEU	Twenty Foot Equivalent Unit
CM ePort	The wharf e-commerce platform, i.e. the unified customer service platform
Haixing Harbor	Shenzhen Haixing Harbor Development Co., Ltd.
Yingkou Port	Yingkou Port Co., Ltd.
Liaoning Port/ Dalian Port	Liaoning Port Co., Ltd., formerly known as Dalian Port (PDA) Company Limited

SASAC of the State Council	State-Owned Assets Supervision and Administration Commission of the State Council
SIPG	Shanghai International Port (Group) Co., Ltd.
Tianjin Port Container Terminal	Tianjin Port Container Terminal Co., Ltd.
QQCTU	Qingdao Qianwan United Container Terminal Co., Ltd.
CMCS	China Merchants Container Services Limited
Modern Terminals	Modern Terminals Limited
Taiwan Kao Ming Container	Kao Ming Container Terminal Corp.
TL	Terminal Link S.A.S.
Kumport	Kumport Liman Hizmetleri ve Lojistik Sanayi ve Ticaret Anonim Sirketi
PDSA	Port de Djibouti S.A.
TICT	Tin-Can Island Container Terminal Ltd.
QQTU	Qingdao Qianwan United Terminal Co., Ltd.
Qingdao Dongjiakou	Qingdao Port Dongjiakou Ore Terminal Co., Ltd.
Laizhou Port	Yantai Port Group Laizhou Port Co. LTD
Xiamen Port	Zhangzhou China Merchants Xiamen Port Affairs Co., Ltd.
Mawan Ganghang	Shenzhen Mawan Ganghang Co., Ltd.
CMPS	China Merchants Port Service (Shenzhen) Co., Ltd.
CMB	China Merchants Bank Co., Ltd.
Seaport Group	Zhejiang Provincial Seaport Investment & Operation Group Co. Ltd.
Ningbo Port	Ningbo Zhoushan Port Company Limited
Ningbo Zhoushan Port Group	Ningbo Zhoushan Port Group Co., Ltd.
China Merchants Venture	China Merchants Venture Capital Management Co., Ltd.
China Merchants Venture Fund	Shenzhen China Merchants Venture Capital Fund Center (Limited Partnership)
Broadford Shenzhen	Broadford (Shenzhen) Port Development Co., Ltd.
China Merchants Liaoning	China Merchants (Liaoning) Port Development Co., Ltd.
Liaoning Port Group	Liaoning Port Group Co., Ltd.
CMA	CMA CGM S.A.
The cninfo website	www.cninfo.com.cn
SZSE	Shenzhen Stock Exchange
The “Articles of Association”	The Articles of Association of China Merchants Port Group Co., Ltd.
RMB	Expressed in the Chinese currency of Renminbi
RMB’0,000	Expressed in tens of thousands of Renminbi
RMB’00,000,000	Expressed in hundreds of millions of Renminbi (unless otherwise specified)

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

Part II Corporate Information and Key Financial Information

I Corporate Information

Stock name	CM Port Group/ CM Port Group B	Stock code	001872/201872
Stock exchange for stock listing	Shenzhen Stock Exchange		
Company name in Chinese	招商局港口集团股份有限公司		
Abbr.	招商港口		
Company name in English	China Merchants Port Group Co., Ltd.		
Abbr.	CMPort		
Legal representative	Wang Xiufeng		
Registered address	23-25/F, China Merchants Port Plaza, 1 Gongye 3rd Road, Zhaoshang Street, Nanshan, Shenzhen, PRC		
Zip code	518067		
Changes of registered address	On 14 December 2018, the Company completed the formalities with the competent industrial and commercial administration to change its registered address from “8/F, Chiwan Petroleum Plaza, Zhaoshang Street, Nanshan, Shenzhen, PRC” to “23-25/F, China Merchants Port Plaza, 1 Gongye 3rd Road, Zhaoshang Street, Nanshan, Shenzhen, PRC”.		
Office address	23-25/F, China Merchants Port Plaza, 1 Gongye 3rd Road, Zhaoshang Street, Nanshan, Shenzhen, PRC		
Zip code	518067		
Company website	http://www.cmp1872.com		
Email address	Cmpir@cmhk.com		

II Contact Information

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

III Media for Information Disclosure and Place where this Report Is Lodged

Stock exchange website where this Report is disclosed	http://www.szse.cn
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Media and website where this Report is disclosed	<i>Securities Times, China Securities Journal, Shanghai Securities News, Ta Kung Pao (HK) and www.cninfo.com.cn</i>
Place where this Report is lodged	Board Office

IV Change to Company Registered Information

Unified social credit code	91440300618832968J
Change to principal activity of the Company since going public (if any)	On 14 December 2018, the Company changed its business scope registered with the industrial and commercial administration. The new business scope includes: construction, management and operation of ports and wharves; bonded warehousing of various goods for import and export; development, construction and operation of supporting parks in ports; loading, unloading, transshipment, warehousing and transportation of international and domestic goods and processing of goods; devanning and LCL operations, cleaning, repairing, manufacturing and leasing of containers; international freight forwarding; vehicle and ship leasing; the provision of ship and port services including the provision of fuels, supplies and daily necessities for ships; ship towing (no operation using foreign ships); leasing and repair services of port facilities, equipment and machinery; import and export of various goods and technologies on a self-operation or agency basis, excluding the goods and technologies restricted or forbidden for import and export by the state; port logistics and port information technology consulting services; technical development and services in respect of modern logistics information systems; supply chain management and related services; design of logistics plans; engineering project management; development, research and consulting services in respect of port engineering technologies. (In respect of any operations that require approval according to law, the approval must be obtained before operation).
Every change of controlling shareholder since incorporation (if any)	<p>1. On 8 June 2018, as the ownership of 209,687,067 Chiwan Wharf shares formerly held by CND Group and 161,190,933 Chiwan Wharf shares formerly held by Malai Storage was officially transferred to CMGD, CMGD, holding 57.52% of the Company's outstanding share capital, became the controlling shareholder of the Company. Meanwhile, CMG remains the actual controller of the Company.</p> <p>2. On 26 December 2018, the Company issued RMB-denominated ordinary shares (A-shares) at RMB21.46/share to CMPID for the acquisition of the 1,313,541,560 CMPort Holdings ordinary shares that it held. Upon the Acquisition, the Company's total share capital has become 1,793,412,378 shares. Meanwhile, as Broadford Global controls an 87.81% aggregated voting right in the Company (direct interests and interests through CMPID and CMGD), it is the direct controlling shareholder of the Company. Meanwhile, CMG remains the actual controller of the Company.</p>

V Other Information

The independent audit firm hired by the Company:

Name	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Office address	30/F, 222 Yan An Road East, Huangpu District, Shanghai, P.R.C.
Accountants writing signatures	Xu Xiangzhao, Pi Dehan

The independent sponsor hired by the Company to exercise constant supervision over the Company in the Reporting Period:

Applicable Not applicable

The independent financial advisor hired by the Company to exercise constant supervision over the Company in the Reporting Period:

Applicable Not applicable

VI Key Financial Information

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

Yes No

Reason: Business combination under common control

On 18 December 2020, the Company signed the *Equity Subscription and Capital Increase Agreement* for CMHIT with the Company's subsidiaries CMPort Holdings and CMHIT, Jifa Logistics, DPCD, and Yingkou Port Group.

According to the *Equity Subscription and Capital Increase Agreement*, Jifa Logistics and DPCD would increase the capital of CMHIT with 29.40% and 49.63% of their respective shares in DPN, and Yingkou Port Group would increase the capital of CMHIT with 100% of its equity in YPIT. Before and after the merger, CMHIT, DPN and YPIT are all subject to the final control of CMG, the actual controller of the Company, and such control is not temporary.

The above capital increase was completed on 9 February 2021. Upon completion of the capital increase, CMHIT changed its name to CMIT. The Company, CMPort Holdings, Jifa Logistics, DPCD

and Yingkou Port Group hold 13.18%, 43.74%, 13.26%, 22.38% and 7.44% equity in CMIT, respectively. CMIT remains a majority-owned subsidiary of the Company. CMIT holds 79.03% equity in DPN and 100% equity in YPIT respectively, and is able to exercise control over the latter two companies. Therefore, since 9 February 2021, the Company will follow the accounting processing method for enterprise merger under the same control and include DPN and YPIT in the consolidated scope of the Company's consolidated financial statements from the beginning of the comparative financial statement period.

	2021	2020		2021- over- 2020 change	2019	
		Original	Restated		Restated	Original
Operating revenue (RMB)	15,283,808,174.60	12,618,529,996.02	12,756,744,317.91	19.81%	12,123,829,423.74	12,262,451,114.91
Net profit attributable to the listed company's shareholders (RMB)	2,685,829,204.07	2,065,322,969.66	2,073,844,409.04	29.51%	2,898,192,168.84	2,902,555,697.90
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	2,355,700,274.23	1,262,830,563.26	1,271,352,002.64	85.29%	1,037,766,875.23	1,042,130,404.29
Net cash generated from/used in operating activities (RMB)	6,510,326,570.48	5,495,800,917.01	5,551,289,013.01	17.28%	5,501,873,415.94	5,507,450,443.65
Basic earnings per share (RMB/share)	1.40	1.07	1.08	29.63%	1.59	1.60
Diluted earnings per share (RMB/share)	1.40	1.07	1.08	29.63%	1.59	1.60
Weighted average return on equity (%)	6.99%	5.66%	5.67%	1.32%	8.71%	8.71%
	31 December 2021	31 December 2020		Change of 31 December 2021 over 31 December 2020 (%)	31 December 2019	
		Original	Restated		Restated	Original
Total assets (RMB)	175,984,101,168.66	168,543,611,777.21	168,728,326,345.77	4.30%	156,696,917,845.87	156,849,330,783.53
Equity attributable to the listed company's shareholders (RMB)	39,801,188,662.13	37,117,806,052.18	37,165,277,744.78	7.09%	35,972,804,419.42	36,011,246,088.71

Indicate by tick mark whether the lower of the net profit attributable to the listed company's

shareholders before and after exceptional gains and losses was negative for the last three accounting years, and the latest independent auditor's report indicated that there was uncertainty about the Company's ability to continue as a going concern.

Yes No

Indicate by tick mark whether the lower of the net profit attributable to the listed company's shareholders before and after exceptional gains and losses was negative.

Yes No

The total share capital at the end of the last trading session before the disclosure of this Report:

Total share capital at the end of the last trading session before the disclosure of this Report (share)	1,922,365,124
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Fully diluted earnings per share based on the latest total share capital above:

Fully diluted earnings per share based on the latest total share capital above (RMB/share)	1.3971
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VII Accounting Data Differences under China's Accounting Standards for Business Enterprises (CAS) and International Financial Reporting Standards (IFRS) and Foreign Accounting Standards

1. Net Profit and Equity under CAS and IFRS

Applicable Not applicable

No difference for the Reporting Period.

2. Net Profit and Equity under CAS and Foreign Accounting Standards

Applicable Not applicable

No difference for the Reporting Period.

3. Reasons for Accounting Data Differences between Domestics and Foreign Accounting Principle

Applicable Not applicable

VIII Key Financial Information by Quarter

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	3,574,128,378.48	3,765,814,483.78	4,047,333,525.94	3,896,531,786.40
Net profit attributable to the listed company's shareholders	532,867,484.84	1,144,167,861.33	756,770,050.94	252,023,806.96
Net profit attributable to the listed company's shareholders before exceptional gains and losses	524,972,071.00	1,119,723,989.97	588,153,132.19	122,851,081.07
Net cash generated from/used in operating activities	880,940,193.44	2,054,020,214.52	1,824,880,606.88	1,750,485,555.64

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

Yes No

IX Exceptional Gains and Losses

Unit: RMB

Item	2021	2020	2019	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	233,551,553.79	1,480,572,929.90	4,794,562,782.79	-
Government subsidies charged to current profit or loss (exclusive of government subsidies given in the Company's ordinary course of business at fixed quotas or amounts as per the government's uniform standards)	314,172,152.25	238,216,977.76	162,587,042.38	-
Capital occupation charges on non-financial enterprises that are charged to current profit or loss	232,343,789.35	232,906,880.87	19,571,040.36	-
Current profit or loss on subsidiaries obtained in business combinations involving enterprises under common control from the period-beginning to combination dates, net	-3,255,790.50	-	-	-
Gain or loss on fair-value changes in held-for-trading	221,242,275.17	-409,658,173.58	66,075,363.30	-

financial assets and liabilities & income from disposal of held-for-trading financial assets and liabilities and available-for-sale financial assets (exclusive of the effective portion of hedges that arise in the Company's ordinary course of business)				
Reversed portions of impairment allowances for receivables which are tested individually for impairment	93,196.96	46,709,066.77	-	-
Custodian fees earned from entrusted operation	1,663,396.22	1,886,792.45	-	-
Non-operating income and expense other than the above	-4,065,501.22	-42,615,710.20	482,165,418.73	-
Other gains and losses that meet the definition of exceptional gain/loss	-	753,988,749.80	732,644,357.06	-
Less: Income tax effects	181,130,994.22	241,651,237.66	1,504,203,995.96	-
Non-controlling interests effects (net of tax)	484,485,147.96	1,257,863,869.71	2,892,976,715.05	-
Total	330,128,929.84	802,492,406.40	1,860,425,293.61	--

Particulars about other gains and losses that meet the definition of exceptional gain/loss:

Applicable Not applicable

No such cases for the Reporting Period.

Explanation of why the Company reclassifies recurrent gain/loss as an exceptional gain/loss item listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

Applicable Not applicable

No such cases for the Reporting Period.

Part III Management Discussion and Analysis

I Situation of the Industry in which the Company Operates During the Reporting Period

1. External Environment Analysis

(1) Macroeconomic environment

In 2021, global COVID-19 pandemic situation was complex and severe, economy recovery of each country suffered diversion due to repeated outbreaks of pandemic and their different preferences on pandemic prevention policies. Although global economy, especially of major economies, showed a keynote of recovery in overall, the uncertainty of economy recovery increased. According to the “World Economy Outlook” report published by International Monetary Fund (IMF) in January 2022, it is projected that the growth rate of global economy was 5.9% in 2021, among which the economic growth rate of developed economies and emerging economies were 5.0% and 6.5%, respectively. In the first half of 2021, European and American pandemic was alleviated thanks to the acceleration of vaccination process, driving the recovery of global trade and consumption. In the second half of 2021, however, the occurrence of novel coronavirus variants resulted in repeated outbreaks of pandemic and brought severe challenges to the global economy recovery. Facing the complicated external environment, China organized and promoted pandemic prevention and control along with economic and social development, which effectively facilitated the restoration of normal production and everyday life. In 2021, China recorded an annual GDP growth of 8.1%, with a total amount of over RMB100 trillion for two consecutive years. In the second half of 2021, China recorded better-than-expected growth in foreign trade driven by regional trade and cooperation. Consumption demand gradually picked up and the economy showed positive signs of recovery. Overall, China’s economy maintained its upward trend in the long-run. To achieve high-quality economic growth, China will intensify the supply-side restructuring and pay attention to demand-side management in the meantime. According to the statistics published by the General Administration of Customs, China’s total import and export value amounted to RMB39.1 trillion in 2021, representing an increase of 21.4% year-on-year compared to that of 2020. Among which, the export value was RMB21.73 trillion, representing an increase of 21.2%, while the import value was RMB17.37 trillion, representing an increase of 21.5%. Trade surplus amounted to RMB4.37 trillion, representing an increase of 20.2%.

(2) Market environment of the port and shipping industry

In 2021, the acceleration of global vaccination process promoted the further normalization of global economy. As such, the global economy was under an overall recovery and growth stage. The merchandise trade realized recovery growth, driving the demand for global seaborne freight trade of containers. However, while the export demand kept increasing, the slowdown of repositioning of European and American ports due to impacts of pandemic and shortage of manpower, together with various “black swan events” such as blocking of the Suez Canal and Yantian Port pandemic, led to problems of ship postponement, port congestion and route adjustment from time to time, thereby causing partial unbalance of container distribution, decreasing supply of effective seaborne freight

capability, constant high level of seaborne freight price in international market and frequent congestion in supply chain of global seaborne freight logistics. On the other hand, however, new opportunities for industry also appeared continuously. The new trends such as digitalization, carbon neutrality and new infrastructure will add constant new impetus on industry transformation and development.

Under the general situation of global economy recovery, the global port container throughput recorded a significant increase in 2021. According to the latest report of Drewry, a global shipping consultancy institution, the global container port throughput recorded an increase of 6.5% year-on-year in 2021. The shortage of global supply and demand facilitated China's export growth, which resulted in rapid growth trend in container throughput of domestic major ports. According to the statistics of national port throughput published by the Ministry of Transport in January 2022, in 2021, national ports handled a container throughput of 283 million TEUs, representing an increase of 7.0% year-on-year, while the national port cargo throughput was 15.55 billion tons, representing an increase of 6.8% year-on-year.

(3) The Company's industry position

The port industry is a crucial cornerstone industry for national economic and social development, and is closely linked to global economy and trade. The Company is the largest port developer, investor and operator in the PRC and the leading comprehensive port service provider in the world, with a well-developed port network at major hub locations along coastal China. It has also successfully established presences in Asia, Africa, Europe, Mediterranean, Oceania, South America and North America. By its proactive, sound and efficient operating style, the Company capitalizes on its global port portfolio, professional management experience, the self-developed state-of-the-art terminal operation system and integrated logistics management platform for exports and imports, thereby providing its customers with timely and efficient port and maritime logistics services along with comprehensive and modern integrated logistics solutions. In addition, the Company also invests in bonded logistics operation and launches integrated park development business, facilitates the transformation and upgrade of port industry, develops supporting port industry, striving to improve industry efficiency and create greater value through the synergies of the existing terminal network.

II Principal Activity of the Company in the Reporting Period

The Company is principally engaged in the handling, warehousing and transportation of containers and bulk cargoes, as well as the provision of other ancillary services. It principally operates 24 container berths and 18 bulk cargo berths in the ports in West Shenzhen and Dongguan Machong, 6 container berths, 3 bulk cargo berths, and 1 coal-handling specific berth in Shantou Port, 2 container berths and 34 bulk cargo berths in Zhanjiang Port, 4 multi-purpose berths in Shunde New Port, 2 container berths and 6 bulk cargo berths in Zhangzhou Port, 4 container berths in Ningbo Daxie, 4 container berths in CICT, Sri Lanka, 4 multi-purpose berths, 2 oil berths and 4 container berths in HIPG, Sri Lanka, 3 container berths in LCT, Togo, and 4 container berths in TCP, Brazil. Moreover, the Company invests in container hubs in Shanghai and Tianjin and expands its layout to ports in Asia, Africa, Europe, Oceania, South America and North America.

The major business segments of China Merchants Port Group Co., Ltd. are as follows:

Business Segments	Applications
Cargo handling and warehousing	<p>Container handling and warehousing: the Company provides ship berthing, loading and discharging services to ship companies, offers container storage service to ship companies and cargo owners and provides overhead box services to tractor companies. The Company also engages in the businesses of division or merger of cargoes in containers, container leasing and container maintenance;</p> <p>Bulk cargo handling and warehousing: the Company is engaged in bulk cargo handling and transportation in port zones, as well as storage services in yards. The major types of cargoes handled include food, steel, woods and sandstones.</p>
Ancillary port-related services	<p>The ancillary port-related services of the Company mainly include tugboat berthing assistance and barge services at the arrival of ships to the ports, tallying in the course of cargo handling, and supply of shore power and freshwater for vessels.</p>
Bonded logistics operations	<p>The Company provides various services for clients (including logistics companies, trading companies or cargo owners), for example, warehouse/yard leasing, loading and unloading in warehouses/yards, customs clearance and division or merger of cargoes at terminals. It also provides documentation services for tractors arriving or leaving the bonded logistics parks.</p>

III Core competitiveness analysis

1. Sound shareholder background and recourse integration capability

Established in 1872, which is 150 years ago, CMG, the effective controller of the Company, has become an exemplary model for Chinese enterprises and developed strong brand power. It is also a key state-owned enterprise under the direct administration of the PRC central government. Headquartered in Hong Kong, CMG is an integrated enterprise with diversified businesses and one of the four major Chinese enterprises in Hong Kong. At present, it mainly focuses on three core industries: comprehensive transportation, featured finance, and holistic development and operation of residential communities and industrial parks. It has also been engaging in the transformation from these three primary industries to the three platforms of industrial management, financial services, and investment and capital operation. CMG has been rated as a Grade A enterprise in the Operating Results Assessment of the State-owned Assets Supervision and Administration Commission of the State Council for 17 consecutive years and is a central state-owned enterprise that owns two Fortune 500 companies.

Being a crucial player and facilitator of the national “Belt and Road” initiative, CMG has accelerated its international development and preliminarily formed a relatively complete network of overseas ports, logistics, finance, and park business. The sound shareholder background and ample domestic and overseas resources integration capability of CMG have provided strong support to CMPort for constructing a global port investment and operation platform with international vision and global expansion capabilities and distinguishing from others in the fierce global competition.

2. Well-balanced national port network distribution capability

As an important carrier for domestic and overseas port investment and operation of CMG, the Company gained in-depth insight into the current states, trends and driving factors of the global industrial chain. Based on the insight, it followed development pattern of the global trade and industry and seized the significant policy opportunities arising from the key “Belt and Road” initiative and the construction of key areas of the Guangdong-Hong Kong-Macao Greater Bay Area and integration of the Yangtze River Delta to actively build a global port network and arrange for the investment and allocation of global recourses.

In recent years, through mergers, acquisitions, restructuring, renovation of old ports, and building of new ports, the Company has been consistently optimizing its modern port network with global coverage, enhancing the value of the port industry, and pushing forward balanced regional development. After years of overseas development, CMPort has formed a global business layout. Its port network comprises 50 ports which are located in 25 countries and regions on six continents. Adhering to the principle of “extensive consultation, joint development and shared benefits”, CMPort has developed local-based business operation and formed a community of shared future with stakeholders from countries and regions along the “Belt and Road” initiative to explore development opportunities with concerted efforts. At the same time, the diversified investment and operation of port assets at home and abroad have also effectively enhanced its capabilities of resisting risks of industry fluctuations, trade frictions and unexpected events.

3. Consistently optimized supply chain comprehensive service capability

The Company is striving to become a world-class comprehensive port service provider and keep optimizing supply chain comprehensive service capability from various aspects. First, in respect of the advanced comprehensive development capability, taking port business as the core and leveraging the synergy of different port zones as well as city-industry integration, the Company is actively exploring and facilitating the comprehensive port development model of “Port-Park-City”. Based on the traditional loading and discharging and ancillary services at ports, it established the comprehensive development model that offered high value-added services to enterprises. Currently, the Company has participated in promoting the port-oriented regional comprehensive development and construction in various overseas regions and has achieved phased progresses and helped foster new profit growth points for the Company. Secondly, in respect of perfecting comprehensive logistics service capability, the Company aims at increasing its global presence with shipping routes across five continents. As both the shipping and port sectors gradually shifted to form alliances, the Company is actively integrating its domestic and overseas supply chain recourse, to provide more comprehensive and effective integrated logistics service solutions for the global supply chain to satisfy customer needs, forming its unique competitive strength. Based on the West Shenzhen homebase port and the Shunde New Port, it built the first complex port in the Greater Bay Area and expanded to Zhu Kong River Terminal to meet the unsatisfied customer needs, promoting the development of the Guangdong-Hong Kong-Macao Greater Bay Area. The Company safeguards the security of international supply chain and supply for people’s livelihood in the country through serving domestic and overseas trade business, thereby accelerating the formation of China’s new development pattern, with the domestic economic cycle as the mainstay and the domestic and international economic cycles boosting each other.

4. Self-innovative intelligent port construction capability

To seize the development opportunity in the wave of new technologies, the Company proactively supported the construction of intelligent ports, and promoted the digitalization transformation and intelligent upgrade of ports through “CM Chip” and “CM ePort”. “CM Chip” is a port core operation system self-developed and constructed by the Company, including CTOS (Container Terminal Operation System), BTOS (Bulk Cargo Terminal Operation System), and LPOS (Logistic Park Operation System). Currently, series products of “CM Chip” self-developed by the Company have been basically applied in domestic and overseas terminals that the Company mainly controls, which lays a solid foundation for the Company’s intelligent port construction. Based on the Company’s global port network, “CM ePort” is a digitalized comprehensive service ecology platform facing the whole port shipping logistics industry and integrating port, shipping, logistics and third-party e-commerce platform. It provides services such as intelligent logistics, intelligent port as well as intelligent finance and business, promoting construction of intelligent port ecology circle.

Based on the pilot transformation project of Haixing Harbor, the Company successfully constructed “Mawan Intelligent Port” around nine major intelligent elements, namely “CM Chip, CM ePort, automation, intelligent ports, 5G network application, blockchain, Beidou system, artificial intelligence, and green and low-carbon development”. Mawan Intelligent Port has been completed and opened for duly operation in the end of June 2021. It is the first automation port upgraded and transformed from traditional port in China, forming intelligent port comprehensive solutions with “CM Characteristics”.

5. Sound and efficient port management capability

Adhering to the proactive, sound and efficient operating style and benefiting from its global port assets and resources portfolio, the Company is committed to providing customers with timely and efficient port and maritime logistics services as well as professional and first-class solutions, and has become the preferred partner for customers and an important gateway for the country’s foreign trade, thereby making due contributions to the country’s foreign trade development. At the same time, the Company also made an extensive investment in bonded logistics business to expand its port value chain and enhance industrial value. Taking advantages of the synergy of its existing terminal network, the Company created values for both its customers and shareholders.

The Company has earned itself good reputation across the industry by its professional management experience accumulated for years, its self-developed global leading terminal operating system and integrated logistics management platform for import and export, its extensive maritime logistics support system with all-rounded modern integrated logistics solutions, and its high-quality engineering management and reliable service offerings.

IV Core Business Analysis

1. Port Business Review

(1) Overview of port business

In 2021, the Company's ports handled a total container throughput of 136.394 million TEUs, up by 12.0% year-on-year. Bulk cargo volume handled by the Company's ports increased by 35.0% year-on-year to 613 million tons. During the Reporting Period, operating revenue of the Company amounted to RMB15.28 billion, representing a year-on-year increase of 19.8%.

Table 3-1 Throughput of the Company and changes in 2021

Item	2021	2020	Changes
Container throughput ('0,000 TEU)	13,639.4	12,171.0	12.0%
Among which: Mainland China	9,513.8	8,576.0	10.9%
Hong Kong and Taiwan	768.4	716.0	7.4%
Overseas	3,357.2	2,878.0	16.3%
Bulk cargo throughput ('0,000 tons)	61,308.5	45,429.5	35.0%
Among which: Mainland China	60,687.5	44,846.3	35.3%
Overseas	621.0	583.2	6.5%

Note: 1. The statistics represented the total throughput of the holding subsidiaries, associates and joint ventures of the Company; 2. Dalian Port Co., Ltd., the joint stock company, was generally changed to Liaoning Port Co., Ltd due to the merger of Yingkou Port Co., Ltd. by it through conversion and absorption. As such, the Company has been including the business volume of Yingkou Port Co., Ltd since February 2021.

For container business, the Company's ports in Mainland China handled a container throughput of 95.138 million TEUs, representing a year-on-year increase of 10.9%. Ports in Hong Kong and Taiwan regions contributed a total container throughput of 7.684 million TEUs, indicating an increase of 7.4% year-on-year. The total container throughput handled by the Company's overseas ports grew by 16.3% year-on-year to 33.572 million TEUs, mainly benefiting from the inclusion of the eight terminals acquired by TL and the business growth of LCT in Togo and TCP in Brazil. In terms of bulk cargo business, the Company's ports in Mainland China handled a bulk cargo volume of 607 million tons, up by 35.3% year-on-year, mainly benefiting from the inclusion of the business volume of Yingkou Port Co., Ltd by the Company since February 2021 because the Dalian Port Co., Ltd., the joint stock company, was generally changed to Liaoning Port Co., Ltd. as a result of the merger of Yingkou Port Co., Ltd. by it through conversion and absorption. Overseas ports handled a bulk cargo volume of 6.21 million tons, up by 6.5% year-on-year, mainly benefiting from the business growth of HIPG in Sri Lanka.

(2) Operation condition of port business by region

Table 3-2 Container throughput of the Company and changes in 2021 (in '0,000 TEU)

Region and port company			2021	2020	Changes
Pearl River Delta	Holding company	West Shenzhen Port Zone	1,283.4	1,184.0	8.4%
		Shunde New Port	45.8	42.5	7.8%
	Joint stock company	Chu Kong River Trade Terminal	102.8	105.5	-2.6%

Yangtze River Delta	Joint stock company	SIPG Group	4,703.2	4,350.3	8.1%
	Holding company	Ningbo Daxie	340.7	332.0	2.6%
Bohai Rim	Joint stock company	Tianjin Port Container Terminal	864.2	786.6	9.9%
		QQCTU	854.3	809.7	5.5%
		Liaoning Port Co., Ltd.	990.6	653.5	51.6%
South-East region of Mainland China	Holding company	Zhangzhou Port	26.7	31.5	-15.2%
		Shantou Port	180.0	158.8	13.4%
South-West region of Mainland China	Holding company	Zhanjiang Port	122.2	122.0	0.2%
Hong Kong and Taiwan	Holding company / Joint stock company	CMCS/Modern Terminals	565.4	555.7	1.7%
	Joint stock company	Taiwan Kao Ming Container	202.9	159.9	26.9%
Overseas	Holding company	CICT	306.0	293.0	4.4%
		TCP	110.1	98.3	12.0%
		LCT	162.6	136.4	19.2%
	Joint stock company	TL	2,552.3	2,113.4	20.3%
		Kumport	124.8	121.7	2.5%
		PDSA	69.2	85.9	-19.4%
		TICT	32.0	30.3	5.6%
Total		13,639.4	12,171.0	12.0%	

Note: 1. Since April 2020, the Company has newly included the business volume of eight new terminals acquired by TL, a joint stock company of the Company; 2. Dalian Port Co., Ltd., the joint stock company, was generally changed to Liaoning Port Co., Ltd due to the merger of Yingkou Port Co., Ltd. by it through conversion and absorption. As such, the Company has been including the business volume of Yingkou Port Co., Ltd since February 2021.

Table 3-3 Bulk cargo volume handled by the Company and changes in 2021 (in '0,000 tonnes)

Region and port company		2021	2020	Changes	
Pearl River Delta	Holding company	West Shenzhen Port Zone	1,950.4	1,807.1	7.9%
		Dongguan Machong	1,609.7	1,548.3	4.0%
		Shunde New Port	518.8	394.9	31.4%

	Joint stock company	Chu Kong River Trade Terminal	317.2	307.7	3.1%
Yangtze River Delta	Joint stock company	SIPG Group	8,238.8	7,564.9	8.9%
Bohai Rim	Joint stock company	QQTU	1,765.1	1,629.2	8.3%
		Qingdao Port Dongjiakou	6,559.4	6,314.7	3.9%
		Liaoning Port Co., Ltd.	26,256.2	13,124.0	100.1%
		Laizhou Harbour Affairs	2,138.7	2,055.9	4.0%
South-East region of Mainland China	Holding company	Zhangzhou Port	868.2	633.0	37.2%
		Xia Men Bay Terminals	564.8	64.9	770.3%
		Shantou Port	346.1	314.2	10.2%
South-West region of Mainland China	Holding company	Zhanjiang Port	9,554.1	9,087.4	5.1%
Overseas	Holding company	HIPG	155.5	123.8	25.6%
	Joint stock company	Kumport	10.7	6.6	62.1%
		PDSA	454.8	452.9	0.4%
Total			61,308.5	45,429.5	35.0%

Note: 1. HIPG has included liquid bulk cargo in the statistics of its business volume since 2020; 2. Dalian Port Co., Ltd., the joint stock company, was generally changed to Liaoning Port Co., Ltd due to the merger of Yingkou Port Co., Ltd. by it through conversion and absorption. As such, the Company has been including the business volume of Yingkou Port Co., Ltd. since February 2021.

Pearl River Delta region

The Company's terminals in West Shenzhen Port Zone handled a total container throughput of 12.834 million TEUs, up by 8.4% year-on-year, mainly benefiting from entering of production of Mawan Intelligent Port and increase in its routes. Bulk cargo volume handled amounted to 19.504 million tons, up by 7.9% year-on-year, mainly due to the significant increase in import food. Chu Kong River Trade Terminal handled a total container throughput of 1.028 million TEUs, down by 2.6% year-on-year, and a bulk cargo volume of 3.172 million tons, up by 3.1% year-on-year respectively. Dongguan Machong handled bulk cargo volume of 16.097 million tons, up by 4.0% year-on-year. Shunde New Port handled a container throughput of 0.458 million TEUs, up by 7.8% year-on-year, mainly benefiting from cooperation with large customers and promotion of business model of complex port. It also handled a bulk cargo volume of 5.188 million tons, up by 31.4% year-on-year, mainly due to active expansion of new cargo sources for steel.

Yangtze River Delta region

SIPG handled a container throughput of 47.032 million TEUs, up by 8.1% year-on-year. Bulk cargo volume handled increased by 8.9% year-on-year to 82.388 million tons. Ningbo Daxie handled a container throughput of 3.407 million TEUs, representing an increase of 2.6% year-on-year.

Bohai Rim region

QQCTU handled a container throughput of 8.543 million TEUs, representing an increase of 5.5% year-on-year. QQTU handled a bulk cargo volume of 17.651 million tons, representing an increase of 8.3% year-on-year, mainly due to breakthrough in emerging cargo types. Qingdao Port Dongjiakou handled a bulk cargo volume of 65.594 million tons, indicating an increase of 3.9% year-on-year. Liaoning Port Co., Ltd. handled a container throughput of 9.906 million TEUs, representing an increase of 51.6% year-on-year, and a bulk cargo volume of 263 million tons, representing an increase of 100.1% year-on-year, mainly benefiting from the inclusion of the business volume of Yingkou Port Co., Ltd. by the Company since February 2021 because the Dalian Port Co., Ltd., the joint stock company, was generally changed to Liaoning Port Co., Ltd. as a result of the merger of Yingkou Port Co., Ltd. by it through conversion and absorption. Laizhou Harbour Affairs handled a bulk cargo volume of 21.387 million tons, representing a year-on-year increase of 4.0%. Tianjin Port Container Terminal contributed a container throughput of 8.642 million TEUs, representing a year-on-year increase of 9.9%, mainly due to the increase in domestic trade throughput driven by deeper cooperation with large customers.

South-East region of Mainland China

Zhangzhou Port handled a container throughput of 267 thousand TEUs, representing a decrease of 15.2% year-on-year, mainly impacted by the structural adjustment of regional container business, and a bulk cargo volume of 8.682 million tons, representing an increase of 37.2% year-on-year, mainly benefiting from the growth of bulk grain business in south and north. Xia Men Bay Terminals handled a bulk cargo volume of 5.648 million tons, representing an increase of 770.3% year-on-year, mainly benefiting from the significant growth of sandstone business and the further release of production capacity. Shantou Port handled a container throughput of 1.80 million TEUs, representing an increase of 13.4% year-on-year, mainly due to the growth of domestic trade container business, and a bulk cargo volume of 3.461 million tons, representing an increase of 10.2% year-on-year.

South-West region of Mainland China

Zhanjiang Port handled a container throughput of 1.222 million TEUs, remain relatively stable year-on-year. It also handled a bulk cargo volume of 95.541 million tons, up by 5.1% year-on-year.

Hong Kong and Taiwan regions

Modern Terminals and China Merchants Container in Hong Kong delivered an aggregate container throughput of 5.654 million TEUs, up by 1.7% year-on-year. Kao Ming Container in Taiwan handled a total container throughput of 2.029 million TEUs, up by 26.9% year-on-year,

mainly caused by regional ports congestion due to the pandemic, and part of containers had to be transported to KMCT.

Overseas operation

In Sri Lanka, CICT handled a container throughput of 3.060 million TEUs, up by 4.4% year-on-year; HIPG handled a bulk cargo volume of 1.555 million tons, up by 25.6% year-on-year, mainly due to the significant growth in cement business; RO-RO volume handled by HIPG was 0.536 million vehicles, up by 38.0% year-on-year, mainly due to the significant growth in vehicles transshipment business. LCT in Togo handled a container throughput of 1.626 million TEUs, up by 19.2% year-on-year, mainly attributable to the stable growth in container volume from major customers. TICT in Nigeria handled a container throughput of 0.320 million TEUs, up by 5.6% year-on-year. Port de Djibouti S.A. (PDSA) in Djibouti handled a container throughput of 0.692 million TEUs, down 19.4% year-on-year, which was mainly affected by unstable regional political and economic; its bulk cargo volume of 4.548 million TEUs, up by 0.4% year-on-year. TL handled a container throughput of 25.523 million TEUs, up by 20.3% year-on-year, mainly due to the operation of 8 ports newly acquired has accounted since April 2020, of which the terminals located in European countries recorded a business growth. In turkey, Kumport handled a container throughput of 1.248 million TEUs, up by 2.5% year-on-year; its bulk cargo volume of 0.107 million tons, up by 62.1% year-on-year. TCP in Brazil handled a container throughput of 1.101 million TEUs, up by 12.0% year-on-year, mainly benefitted from the increase in local imported container volume driven by the resumption of work and production of the enterprises in Brazil in the first half of the year.

2. Implementation of business plan during the reporting period

During the Reporting Period, the Company grasped the bottom line to safeguard China under the severe and complex situation of pandemic. We maintained a high standard for the daily pandemic prevention and control and overcame the challenges brought by the pandemic so as to achieve a solid start of the 14th Five-Year Plan. By embarking on a new development stage, being committed to a new development philosophy, building a new pattern of development and growing in all businesses, the Company captured the rebound of port industry, beat the general trends and better than peers.

(1) Business volume recorded high again. In 2021, the Company's business achieved rapid growth, and the port project completed a total container throughput of 136.394 million TEUs, up by 12.0% year-on-year. Among them, container throughput in Mainland China increased 10.9% year on year, outperforming the overall domestic level. Overseas container throughput increased 16.3% year on year. In the bulk cargo business, its bulk cargo volume of 613 million tons, up by 35% year-on-year. Thanks to Dalian Port Co., Ltd., the joint stock company, was generally changed to Liaoning Port Co., Ltd due to the merger of Yingkou Port Co., Ltd. by it through conversion and absorption. As such, the Company has been including the business volume of Yingkou Port Co., Ltd. since February 2021. Benefited from the reasons above, bulk cargo volume significant increased to further improve domestic ports presence and enhance the comprehensive competitiveness of the Company.

(2) Focus on pandemic prevention and control as always. In 2021, the Company insisted on the principle of “Strengthening the sense of responsibility, guarding the gate for the country, and guarding the first line of defense for foreign defense input”, actively carried out pandemic prevention

and control, successfully disposed a number of ships involved in pandemic and tested by various outbreaks. The Company strived to promote the construction of service station in Hong Kong, implemented closed-loop management for the key personnel at frontline and achieved "infection-free" among domestic employees. The safety of overseas employees attached great importance to the Company, vaccinated for them and other measures were actively taken in order to keep them safe. In the meantime, we are sticking to daily prevention and control in the way of scientific and accurate, continuing to improve prevention and control mechanism and well-preparing for anti-epidemic in a long term, which all play important role in safeguarding supply chains in domestic ports.

(3) A new advance for the development of leading ports. As market opportunities that "Main Line Ports" were outperformed met under the pandemic, there were 35 Liner Services added in West Shenzhen homebase port during the year. In terms of the domestic regional leading ports, it has showed new advantages on facilities and management. The expansion of 0.3 million tons route and upgrade on 0.4 million tons ironstone wharf in Zhanjiang port as well as the 0.15 million tons general sea berths in Xiashan has completed and production capacity has significant improved. The annual design capacity of Guang'ao Port Zone was increased from 0.43 million TEUs to 1.90 million TEUs as Phase II of Guang'ao Port Zone of Shantou Port successfully completed and received acceptance. In terms of the port business overseas, it recorded an up-trend due to pandemic eased and shipping routes adjustment. The container throughput of TCP in Brazil hit from 1.00 million TEUs to 1.10 million TEUs for the first time, up 12.4% year-on-year. From this, it joined the "million TEUs port Club". CICT, a homebased port in overseas, took the initiative to adjust the structure of shipping routes to be as qualified TEUs routes in local. Its container throughput first hit 3 million TEUs, up by 4.4% year-on-year. The corporation between HIPG and Ro-Ro shipping companies were further tightened, over 0.5 million vehicles was achieved throughout the year, and the bulk cargo business initially exceeded 1 million tons.

(4) Great progresses from innovation and development. According to the requirements and trend of industrial and technology development, the Company continued to revised and improved digitalization plan, promoted the construction of "CMCore" platform, "CM ePort" platform and intelligent management platform SMP to perfect relevant implementation plan and improve level of industrial digitalization; it kept promoting the construction of Mawan Smart Port that completed and received acceptance at the end of June 2021 and putted into operation. Since its operation, comments for such project from media and with industry are all in a good way, and it also won a number of awards, including the Gold of the 4th "Blossom Cup" 5G Application Benchmarking Contest hosted by MIIT (工信部第四届“绽放杯”5G应用大赛标杆赛金奖), 2021 IAPH Sustained Development

Award (2021 年世界港口协会可持续发展奖) and etc.. The project was also obtained 17 patents, 16 software copyrights and participated in 2 industry standard setting. The operation prosperity of Mawan Smart Port has further enhanced the West Shenzhen homebased port's competitiveness and influence in regional market and accelerated to be as "World-class leading port". When in the course of digital transformation, the Company actively explored model innovation and cooperated closely with relevant partners to jointly build an international hydrogen energy industry demonstration port and established a smart port technology innovation laboratory; continued to expand the coordinated ports in the Guangdong-Hong Kong-Macao Greater Bay Area and promoted such model to 14 branch ports of Greater Bay Area such as Shunde, Beijiao and etc. This promotion is enhancing the

trade facilitation in Greater Bay Area; CSRC has successfully integrated and opened, awarded the national "Small Giant" enterprise recognition, and will become an important platform for the Company's innovation-driven development in the future.

(5) Deepening the comprehensively development. In 2021, Bonded logistics operation in domestic kept pushing business innovation, introducing new projects, ascending scale, optimizing structure of self-operated business and improving core goods. With respect of overseas logistic parks, the logistic park in Hambantota, Sri Lanka has a total of 35 enterprises with aiming at introducing industrial clients which covered finance, logistics, maritime services, auto support, government one-stop service institutions, etc.; the logistic park in Djibouti has a total of 196 enterprises, serving domestic production capacity and connecting to overseas markets through trade and logistics.

3. Revenue and Cost Analysis

(1) Breakdown of Operating Revenue

Unit: RMB

	2021		2020		Change (%)
	Operating revenue	As % of total operating revenue (%)	Operating revenue	As % of total operating revenue (%)	
Total	15,283,808,174.60	100%	12,756,744,317.91	100%	19.81%
By operating division					
Port operations	14,635,410,073.74	95.76%	12,185,938,824.48	95.53%	20.10%
Bonded logistics service	464,573,743.50	3.04%	417,391,441.86	3.27%	11.30%
Property development and investment	183,824,357.36	1.20%	153,414,051.57	1.20%	19.82%
By operating segment					
Mainland China, Hong Kong and Taiwan	11,550,563,244.63	75.57%	9,255,785,222.67	72.56%	24.79%
Other countries and regions	3,733,244,929.97	24.43%	3,500,959,095.24	27.44%	6.65%

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

Unit: RMB

	Operating revenue	Cost of sales	Gross profit margin	YoY change in operating revenue (%)	YoY change in cost of sales (%)	YoY change in gross profit margin (%)
By operating division						

Port operations	14,635,410,073.74	8,570,124,838.35	41.44%	20.10%	14.34%	2.95%
By operating segment						
Mainland China, Hong Kong and Taiwan	11,550,563,244.63	7,337,866,237.73	36.47%	24.79%	3.44%	13.11%
Other countries and regions	3,733,244,929.97	1,708,969,944.76	54.22%	6.65%	96.80%	-20.97%

Core business data of the prior year restated according to the changed statistical caliber for the Reporting Period:

Applicable Not applicable

(3) Whether Revenue from Physical Sales Is Higher than Service Revenue

Yes No

(4) Execution Progress of Major Signed Sales and Purchase Contracts in the Reporting Period

Applicable Not applicable

(5) Breakdown of Cost of Sales

Unit: RMB

Operating division	Item	2021		2020		Change (%)
		Cost of sales	As % of total cost of sales (%)	Cost of sales	As % of total cost of sales (%)	
Port operations	Loading and unloading services	8,570,124,838.35	94.73%	7,495,318,817.92	94.14%	14.34%
Bonded logistics service	Logistics service	257,835,741.37	2.85%	245,350,697.54	3.08%	5.09%
Other	Properties	218,875,602.77	2.42%	221,269,319.94	2.78%	-1.08%
Total	-	9,046,836,182.49	100%	7,961,938,835.40	100%	13.63%

(6) Changes in the Scope of Consolidated Financial Statements for the Reporting Period

Yes No

On 9 February 2021, Jifa Logistics and DPCD increased the capital of CMIT with their 29.40% and 49.63% shares of DPN respectively, and Yingkou Port Group increased the capital of CMIT with their

100% shares of YPIT. After the capital increase, the Company, CMPort Holdings, Jifa Logistics, DPCD and Yingkou Port Group hold 13.18%, 43.74%, 13.26%, 22.38% and 7.44% of the equity of CMIT respectively. According to the Accounting Standards for Business Enterprises, the Company includes DPN and YPIT into its consolidated financial statements.

(7) Major Changes to the Business Scope or Product or Service Range in the Reporting Period

Applicable Not applicable

(8) Major Customers and Suppliers

Major customers:

Total sales to top five customers (RMB)	3,741,849,003.95
Total sales to top five customers as % of total sales of the Reporting Period (%)	24.48%
Total sales to related parties among top five customers as % of total sales of the Reporting Period (%)	1.81%

Top five customers:

No.	Customer	Sales revenue contributed for the Reporting Period (RMB)	As % of total sales revenue (%)
1	Customer A	1,760,264,413.65	11.52%
2	Customer B	673,815,843.60	4.41%
3	Customer C	655,201,872.32	4.29%
4	Customer D	339,039,011.08	2.22%
5	Customer E	313,527,863.30	2.05%
Total	--	3,741,849,003.95	24.48%

Other information about major customers:

Fu Gangfeng, the former chairman of the Company, resigned as the chairman of the Company on January 31, 2020 and became the director and general manager of China Cosco Shipping Group Co., LTD less than 12 months after his departure. Therefore, the association between the Company and China Cosco Shipping Group Co., Ltd. lasts from January 31, 2020 to January 31, 2021.

Major suppliers:

Total purchases from top five suppliers (RMB)	732,261,894.52
Total purchases from top five suppliers as % of total purchases of the Reporting Period (%)	12.44%

Total purchases from related parties among top five suppliers as % of total purchases of the Reporting Period (%)	0.00%
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Top five suppliers:

No.	Supplier	Purchase in the Reporting Period (RMB)	As % of total purchases (%)
1	Supplier A	215,150,602.00	3.65%
2	Supplier B	164,766,102.94	2.80%
3	Supplier C	143,642,576.62	2.44%
4	Supplier D	113,949,812.78	1.94%
5	Supplier E	94,752,800.18	1.61%
Total	--	732,261,894.52	12.44%

Other information about major suppliers:

Applicable Not applicable

4. Expense

Unit: RMB

	2021	2020	Change (%)	Reason for any significant change
Administrative expense	1,729,160,558.50	1,605,655,465.25	7.69%	-
Finance costs	1,545,338,597.29	1,231,930,503.70	25.44%	-
R&D expense	217,905,635.67	168,787,774.86	29.10%	-

5. R&D Investments

Main R&D project	Project purpose	Project progress	Objective to be achieved	Expected impact on the Company
Information system project for Mawan Intelligent Port	It aims to upgrade and transform the former Shenzhen Haixing Harbor into the first 5G green and low-carbon smart port in the Guangdong-Hong Kong-Macao Greater Bay Area.	Mawan Intelligent Port has been officially opened in June 2021.	Its objective is to upgrade the traditional port into Mawan Intelligent Port by using a number of cutting-edge technologies based on the independently developed "CM Chip" Port Intelligent Operation and Management System, and eventually form a solution for traditional container wharf upgrade.	It has realized the automatic and intelligent routine production and operation of Mawan Intelligent Port, and formed a solution for traditional container wharf upgrade that can be replicated and promoted in the entire region, at all time and under all working conditions and multiple elements.
The R&D and implementation project for the	It aims to create a multi-functional port digital	It is now under development.	Its objective is to complete the construction of "Two	It will improve quality and efficiency of ports. In addition, the digital

"CM Chip" Cloud Smart Platform V1.0 (for bulk cargos)	production and management platform for a wide range of cargo types and operation processes by adopting cloud computing, artificial intelligence, Internet of Things (IoT) and other modern logistics technologies.		Platforms and One Station" function based on the cloud micro-service architecture, and gradually promote and implement the platform as a multi-purpose port for bulk cargos of CM Port Group.	production management platform will support rapid iterative replication and promotion outside the Group.
Customs clearance project for the Greater Bay Area Blockchain	It aims to connect all customs offices in the Greater Bay Area, achieve mutual connectivity, mutual trust and mutual recognition among customs areas, and realize dynamic and real-time monitoring of goods declaration, release, inspection and arrival and departure at hub ports.	The first phase of the project was accepted in April 2021.	Its objective is to establish core port logistics data standards and platforms with blockchain network technology as the basis of scientific and technological innovation to simplify the cargo clearance procedures, enhance the comprehensive competitive strength of ports, and realize the innovation of supervision technology and mode.	It will facilitate the expansion of waterway transport transfer business in the Guangdong-Hong Kong-Macao Greater Bay Area, improve the dominant role and core competitiveness of Shenzhen Western Port Area in the market, innovate the technology application of smart port scenarios, extend and expand intelligent financial services, and contribute to the sustainable and healthy development of intelligent port new ecology.
Unmanned container truck system	It aims to cooperate with professional manufacturers to carry out R&D of unmanned container trucks at wharves, build the automatic system of wharf horizontal transportation, and realize the systematic and normal operation of unmanned container trucks replacing manned container trucks at wharves.	It is now under joint debugging test.	Its objective is to replace manned container trucks with unmanned container trucks to carry out systematic and normal operation at wharves.	The large-scale application of unmanned container trucks for operation can effectively improve the efficiency and safety of port transportation and alleviate the recruitment difficulties of container truck drivers.
Intelligent storage yard R&D plan	It aims to use intelligent algorithm technology to optimize the storage	It is now under development.	Its objective is to use intelligent algorithm technology to optimize the storage yard R&D plan.	It will improve operation efficiency and save corresponding cost.

	yard R&D plan to meet the requirements of automatic storage yard plan for wharves.			
Research and of intelligent gate entry system	It aims to develop a new gate entry unmanned plan to improve the recognition rate and automation rate with dual identification engine mode, and to replace manual inspection, supporting vehicles and personnel intelligent security and other functions with intelligent inspection algorithm. The final purpose is to make gate entry intelligent and unmanned.	It was launched in Mawan Intelligent Port in August 2021.	Its objective is to realize intelligent and unmanned gate entry.	It has improved gate entry passing efficiency and reduced manual operation.
Development and application of automatic control systems for heavy oil, diesel, gasoline and methanol process	It aims to realize automatic operation of four major process systems for heavy oil, diesel, gasoline, methanol process at Zhanjiang Port, and improve their safety and applicability.	The project was completed in July 2021.	Its objective is to realize automatic operation of four major process systems at Zhanjiang Port.	It has improved the automation level of Zhanjiang Port and laid a foundation for building a digital petrochemical wharf.
Technical service project for transformation of automatic intelligent bucket-wheel stacker reclaimer	It aims to adopt automatic intelligent system to realize unmanned operation and connection with the existing intelligent bucket-wheel stacker reclaimer operating system at intelligent bulk cargo wharves.	It was completed in May 2021.	Its objective is to realize unmanned operation and connection with the existing intelligent bucket-wheel stacker reclaimer operating system at intelligent bulk cargo wharves.	It has improved quality and efficiency, and reduced manual operation.

Details about R&D personnel:

	2021	2020	Change (%)
Number of R&D personnel	1091	984	10.87%

R&D personnel as % of total employees	7.24%	6.68%	0.56%
Education background	——	——	——
Bachelor's degree	634	581	9.12%
Master's degree	61	52	17.31%
Doctoral degree	1	0	100%
Age structure	——	——	——
Below 30	148	165	-10.30%
30~40	433	401	7.98%

Details about R&D investments:

	2021	2020	Change (%)
R&D investments (RMB)	266,564,896.92	222,260,092.16	19.93%
R&D investments as % of operating revenue	1.74%	1.74%	0.00%
Capitalized R&D investments (RMB)	48,659,261.25	53,472,317.30	-9.00%
Capitalized R&D investments as % of total R&D investments	18.25%	24.06%	-5.81%

Reasons for any significant change to the composition of the R&D personnel and the impact:

Applicable Not applicable

Reasons for any significant YoY change in the percentage of R&D investments in operating revenue:

Applicable Not applicable

Reason for any sharp variation in the percentage of capitalized R&D investments and rationale:

Applicable Not applicable

6. Cash Flows

Unit: RMB

Item	2021	2020	Change (%)
Subtotal of cash generated from operating activities	16,732,952,290.22	13,833,729,117.44	20.96%
Subtotal of cash used in operating activities	10,222,625,719.74	8,282,440,104.43	23.43%
Net cash generated from/used in operating activities	6,510,326,570.48	5,551,289,013.01	17.28%
Subtotal of cash generated from investing activities	20,517,516,799.74	12,533,055,176.10	63.71%

Subtotal of cash used in investing activities	25,089,524,501.76	19,426,844,075.10	29.15%
Net cash generated from/used in investing activities	-4,572,007,702.02	-6,893,788,899.00	33.68%
Subtotal of cash generated from financing activities	26,888,597,909.66	37,578,675,786.12	-28.45%
Subtotal of cash used in financing activities	27,838,280,286.14	32,185,533,323.64	-13.51%
Net cash generated from/used in financing activities	-949,682,376.48	5,393,142,462.48	-117.61%
Net increase in cash and cash equivalents	828,736,911.07	4,110,947,600.84	-79.84%

Explanation of why any of the data above varies significantly on a year-on-year basis:

Subtotal of cash generated from investing activities rose 63.71% year-on-year, primarily driven by the increased principals received from structured deposits, and the receipt of dividend payout by Terminal Link, in the year.

Net cash generated from investing activities rose 33.68% year-on-year, primarily driven by a faster growth in cash generated from investing activities than in cash used in investing activities.

Net cash generated from financing activities declined 117.61% year-on-year, primarily driven by a much larger decrease in cash generated from financing activities than in cash used in financing activities.

The net increase of cash and cash equivalents declined 79.84% year-on-year, primarily driven by the comprehensive influence of each activity of cash flows.

Explanation of why net cash generated from/used in operating activities varies significantly from net profit of the Reporting Period:

Applicable Not applicable

V Analysis of Non-main Businesses

Unit: RMB

	Amount	As % of total profit	Main source/reason	Recurrent or not
Investment income	6,636,949,510.91	73.06%	Share of the profit of joint ventures and associates, mainly Shanghai Port	Yes

Change in fair value gain or loss	221,242,275.17	2.44%	-	Not
Asset impairment	-420,492,515.75	-4.63%	Mainly for the provision of goodwill impairment this year	Not
Non-operating income	43,467,537.50	0.48%	-	Not
Non-operating expense	95,528,693.11	1.05%	-	Not
Other income	363,245,161.08	4.00%	Mainly for government subsidies	Not
Gain/loss on disposal of assets	35,576,459.42	0.39%	-	Not

VI Analysis of Assets and Liabilities

1. Significant Changes in Asset Composition

Unit: RMB

	31 December 2021		1 January 2021		Change in percentage (%)	Reason for any significant change
	Amount	As % of total assets	Amount	As % of total assets		
Monetary assets	12,772,349,406.77	7.26%	11,918,423,758.71	7.06%	0.20%	-
Accounts receivable	1,320,577,577.81	0.75%	1,393,349,417.02	0.83%	-0.08%	-
Inventory	194,920,136.12	0.11%	214,823,976.30	0.13%	-0.02%	-
Investment real estate	5,298,238,414.88	3.01%	5,558,755,275.21	3.29%	-0.28%	-
Long-term equity investment	70,353,451,824.52	39.98%	66,242,411,222.90	39.26%	0.72%	-
Fixed assets	31,710,513,230.29	18.02%	29,479,755,159.21	17.47%	0.55%	-
Projects under construction	2,557,584,953.92	1.45%	5,381,430,606.18	3.19%	-1.74%	Mainly for the starfish smart port project into fixed assets
Right assets	8,743,077,542.19	4.97%	9,087,741,812.94	5.39%	-0.42%	-
Short-term borrowings	13,651,452,805.36	7.76%	10,483,775,548.93	6.21%	1.55%	The main reason is the increase in loans for supporting projects
Contract liability	196,784,525.26	0.11%	157,442,109.67	0.09%	0.02%	-

Long-term payables	7,144,839,870.89	4.06%	7,406,322,693.81	4.39%	-0.33%	-
Lease liability	1,055,194,906.09	0.60%	1,327,850,984.08	0.79%	-0.19%	-
Held-for-trading financial assets	6,921,831,502.55	3.93%	850,165,448.59	0.50%	3.43%	Mainly structural deposit increase
Other receivables	696,276,595.87	0.40%	3,561,292,313.98	2.11%	-1.71%	Mainly land acquisition and storage funds reclassified to long-term receivables
Long-term receivables	6,162,713,861.02	3.50%	3,887,949,993.10	2.30%	1.20%	Mainly land acquisition and storage funds reclassified to long-term receivables
Non-current liabilities that mature within one year	8,268,209,284.17	4.70%	3,564,587,701.07	2.11%	2.59%	Mainly due to an increase in bonds payable due within one year
Long-term payables	3,422,179,366.40	1.94%	1,228,461,573.69	0.73%	1.21%	Mainly franchise liabilities reclassified to long-term payables
Other non-current liabilities	163,065,578.53	0.09%	2,982,220,894.03	1.77%	-1.68%	Mainly franchise liabilities reclassified to long-term payables

Indicate whether overseas assets account for a high proportion of total assets.

√ Applicable □ Not applicable

Asset	Source	Asset value (RMB'0,000)	Location	Operations	Control measures to protect asset safety	Return generated (RMB'0,000)	As % of the Company's net asset value	Material impairment risk (yes/no)
Equity assets	Acquired via share offering	14,236,545.65	Hong Kong	Port investment and operations	Appointing director, supervisor and senior management /According to the	732,484.00	88.96%	No

					political, economic and legal environment of different countries and regions, establish a targeted internal control system and early warning system.			
Other information	N/A							

2. Assets and Liabilities at Fair Value

Unit: RMB

Item	Beginning amount	Gain/loss on fair-value changes in the Reporting Period	Cumulative fair-value changes through equity	Impairment allowance made in the Reporting Period	Purchased in the Reporting Period	Sold in the Reporting Period	Other changes	Ending amount
Financial assets								
Held-for-trading financial assets (exclusive of derivative financial assets)	850,165,448.59	11,666,053.97	-	-	-	-	6,059,999,999.99	6,921,831,502.55
Other non-current financial assets	910,807,452.56	-96,596,314.84	-	-	-	-	-4,695,892.85	809,515,244.87
Other equity instrument investment	181,467,057.74	-	-1,215,259.31	-	-	-	-	180,251,798.43
Subtotal of financial assets	1,942,439,958.89	-84,930,260.87	-1,215,259.31	-	-	-	6,055,304,107.14	7,911,598,545.85
Receivables financing	217,449,966.41	-	-	-	-	-	20,979,436.30	238,429,402.71
Total of the above	2,159,889,925.30	-84,930,260.87	-1,215,259.31	-	-	-	6,076,283,543.44	8,150,027,948.56
Financial liabilities	2,888,395,641.53	306,172,536.04	-	-	-	-	-3,194,568,177.57	0.00

Details of other changes:

N/A

Significant changes to the measurement attributes of the major assets in the Reporting Period:

 Yes No**3. Restricted Asset Rights as at the Period-End**

The restricted monetary assets were RMB12,830,212.33 of security deposits.

The carrying value of fixed assets as collateral for bank loans was RMB278,015,952.68.

The carrying value of construction in progress as collateral for bank loans was RMB12,388,924.87.

The carrying value of intangible assets as collateral for bank loans was RMB212,232,642.30.

The carrying value of equities and interests as collateral for bank loans was RMB2,438,275,555.16.

VII Investments Made**1. Total Investment Amount**

Investment Amount in 2021 (RMB)	Investment Amount in 2020 (RMB)	Change (%)
2,444,270,974.39	8,434,929,741.98	-71.02%

2. Major Equity Investments Made in the Reporting Period Applicable Not applicable**3. Major Non-Equity Investments Ongoing in the Reporting Period**

Unit: RMB

Item	Way of investment	Fixed assets investment or not	Industry involved	Input amount in the Reporting Period	Accumulative actual input amount as of the period-end	Capital resources	Progress	Estimated return on investment	Accumulative realized revenues as of the period-end	Reason for not reaching the schedule and anticipated income
Haixing Harbor 1#-4# berths renovation project—water engineering	Self-built	Yes	Support activities for water transportation	632,110,920.11	2,176,337,736.71	Self-funded and loan-funded	88.21%	0.00	0.00	N/A

HIPG container and oil terminals and tank zone renovation project	Self-built	Yes	Support activities for water transportation	30,225,598.52	1,580,665,935.37	Self-funded and loan-funded	57.68%	0.00	0.00	N/A
Zhanjiang Port Baoman Area vanning and devanning services area phase I project	Self-built	Yes	Support activities for water transportation	5,270,101.53	142,345,316.09	Self-funded and loan-funded	23.47%	0.00	0.00	N/A
Zhanjiang Port Baoman Area container terminal phase I expansion project	Self-built	Yes	Support activities for water transportation	25,002,275.68	181,014,755.60	Self-funded and loan-funded	7.73%	0.00	0.00	N/A
General Cargo project of Zhanjiang Port Donghai Island	Self-built	Yes	Support activities for water transportation	33,093,195.93	399,676,589.24	Self-funded and loan-funded	44.15%	0.00	0.00	N/A
Total	--	--	--	725,702,091.77	4,480,040,333.01	--	--	0.00	0.00	--

4. Financial Investments

(1) Securities Investments

Unit: RMB

Variety of securities	Code of securities	Name of securities	Initial investment cost	Accounting measurement model	Beginning carrying value	Gain/loss on fair value changes in the Reporting Period	Cumulative fair value changes recorded into equity	Purchased in the Reporting Period	Sold in the Reporting Period	Gain/loss in the Reporting Period	Ending carrying value	Accounting item	Capital resources
Stock	06198	Qingdao Port	124,405,138.80	Fair value method	166,225,139.77	-16,085,383.40	-	-	-	10,771,388.76	145,443,863.52	Other non-current financial assets	Self-owned
Stock	601298	Qingdao Port	331,404,250.30	Fair value method	720,160,000.00	-82,880,000.00	-	-	-	29,366,400.00	637,280,000.00	Other non-current financial assets	Self-owned

Stock	600377	Jiangsu Expressway	1,120,000.00	Fair value method	10,786,800.00	-	-1,625,100.00	-	-	460,000.00	8,620,000.00	Other equity instrument investment	Self-owned
Stock	400032	Petrochemical A1	3,500,000.00	Fair value method	382,200.00	-	-	-	-	-	382,200.00	Other equity instrument investment	Self-owned
Stock	400009	Guang Jian 1	27,500.00	Fair value method	17,000.00	-	-	-	-	-	17,000.00	Other equity instrument investment	Self-owned
Stock	600179	Antong Holdings	391,956.73	Fair value method	165,448.59	-8,251.80	-	-	-	-	157,196.79	Trading financial assets	Self-owned
Total			460,848,845.83	--	897,736,588.36	-98,973,635.20	-1,625,100.00	0	0	40,597,788.76	791,900,260.31	--	--

(2) Investments in Derivative Financial Instruments

Applicable Not applicable

5. Use of Funds Raised

(1) Overall Usage of Funds Raised

Unit: RMB'0,000

Year	Way of raising	Total funds raised	Total funds used in the Current Period	Accumulative fund used	Total funds with usage changed	Accumulative funds with usage changed	Proportion of accumulative funds with usage changed	Total unused funds	The usage and destination of unused funds	Amount of funds raised idle for over two years
2019	Private placement	221,282.91	444,294.92	965,177.12	0	18,599.73	8.41%	64,000.54	Deposited in funds raising account	0
Total	--	221,282.91	444,294.92	965,177.12	0	18,599.73	8.41%	64,000.54	--	0

Explanation of overall usage of funds raised

As approved in the document "ZJXK [2018] No. 1750" of CSRC, CMPort issued 128,952,746 RMB ordinary shares (A Share) at RMB 17.16 per share through private placement on Shenzhen Stock Exchange. The total fund raised was RMB2,212,829,121.36, and after deducting fees associated with the issuance of shares, the net fund raised was RMB2,185,997,340.15. As of 23 October 2019, the aforementioned fund was fully paid, which was verified by BDO China Shu Lun Pan Certified Public Accounts LLP with

a capital verification report (XKSBZ [2019] No. ZI10673). As of 31 December 2021, a total of RMB9,651,771,153.86 in the Company's raised funds account had been used, including: (1) RMB582,722,414.48 for replacing the self-funding spent on fundraising investment projects in advance; (2) RMB1,012,216,958.17 as raised fund invested after the fund was paid, including an investment of RMB1,012,216,958.17 in the Haixing Harbor renovation project (Phase II) (2019: RMB324,533,139.29; 2020: RMB424,734,590.46; 2021: RMB262,949,228.42); (3) RMB26,831,781.21 for paying issue fees; (4) RMB7,130,000,000.00 for purchasing structured deposits (2019: RMB1,200,000,000.00; 2020: RMB2,650,000,000.00; 2021: RMB3,280,000,000.00); (5) RMB900,000,000.00 for purchasing seven days call deposits. As of 31 December 2021, the net amount of interest income generated from the fund account is RMB2,452,004.93 after deducting surcharges (2019: RMB795,775.14; 2020: RMB1,142,652.22; 2021: RMB513,577.57); the amount of structured deposits redeemed is RMB7,130,000,000.00 (2019: RMB100,000,000.00; 2020: RMB2,950,000,000.00; 2021: RMB4,080,000,000.00); the amount of income from structured deposits is RMB41,738,931.50 (2019: RMB302,465.75; 2020: RMB28,538,767.13; 2021: RMB12,897,698.62); the amount of seven days call deposits redeemed is RMB900,000,000.00 with an income of RMB4,756,502.08. As of 31 December 2021, the balance of the raised funds account is RMB640,005,406.01.

(2) Commitment Projects of Fund Raised

Unit: RMB'0,000

Committed investment project and super raise fund arrangement	Changed or not (including partial changes)	Committed investment amount	Investment amount after adjustment (1)	Investment amount in the Reporting Period	Accumulative investment amount as of the period-end (2)	Investment schedule as the period-end (3) = (2)/(1)	Date of reaching intended use of the project	Realized income in the Reporting Period	Whether reached anticipated income	Whether occurred significant changes in project feasibility
Committed investment project										
Supporting transformation project of Han Port	Yes	18,599.73	-	-	-	-	-	N/A (Note 1)	N/A	N/A
Transformation project of Haixing Harbor (Phase II)	No	200,000	218,599.73	26,294.92	159,493.94	72.96%	28 June 2021	-7,550.39	No (Note 2)	No
Subtotal of committed investment project	--	218,599.73	218,599.73	26,294.92	159,493.94	--	--	-7,550.39	--	--
Super raise fund arrangement										
N/A										
Subtotal of super raise fund arrangement	--	-	-	-	-	--	--	0	--	--
Total	--	218,599.73	218,599.73	26,294.92	159,493.94	--	--	-7,550.39	--	--
Condition and reason for not reaching the schedule and anticipated income (by specific items)	<p>Note 1: Based on the estimated construction progress of supporting transformation project of Han Port, US\$ 79 million and USD281 million were planned to be used to build an oil wharf and a tank area respectively in 2019 and 2020; USD12.48 million and 179.6 million were planned to be used to acquire quay cranes, yard cranes and other operating equipment respectively in 2019 and 2020. The funds were estimated to be fully spent by 2020. So far the project has been delayed. According to the Company's overall development planning, in order to further optimize its internal resource allocation, increase the utilization efficiency of funds and safeguard shareholders' rights and interests, the Company used RMB185,997,300 of the fund raised in transformation project of Haixing Harbor (Phase II). As of 31 December 2021, a total of RMB0 had been invested in supporting transformation project of Han Port. 2. Transformation project of Haixing Harbor (Phase II) is currently under construction and thus has not generated income. Note 2: The Transformation project of Haixing Harbor (Phase II) obtained the port operation license on 24 June 2021, passed the acceptance check by the competent port administration on 28 June 2021 and has been put into operation. As of 31 December 2021, the project cumulatively generated revenue of RMB-75.50 million. The revenue has not yet reached the estimated income since it has merely six months since the project was put into operation.</p>									
Notes of condition of significant changes occurred in project feasibility	N/A									
Amount, usage and schedule of super raise fund	N/A									

Changes in implementation address of investment project	N/A
Adjustment of implementation mode of investment project	N/A
Upfront investment and transfer of investment project	BDO China Shu Lun Pan Certified Public Accountants LLP verified the upfront investment with self-pooled funds in raised funds investment projects, and issued the XKSSBZ [2019] No. 10423 The Audit Report on the Upfront Investment with Self-Pooled Funds in raised Funds Investment Project of Shenzhen Haixing Harbor Development Co., Ltd. dated 12 November 2019. As of 31 October 2019, the upfront investment with self-pooled funds in raised funds investment projects amounted to RMB582.7224 million. In December 2019, pursuant to the Proposal on the Swap of Raised Funds and Upfront Investment of Self-Pooled Funds approved at the 11 th Extraordinary Meeting of the 9 th Board of Directors in 2019, the Company has completed the swap of the aforesaid funds.
Idle fund supplementing the current capital temporarily	N/A
Amount of surplus in project implementation and the reasons	N/A
Usage and destination of unused funds	Unused fund was deposited in the fund-raising account.
Problems incurred in fund using and disclosure or other condition	<p>On 22 November 2019, the 11th Extraordinary Meeting of the 9th Board of Directors in 2019 reviewed and approved the Proposal on the Implementation of Cash Management by the Usage of Idle Raised Funds, which agreed the Company to carry out cash management by using idle funds of no more than RMB1.2 billion. The quota was valid within 12 months of the date when the said proposal was approved by the Board. And the cash management amount would be returned to the account of raised funds upon the expiry.</p> <p>On 30 November 2020, the Second Extraordinary Meeting of the 10th Board of Directors in 2020 and the Second Extraordinary Meeting of the 10th Supervisory Committee in 2020 reviewed and approved the Proposal on the Implementation of Cash Management by the Usage of Idle Raised Funds, which agreed the Company to carry out cash management by using idle funds of no more than RMB800 million. The quota was valid within 12 months of the date when the said proposal was approved by the Board. And the cash management amount would be returned to the account of raised funds upon the expiry.</p> <p>On 23 December 2021, the 13th Extraordinary Meeting of the 10th Board of Directors in 2021 and the 7th Extraordinary Meeting of the 10th Supervisory Committee in 2021 reviewed and approved the Proposal on the Implementation of Cash Management by the Usage of Idle Raised Funds, which agreed the Company to carry out cash management by using idle funds of no more than RMB600 million on a rolling basis within the validity as stated in the relevant resolution.</p> <p>As of 31 December 2021, the Company has purchased financial products of RMB7,130,000,000.00 in structured deposits and RMB900,000,000.00 in seven-day notice deposits (2019: RMB1,200,000,000.00 of structured deposits; 2020: RMB2,650,000,000.00 of structured deposits; 2021: RMB3,280,000,000.00 of structured deposits and RMB900,000,000.00 of seven days call deposits) at CMB Shenzhen New Times Sub-branch with some of its temporarily idle raised funds from the private placement. Income arising on structured deposits was RMB41,738,931.50 in total (2019: RMB302,465.75; 2020: RMB28,538,767.13; 2021: RMB12,897,698.62), while income from seven days call deposits was RMB4,756,502.08 in 2021. So far, the principals of all the financial products purchased with CMB Shenzhen New Times Sub-branch have been taken back upon maturity.</p>

(3) Changes in Items of Funds Raised

Unit: RMB'0,000

Items after changes	Corresponding original committed items	Amount of planned funds invested after changes (1)	Actual investment amount in the Reporting Period	Accumulative investment amount as the period-end (2)	Investment schedule as the period-end (3)=(2)/(1)	Date of reaching intended use of the project	Realized income in the Reporting Period	Whether reached anticipated income	Whether occurred significant changes in project feasibility

Transformation project of Haixing Harbor (Phase II)	Supporting transformation project of Han Port	218,599.73	26,294.92	159,493.94	72.96%	28 June 2021	-7,550.39	No	No
Total	--	218,599.73	26,294.92	159,493.94	--	--	-7,550.39	--	--
Notes of reasons for changes, decision-making procedures and information disclosure (by specific items)		The usage of unused fund of RMB185.9973 million in supporting transformation project of HIPG was changed to the construction of transformation project of Haixing Harbor (Phase II). The matters of partial changes in fund raised investment has been approved by the Proposal on Partial Changes in Usage of Fund Raised, which was reviewed and approved on the 11 th Extraordinary Meeting of the 9 th Board of Directors in 2019 on 22 November 2019. The Announcement of Partial Changes in Usage of Fund Raised (Announcement No. 2019-85) has been disclosed on website www.cninfo.com.cn on 26 November 2019. As of 31 December 2021, the amount with usage changed was RMB185.9973 million.							
Condition and reason for not reaching the schedule and anticipated income (by specific items)		Based on the estimated construction progress of supporting transformation project of Han Port, US\$ 79 million and USD281 million were planned to be used to build an oil wharf and a tank area respectively in 2019 and 2020; USD12.48 million and 179.6 million were planned to be used to acquire quay cranes, yard cranes and other operating equipment respectively in 2019 and 2020. The funds were estimated to be fully spent by 2020. So far the project has been delayed. According to the Company's overall development planning, in order to further optimize its internal resource allocation, increase the utilization efficiency of funds and safeguard shareholders' rights and interests, the Company used RMB185,997,300 of the fund raised in transformation project of Haixing Harbor (Phase II). As of 31 December 2021, a total of RMB0 had been invested in supporting transformation project of Han Port. 2. Transformation project of Haixing Harbor (Phase II) is currently under construction and thus has not generated income. The Transformation project of Haixing Harbor (Phase II) obtained the port operation license on 24 June 2021, passed the acceptance check by the competent port administration on 28 June 2021 and has been put into operation. As of 31 December 2021, the project cumulatively generated revenue of RMB-75.50 million. The revenue has not yet reached the estimated income since it has merely six months since the project was put into operation.							
Notes of condition of significant changes occurred in project feasibility after changes		N/A							

VIII Sale of Major Assets and Equity Interests

1. Sale of Major Assets

Applicable Not applicable

No such cases in the Reporting Period.

2. Sale of Major Equity Interests

Applicable Not applicable

IX Major Subsidiaries

Major fully/majority-owned subsidiaries and those minority-owned subsidiaries with an over 10% effect on the Company's net profit

Unit: RMB

Name	Relationship with the Company	Principal activity	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Shanghai International Port (Group) Co., Ltd.	Joint stock company	Business related to port, container and terminal	23,278,679,750.00	170,787,478,512.86	107,805,629,246.31	34,288,697,334.43	17,860,772,873.21	15,480,719,994.16
China Merchants Port Holdings Company Limited	Subsidiary	Port business, bonded logistics and property investment	44,016,586,625.24 (HKD)	142,365,456,450.90	98,772,110,395.06	9,835,827,140.59	8,302,153,749.61	7,324,839,959.14

Subsidiaries obtained or disposed in the Reporting Period

Subsidiary	How subsidiary was obtained or disposed in the Reporting Period	Effects on overall operations and operating performance
Sanya Merchants Port Development Co., Ltd.	Newly incorporated	No significant impact
Shantou Port Service Co., Ltd.	Liquidated and de-registered	No significant impact
Zhanjiang Port Bonded Service Co., Ltd., Guangdong	Liquidated and de-registered	No significant impact
Yingkou Port Information Technology Co., Ltd.	Business combination under the same control	Business integration
Dalian Port Logistics Network Co., Ltd.	Business combination under the same control	Business integration

Notes of major holding companies and joint stock companies

There is no information on major holding companies and joint stock companies for the Company to disclose during the Reporting Period.

X. Structured Bodies Controlled by the Company

Applicable Not applicable

XI Outlook for the Future Development of the Company

1. Layout and trends of the industry

Looking into 2022, the global economy shows a keynote of overall recovery, but the recovery will stall, the economic growth will slow down and inflation will last for longer. The global economic deeply links to COVID-19 pandemic, and the outlook of global economy recovery still faces with uncertainties. What's more, the upgrade of tensions geopolitics may bring other global risks and the climate change increased means a higher probability of severe natural disasters. In January 2022, the IMF predicted the global economy will slow down, representing a grow by 4.4% in 2021, down 1.5 percentage point year-on-year. In particular, the developed economies will grow at 3.9%, down 1.1 percentage point as compared to that of 2021; and the emerging markets and developing economies will grow at 4.8%, up 1.7 percentage point as compared to that of 2021. Global trade volume (including goods and services) will grow by 6.0%, down 3.3 percentage points as compared to that of 2021.

2022 is the year of continuously deepening China's implementation of the "14th Five-Year Plan" and the Long-Range Objectives Through the Year of 2035. China will always act on the general principle of "prioritizing stability while pursuing progress", continue to improve people's livelihood through "ensuring stability on the six fronts and security in the six areas" (“六穩”、“六保”), safeguard macroeconomic stability, keep major economic indicators within an appropriate range by accelerating the progress of optimizing and upgrade economic structure and other policies. According to the latest IMF's report, China's economic growth forecast for 2022 has been lowered to 4.8%, 0.8% points lower than the forecast on October 2021.

In 2022, although the global shipping routes, capacity and supply of containers may be normalized gradually, and the supply and demand imbalance of global container shipping market will mitigate, the container shortage still exists, rendering port congestion difficult to ease in a short term. Drewry, a global shipping consultancy, predicted that the port and shipping industry will still maintain the current situation including high demand, high freight rates, supply chain disruption and the like throughout 2022.

Looking ahead to 2021, China will continue to consolidate the economic foundations, enhance the abilities of scientific and technological innovation and adhere to multilateralism. It also urged making proactive efforts to align with the high-standard international economic and trade rules, do more to attract foreign investment while contributing to the stable and smooth functioning of industrial and supply chains, deepen reform via high-level opening-up and boost high-quality development. It is foreseeable that with the implementation of various trade agreements, the level of trade and investment facilitation will be further improved, and the ties of cooperation between China and trading partners will be further enhanced, thereby strengthening the growth driver of merchandise import and export, which will benefit the port industry for sure. In addition, ongoing progress in the construction of intelligent ports and green ports will also rejuvenate the development of the port industry.

2. Development strategy

The company is committed to becoming a world-class comprehensive port service provider, base itself in a new stage of development, implement the new development philosophy fully and faithfully, and serve and integrate itself into the new development paradigm. In pursuit of high-quality growth, it will accelerate technological leadership and innovation-driven development,

achieve global scientific layout and balanced development, provide first-class comprehensive service professional solutions, seek more returns for shareholders, support local economic and industrial development, and contribute to the development of the port industry.

Firstly, in respect of domestic strategies, the Company will seize the opportunity arising from the supply-side reform and based on the goal of “regional consolidation and enhancement of synergy”, seek for opportunities for consolidation and cooperation on an ongoing basis across the five main coastal regions with a view to further expanding and improving the ports network layout within China. The Group will lead a new direction for the consolidation of regional ports with a key focus on constantly improving the quality of port development with its best efforts.

Secondly, in respect of overseas strategies, the Company will continue to capitalize on the opportunities arising from the “Belt and Road” initiative promoted by China and the international industrial transfers, at the same time adapting to the trend of deploying mega-vessels and forming shipping alliances. Emphasis will be placed on the development of global major hub ports and gateway ports as well as areas with high market potential, fast-growing economy and promising development prospect. The Company will grasp opportunities in port, logistics and related infrastructures investment for the on-going enhancement of its global port network.

Thirdly, in respect of innovation strategies, the Company will adhere to the principle of “driving through technology and embracing changes”, under which the Company could support the future port development through increasing the investment in innovation and holding the technology high ground. By means of technological innovation and innovative management, it will significantly enhance the efficiency and effectiveness of port operation and become a leading enterprise in the intelligent transformation of traditional ports. It will also enrich the comprehensive port services through business model innovation.

3. Business plans for 2022

In 2022, the company will continue to uphold the underlying principle of pursuing progress while ensuring stability, base itself in a new stage of development, implement the new development philosophy fully and faithfully, and build a new development model. In the pursuit of further breakthroughs in aspects such as the construction of homebase ports, prevention and control of the pandemic, technological innovation, market expansion, operation management, capital operation, comprehensive development, the company will actively promote the company's overall high-quality development.

As for the construction of homebase ports, in line with the development strategy of the Guangdong-Hong Kong-Macao Greater Bay Area, the West Shenzhen homebase port will continuously continue to improve infrastructure construction, provide better customer service at ports, and boost the overall capabilities. Meanwhile, the company will take further actions to build the Colombo International Container Terminals Limited (“CICT”) in Sri Lanka into an international container hub port and Hambantota International Port Group (Private) Limited (“HIPG”) into a regional comprehensive port. Cooperation with shipping companies and other partners will be strengthened to establish world-class shipping centers in South Asia and integrate the operation and management of the two ports aforesaid, providing a new thinking of development.

In terms of pandemic prevention and control, the company continues to effectuate countermeasures and risk elusion and coordinate development and security. In response to changing pandemic dynamics, the company will adopt regular prevention and control measures in a timely manner, and continuously improve the emergency plan and operation norms. Adherence to that all people and items must be checked and holding the position in the fronts of the battle against the pandemic will maintain the security and stability in preventing and controlling the pandemic.

On the issue of technological innovation, the Company will commit to innovation-driven development and promote industrial transformation and upgrade by innovation and technology. Therefore, the company can achieve stable and sustainable growth. On one hand, with closer attention to its main businesses, the Company will achieve the growth of revenue and efficiency gains by actively promoting the innovation of science and technology and management. On the other hand, through implementing an innovative business model to promote the transformation and upgrade of the company and cultivate new growth drivers, the Company will constantly enhance its core competitiveness. the Company will develop the CMPort's ecosystem for technology and innovation, and generate innovative solutions with technology for ports to build the integrated platform for industry, education and research. Through "CMCore" platform, the Company will develop three major leading products for the industry, including CTOS (Container Terminal Operation System), BTOS (Bulk Cargo Terminal Operation System) and LPOS (Logistic Park Operation System), striving to realise intelligentised operation inside the terminals. "CM ePort" platform will innovate the service models by improving the information service system of the port zones and using the "Port + Internet" approach for the port, so as to explore and develop an open platform for intelligent ports.

With regard to market expansion, the Company will continue to deepen the concept of customer-centricity, strengthen cooperation with major shipping companies, and build a collaborative alliance featuring multifaceted businesses with the West Shenzhen homebase port as core under the coordinated port framework to strengthen interaction with end-customers. The Company will also build a business collaboration platform characterized by integration, platform thinking and digitalization, perfect the management mechanism for marketing and commerce, and expand the coverage of the logistics supply chains endogenously and externally.

Regarding operation management, the Company will speed up building an international operation management and control system for sustainable value creation, which matches our business development and helps strengthen overall planning. The intelligent operation management platform will be continuously updated and promoted to facilitate a first-class operation management system highlighting "empowerment, professional and value". With introducing improved supervision and management mechanism, the Company will realize transformation to closed-loop business management. Increasing the benchmarking efforts of overseas subsidiaries to outstrip world-class enterprises is conducive to achieve international competitive advantage in an all-round manner.

In respect of capital operation, the Company continues to promote the optimization of asset structure and reduce investment risks. In line with the strategies of the company and the direction of "asset-heavy to asset-light" and "quantity to quality", the company will promote the "asset management + capital operation" dual -wheel drive and improve capital operation plans, asset allocation and endogenous growth in order to enhance shareholder returns.

In terms of comprehensive development, the Company will actively adapt to the changes in the global trade environment and strive to become an important bond to domestic and foreign markets to boost each other and the cornerstone of the security and stability of the industrial chain supply chain.

The company will accelerate the creation of a complete model of "Port-Park-City" for comprehensive development business, such that realize long-term benefits from the "land economy" around ports. Apart from improving quality of services to existing customers and increasing customer stickiness, the Company will enhance the cultivation and support of the hinterland industry.

Capital expenditure plans

In 2022, the Company will formulate capital expenditure plans according to business development needs. Key investment projects include project for general cargo wharf in Donghai Island Harbour District of Zhanjiang Port, phase I project for the stuffing and destuffing service area of Zhanjiang Port, expansion project for yard of Shantou Guang'ao Port Area, and the facilities procurement for HIPG container terminal in Sri Lanka, etc.

4. Possible risks and counter measures

(1) Risk of macroeconomic fluctuations

Internationally, the global economic situation in 2022 will be still complex and severe with uncertainties and destabilizing factors in recovery, for which reason, various derivative risks stemming from the pandemic should not be overlooked. Another outbreak caused by Omicron variant of COVID-19 in major regions around the world at the end of 2021 increased uncertainty and unevenness of the global economic recovery. Against the backdrop of the repeated spread of the pandemic, the new round of easy monetary policies will increase global debt level and emerging markets will become more vulnerable. Traditional and non-traditional risks, such as natural disasters and geopolitical uncertainties, may aggregate volatility in the international financial market. Such risks of uncertainties will shock China's foreign trade market, container shipping market, and bulk commodity demand, and pose certain challenges to the Company's overseas investment and layout planning.

Domestically, although the fundamentals of China's economy are overall solid and consolidated, China's economic growth is still facing the triple pressure of demand contraction, supply shock and weakening expectations, and uncertainties as a result of the pandemic, the Sino-US friction, and other factors as well. In addition, the pandemic has accelerated the implementation of technological innovation support policies in the national level and amplified the necessity and urgency of the digital transformation and upgrade in the shipping industry.

Facing the risk of macroeconomic fluctuations, especially the risks imposed on foreign trade and import and export business by the COVID-19 pandemic and fluctuations in exchange, along with other factors, the Company will take the initiative to identify and respond to changes. Firstly, it will work in full swing to support the national 14th Five-year Plan and follow the national "Belt and Road" initiative and the strategies on developing the Guangdong-Hong Kong-Macao Greater Bay Area, and realizing the in development of Yangtze River Delta, so as to help construct the new national dual circulation development pattern and achieve strategic goals of carbon emission peaking and carbon neutrality. Secondly, it will seize the opportunities arising from a new round of high-level opening up policies to improve the quality of port services continuously under the economic globalization

trend. Thirdly, it will enhance capacity building of risk identification, warning, and elimination, and continue to follow up on the development of the global industrial chain and trade movements to adjust business operating strategies appropriately to effectively prevent, control, and reduce the effect of external risks.

(2) Policy risks

The policy risks in the port industry can be either positive or negative. On the one hand, under the new national dual circulation development pattern, policies such as encouraging the expansion of imports are expected to bring new development opportunities to the growth of the industry, and national strategies such as the “Belt and Road” initiative and the Guangdong-Hong Kong-Macao Greater Bay Area will introduce favorable policies to the industrial development; on the other hand, policies and initiatives of the government for reducing costs and improving efficiency in logistics, anti-monopoly, and environmental protection may exert pressure on the profitability of the port industry.

Facing the potential policy risks, on the one hand, the Company will **improve policy research**, proactively practice the key “Belt and Road” initiative and a series of national strategies to firmly seize the opportunities arising from these policies; on the other hand, in response to the negative risks, the Company will improve its operation management capability by continuously enhancing quality and efficiency and strengthening resource allocation. Besides, the company will constantly improve its profitability to effectively address and mitigate negative risks.

(3) Operation management risks

Amidst the favorable environment of domestic and overseas regional ports integration, the Company has swiftly strengthened its main port business and successfully further optimized the layout of the global port network. At the same time, the Company faces unfavorable conditions of ports in certain regions such as challenging operation management in certain regions, relatively low investment returns, and etc. The risks specifically include: (1) investment decision-making on certain projects will be riskier and more difficult under the complicating external environment;(2) since the beginning of this year, the RMB exchange rate has generally strengthened slightly, but the larger volatility reflects that floating exchange rate regime becomes more flexible. The company will further improve the exchange rate risk management mechanism and adjust the response strategy in a timely manner according to the exchange rate fluctuations, aiming to reduce the impact of exchange rate fluctuations on the company's performance as much as possible; (3) the Company’s internationalized operation management system still needs to be improved and the Company shall strengthen the benefits of integration through management output and other ways to accommodate with its own rapid development and expansion; (4) the risk control system of the company shall be consistently established and optimized to constantly improve management efficiency.

In terms of the Company’s internal operation management risks, the Company will: (1) increase customer loyalty and seize market opportunities based on three improvement elements, namely “market, resources, services”; (2) improve internal control system to take further precautions in risk control and reinforce the stringent restrictions on internal control, ensuring effective risk identification and control and consolidating the foundation of risk control; and (3) optimize risk

warning system to precisely keep abreast of the new developments with an aim to seize the prime opportunities for risk control.

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

1. During the Reporting Period

Date	Place	Way of communication	Type of communication party	Object of communication	Index to basic information of researches
22 January 2021	China Merchants Port Building	One-on-one meeting	Institution	Orient Securities	
31 March 2021	China Merchants Port Building	Teleconferencing	Institution	Changjiang Securities, CICC, Industrial Securities, Guotai Junan Securities, China Merchants Securities, Guosen Securities, Golden Eagle Fund, Ping An Capital, Hwabao WP Fund, Yinhua Fund, CICC Capital Management, Green Court Capital, HighGear Capital, Fangyuan Tiancheng, Rongyuan Dingfeng Asset Management, Panpei Investment, Honghu Venture Capital, Yong An Insurance, Beijing Optimus Prime Investment Management Co., Ltd.	Main discussions: the basic condition of operations, investments made and the financial condition of the Company; Materials provided: None Index: SZSE EasyIR (http://irm.cninfo.com.cn/ircs/index)
25 May 2021	China Merchants Port Building	One-on-one meeting	Institution	Hua Chuang Securities, CICC	
31 August 2021	China Merchants Port Building	Teleconferencing	Institution	Changjiang Securities, Essence Securities, Ping An Asset Management, Haitong Securities, Kymco Capital, Minsen Investment, Golden Eagle, Hotland Innovation Asset Management, Greenwoods Asset Management, Zhaofeng	

				Investment, Congrong Investment, Foresight Investment, Southern Raytai Fund Management, Taiping Fund Management	
4 November 2021	China Merchants Port Building	One-on-one meeting	Institution	Zheshang Securities	
25 November 2021-26 November 2021	China Merchants Port Building, Mawan Smart Port, Shunde New Port	One-on-one meeting	Institution	UBS Securities, Tianfeng Securities, Industrial Securities, Huatai Securities, Huaxi Securities, Zheshang Securities, Huachuang Securities, Shenwan Hongyuan Securities, Changjiang Securities, Eagle Investment, Shenzhen Beishan Research and Design Institute, One Shipping, CNFH, Fulida Asset Management, Kaiyin Fund Management, Guangdong Yixin Asset Management, China Merchants Capital, Shenzhen Qianhai The Way Investment, Rongtong Fund Management, Qianhai Alliance Asset Management, CCB Wealth Management, FORTUNE & ROYAL ASSET, Shanghai Pudong Development Bank	
15 December 2021	China Merchants Port Building	One-on-one meeting	Institution	CICC, Greenwoods Asset Management, Win&Fun, First Beijing	
1 January 2021-31 December 2021	China Merchants Port Building	By phone, or written inquiry (the EasyIR platform of SZSE or email)	Individual	Individual investors	Main discussions: the basic condition of operations, investments made and the financial condition of the Company; Materials provided: None
Times of communications					116
Number of institutions communicated with					64

Number of individuals communicated with	109
Number of other communication parties	0
Tip-offs or leakages of substantial supposedly-confidential information during communications	No

2. Period-end to Disclosure Date

Date	Place	Way of communication	Type of communication party	Object of communication	Index to basic information of researches
1 January 2022 to 30 March 2022	China Merchants Port Building	By phone, or written inquiry (the EasyIR platform of SZSE or email)	Individual	Individual investors	Main discussions: the basic condition of operations, investments made and the financial condition of the Company; Materials provided: None
Times of communications					20
Number of institutions communicated with					0
Number of individuals communicated with					20
Number of other communication parties					0
Tip-offs or leakages of substantial supposedly-confidential information during communications					No

Part IV Corporate Governance

I General Information of Corporate Governance

Ever since its establishment, the Company has been in strict compliance with the Company Law and Securities Law, as well as relevant laws and regulations issued by CSRC. And it has timely formulated and amended its relevant management rules according to the Code of Corporate Governance for Listed Companies, which are conscientiously and carefully executed. An effective system of internal control has thus taken shape in the Company. Details about corporate governance are set out as below:

1. Between the beginning of the Reporting Period and the date of disclosure of this report, the Company revised two systems and created one new system.

(1) The Management System on Inside Information and Insiders was revised

In order to implement the new Securities Law which further regulates the registration and submission of insider information of listed companies, and strengthens the comprehensive prevention and control of insider trading, the Company revised the Management System on Inside Information and Insiders on 28 April 2021. This revision covers supplement and update to the definition, scope and personnel involved of inside information as well as the requirements for filling the Registration Form of Insider Information.

(2) The Information Disclosure Management Rules for the Inter-bank Debt Financing Instrument was revised

Since 1 May 2021, the People's Bank of China, together with the National Development and Reform Commission and the China Securities Regulatory Commission, officially implemented the Measures for the Administration of Information Disclosure Concerning Corporate Debentures (hereinafter referred to as the "Measures"), which provides the unified requirements on information disclosure rules of corporate debentures. On 27 April 2021, National Association of Financial Market Institutional Investors clarified part of the requirements for the application of the Measures to the projects of inter-bank debt financing instruments in the form of business questions and answers, issued the Q&A Compilation on the Registration and Issuance of Debt Financing Instruments of Non-financial Enterprises (hereinafter referred to as the Q&A Compilation) and formulated the System of

Information Disclosure Forms for the Duration of Debt Financing Instruments of Non-financial Enterprises in the Inter-bank Bond Market in accordance with the relevant self-regulatory rules. Considering that the Company's Information Disclosure Management Rules for the Inter-bank Debt Financing Instrument should comply with the relevant provisions of the Measures and Q&A Compilation, the Company revised on 30 June 2021 the Information Disclosure Management Rules for the Inter-bank Debt Financing Instrument, supplementing and updating the contents including but not limited to information disclosure obligations of the Company and all its directors, supervisors, senior management members, issuance documents, announcement time requirements, definitions of significant events, and notes for information disclosure.

(3) The Management System on the Authorization of the Board of Directors was newly established. In order to further strengthen the construction of the Board of Directors of the Company, further improve the Company's scientific and standardized decision-making mechanism, improve the efficiency of operating decisions, enhance the vitality of enterprise reform and development, and protect the legitimate rights and interests of shareholders, the Company and creditors, the Proposal on the Establishment of the Management System on the Authorization of the Board of Directors (Announcement No. 2022-005, refer to website www.cninfo.com.cn for details) was deliberated and approved in accordance with the Company Law of the People's Republic of China, the Articles of Association and other laws, regulations and policies on the 1st Extraordinary Meeting of the 10th Board of Directors in 2022 on 28 January 2022, and the establishment of the Management System on the Authorization of the Board of Directors was approved.

Details are as follows:

Mechanism	Deliberation	Disclosure
Revised		
The Management System on Inside Information and Insiders	The revised policy was deliberated and approved by the 3rd Extraordinary Meeting of the 10th Board of Directors in 2021 held on 28 April 2021.	It has been timely disclosed on the website www.cninfo.com.cn .
The Information Disclosure Management Rules for the Inter-bank Debt Financing Instrument	The revised policy was deliberated and approved by the 5th Extraordinary Meeting of the 10th Board of Directors in 2021 held on 30 June 2021.	It has been timely disclosed on the website www.cninfo.com.cn .

New		
The Management System on the Authorization of the Board of Directors	The new policy was deliberated and approved by the 1st Extraordinary Meeting of the 10th Board of Directors in 2022 held on 28 January 2022.	It has been timely disclosed on the website www.cninfo.com.cn .

2. In order to implement the Opinions of State Council on Further Improving Quality of Listed Companies (G.F. [2020] No. 14, hereinafter referred to as the "Opinions"), the Company implemented the special action of "performing entity responsibilities, improving governance, and achieving quality development" for further self-inspection, in conformity with the Notice of Shenzhen CSRC on Promoting Listed Companies Within Jurisdiction to Perform Entity Responsibilities, Improve Governance, and Achieve Quality Development (SH.ZH.J.G.S.Z. [2020] No. 128, hereinafter referred to as the "Notice"), and formed the Special Self-Inspection List for Governance of Listed Company (hereinafter referred to as the "Self-Inspection List").

According to the self-inspection, no major defects were identified in the Company's internal control. All responsible departments and subordinate units have made remediation plans for the defects in internal control identified and implemented remediation in time according to the Company's internal control management requirements. The Company has established a relatively perfect internal control management mechanism, and adopted measures such as incompatible job separation control, authorization and approval control, accounting system control, property protection control and budget control to prevent major internal control defects. The Company submitted the Self-Inspection List to Shenzhen CSRC in April 2021.

3. On 23 December 2021, the 13th Extraordinary Meeting of the 10th Board of Directors in 2021 deliberated and passed the Proposal on the Implementation of the Functions and Powers of the Board of Directors (Announcement No. 2021-116, see website www.cninfo.com.cn for details). According to the plan, on the basis of the existing standardized operation of the Board of Directors, the Company will further promote the implementation of various functions and powers of the Board of Directors, continue to manage enterprise according to law, align authority with corresponding responsibility, delegate power and strengthen supervision, earnestly protect the exercise of various rights in accordance with the law by the Board of Directors, improve the operation mechanism, and strengthen responsibility supervision; further standardize the operation of the Board of Directors, improve its

ability to perform duties, continuously enhance the authority, effectiveness and overall function of the Board of Directors, and continuously improve the Company's independent operation; further improve the corporate governance structure, give full play to the role of the Board of Directors in "formulating strategies, making decisions and preventing risks", strengthen the Company's position as an independent market player, effectively stimulate the endogenous impetus and vitality of the Company, and speed up efforts to realize high-quality development.

4. Shareholders and shareholders' general meeting: the Company ensures that all the shareholders, especially minority shareholders, are equal and could enjoy their full rights. The Company called and held shareholders' general meeting strictly in compliance with the Rules for Shareholders' General Meeting.

5. Relationship between the controlling shareholder and the Company: controlling shareholder of the Company acted in line with rules during the reporting period, did not intervene the decisions, productions or operations of the Company directly or indirectly in exceeding the authority of the shareholders' general meeting, and did not occupy any funds of the Company.

6. Directors and the Board of Directors: the Company elected directors in strict accordance with the Articles of Association. Number and composition of members of the Board were in compliance with relevant laws and regulations; all Directors attend Board meetings and shareholders' general meeting in a serious and responsible manner and participated enthusiastically relevant training so as to know better about laws and regulations as well as the rights, obligations and liabilities of Directors. The Company set up the Audit Committee as approved by the 1st Extraordinary General Meeting of 2004 and the Nomination, Remuneration and Evaluation Committee and Strategy Committee as approved by the 2005 Annual General Meeting, with a view to ensuring the efficient operation and scientific decision-making of the Board of Directors.

7. Supervisors and the Supervisory Committee: number and composition of the members of the Supervisory Committee were in compliance with the requirements of laws and regulations. The supervisors diligently and seriously performed their duties and obligations, took responsible attitudes to all shareholders and supervised the financial affair as well as the performance by the Company's Directors, managers and other senior executives of their duties in compliance with the laws and regulations.

8. Stakeholders: the Company fully respected and safeguarded the legal rights and interests of the banks and other creditors, staff, clients and other stakeholders so as to develop the Company in a consistent and healthy way.

9. Information disclosure and transparency: As the department for the management of information disclosure, the Board of Directors of the Company is responsible for managing the information disclosure matters of the Company. Chairman of the Board assumes a central role in managing the information disclosure matters of the Company while the Board Secretary is responsible for organizing and coordinating such matters. The Board Secretary of the Company is responsible for the management of investor relationships. Unless expressly authorized and trained, other directors, supervisors, senior management members and staff members of the Company should avoid speaking on behalf of the Company in investor relationship activities. The Company disclosed relevant information in a true, accurate, complete and timely way in strict accordance with the requirements of laws, regulations and the Articles of Association, formulated the Management Rules on Information Disclosure, the Management System on Inside Information and Insiders and the Rules on the Management of Investors Relations, and designated *Securities Times*, *China Securities Journal*, *Shanghai Securities News*, *Ta Kung Pao* and <http://www.cninfo.com.cn> as its newspaper and website for information disclosure, so as to ensure all shareholders have equal opportunity to obtain the information.

10. Corporate governance mechanisms and rules that the Company has already established:

Articles of Association of the Company, Rules of Procedure for General Meetings, Working Articles of Audit Committee of the Board of Directors, Working Rules of Annual Report for Audit Committee of the Board of Directors, Working Articles for Nomination, Remuneration and Evaluation Committee of the Board of Directors; Working Articles of Strategy Committee of the Board of Directors, Working System for Independent Directors, Working Rules of Annual Report for Independent Directors, Rules of Procedure for Supervisory Board, Working Articles of Chief Executive Officer, Management System for Company Shares held by Directors, Supervisors and Senior Executives and Its Changes, Management System of Foreign Investment, Management System of Related Transactions, Management System of Fund-raising, Management Rules on Information Disclosure, Rules of Accountability for Significant Mistakes in Annual Report

Information Disclosure, Management System on Inside Information and Insiders, Internal Audit System, Management System of Investors' Relations, Specific System for Engaging Accountants, Management Method of Financial Tools, Management System on Person in Charge of Finance and CFO, Information Disclosure Management Rules for the Inter-bank Debt Financing Instrument, Management System of External Guarantees, Working Articles of Board Secretary, Management System of Securities Investments, Management System of Subsidiaries, Management Method of Donations, Rules of Procedures for Office Meeting, Management System on the Authorization of the Board of Directors, etc. There isn't difference between the actual circumstances of the Company and all established systems.

Since the foundation, the Company was consistently in strict accordance with Company Law and relevant laws and regulations to make a standard operation, continued business-running in line with relevant requirements of Corporate Governance Principle for Listed Companies and earnestly made effort to protect profit and interests of shareholders and stakeholders.

Indicate by tick market whether there is any material incompliance with the regulatory documents issued by the CSRC governing the governance of listed companies.

Yes No

No such cases in the Reporting Period.

II The Company's Independence from Its Controlling Shareholder and Actual Controller in Asset, Personnel, Financial Affairs, Organization and Business

The Company is absolutely independent in business, personnel, assets, finance and organization from its controlling shareholder and actual controller. Details are set out as follows.

Separation in business: The Company has its own assets, personnel, qualifications and ability to carry out operating activities and is able to operate independently in the market. Separation in personnel: The Company has basically separated its staff from its controlling shareholder. No senior management staff of the Company holds positions at controlling shareholder of the Company. Separation in assets: The Company possesses its own self-governed assets and domicile. Separation in organization: The Company has established and improved the corporate governance structure according to law and has an independent and complete organizational structure. Separation in finance: The Company has set up its own financial department as well as normative accounting system and the financial management system on its subsidiaries. The Company has its own bank accounts and does not share

the same bank account with its controlling shareholder. The Company has been paying tax in accordance with the laws and regulations on its own behalf.

III Horizontal Competition

Applicable Not applicable

IV Annual and Special General Meetings Convened during the Reporting Period

1. General Meeting Convened during the Reporting Period

Meeting	Type	Investor participation ratio	Date of the meeting	Disclosure date	Index to disclosed information
The 2020 Annual General Meeting	Annual General Meeting	88.89%	28 May 2021	29 May 2021	For the resolution announcement (No. 2021-047), see http://www.cninfo.com.cn
The 1 st Extraordinary General Meeting of 2021	Extraordinary General Meeting	88.87%	27 September 2021	28 September 2021	For the resolution announcement (No. 2021-087), see http://www.cninfo.com.cn

2. Special General Meetings Convened at the Request of Preferred Shareholders with Resumed Voting Rights

Applicable Not applicable

V Directors, Supervisors and Senior Management

1. General Information

Name	Office title	Incumbent/Former	Gender	Age	Start of tenure	End of tenure	Beginning shareholding (share)	Share option	Restricted shares granted (share)	Increase in the Reporting Period (share)	Decrease in the Reporting Period (share)	Other increase/decrease (share)	Ending shareholding (share)	Reason for share change
Deng Renjie	Chairman of the Board	Incumbent	Male	52	December 2018	May 2023	0	0	0	0	0	0	0	N/A

Wang Xiufeng	Vice Chairman of the Board and CEO	Incumbent	Male	51	August 2021	May 2023	0	0	0	0	0	0	0	0	N/A
Liu Weiwu	Director	Incumbent	Male	57	May 2021	May 2023	0	0	0	0	0	0	0	0	N/A
Song Dexing	Director	Incumbent	Male	59	December 2018	May 2023	0	0	0	0	0	0	0	0	N/A
Gao Ping	Independent director	Incumbent	Male	66	May 2020	May 2023	0	0	0	0	0	0	0	0	N/A
Li Qi	Independent director	Incumbent	Female	51	May 2020	May 2023	0	0	0	0	0	0	0	0	N/A
Zheng Yongkuan	Independent director	Incumbent	Male	44	May 2021	May 2023	0	0	0	0	0	0	0	0	N/A
Yang Yuntao	Chairman of the Supervisory Committee	Incumbent	Male	55	December 2018	May 2023	0	0	0	0	0	0	0	0	N/A
Gong Man	Supervisor	Incumbent	Female	33	May 2020	May 2023	0	0	0	0	0	0	0	0	N/A
Xu Jia	Supervisor	Incumbent	Male	40	May 2020	May 2023	0	0	0	0	0	0	0	0	N/A
Yan Gang	COO and GM	Incumbent	Male	49	November 2021	May 2023	0	102,000	0	0	0	0	0	0	N/A
Tu Xiaoping	CFO	Incumbent	Male	56	May 2021	May 2023	0	0	0	0	0	0	0	0	N/A
Lu Yongxin	Vice GM	Incumbent	Male	52	December 2018	May 2023	0	144,000	0	0	0	0	0	0	N/A
Li Yubin	Vice GM and Secretary of the Board	Incumbent	Male	50	December 2018	May 2023	0	144,000	0	0	0	0	0	0	N/A
Zhang Yiming	Vice GM	Incumbent	Male	58	May 2021	May 2023	0	0	0	0	0	0	0	0	N/A
Xu Song	Vice GM	Incumbent	Male	50	October 2020	May 2023	0	240,000	0	0	0	0	0	0	N/A
Liu Libing	General Counsel	Incumbent	Male	48	August 2020	May 2023	0	50,000	0	0	0	0	0	0	N/A
Bai Jingtao	Former Vice Chairman of the Board and CEO	Former	Male	56	September 2017	August 2021	0	0	0	0	0	0	0	0	N/A
Yan Shuai	Former Director	Former	Male	49	December 2018	February 2022	0	252,000	0	0	0	0	0	0	N/A
Su Jian	Former Director	Former	Male	50	December 2018	March 2021	0	0	0	0	0	0	0	0	N/A
Zhang Yi	Former Director, COO and GM	Former	Male	51	December 2018	August 2021	0	210,000	0	0	0	0	0	0	N/A
Wang Zhenmin	Former Independent director	Former	Male	55	May 2020	May 2021	0	0	0	0	0	0	0	0	N/A
Liu Yingjie	Former Chairman of the Supervisory Committee	Former	Male	50	December 2018	August 2021	0	0	0	0	0	0	0	0	N/A
Hu Qin	Former Supervisor	Former	Female	55	December 2018	February 2022	0	0	0	0	0	0	0	0	N/A

Zheng Shaoping	Former Vice GM	Former	Male	59	December 2018	August 2021	9,821	210,000	0	0	0	0	9,821	N/A
Huang Chuanjing	Former Vice GM and Secretary of the Board	Former	Male	39	December 2018	January 2021	0	0	0	0	0	0	0	N/A
Total	--	--	--	--	--	--	9,821	1,352,000	0	0	0	0	9,821	--

Note: On 14 February 2022, upon the review and confirmation of Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the Company completed the cancellation of some stock options in the Stock Option Incentive Plan (Phase I). The column of stock options in the above table shows the number of stock options held by the directors, supervisors and senior management of the Company as of the date of disclosure.

Indicate by tick mark whether any directors or supervisors left or any senior management were disengaged during the Reporting Period

Yes No

During the Reporting Period, the reasons for the departure of directors, supervisors and senior management of the Company are mainly job change, retirement or personal reasons. For details, please see the change of directors, supervisors and senior management of the Company below.

Change of Directors, Supervisors and Senior Management

Name	Office title	Type of change	Date of change	Reason for change
Huang Chuanjing	Vice GM and Secretary of the Board	Left	15 January 2021	Job change
Su Jian	Director	Left	5 March 2021	Job change
Li Yubin	Secretary of the Board	Engaged	13 April 2021	Engagement
Tu Xiaoping	CFO	Engaged	17 May 2021	Engagement
Zhang Yiming	Vice GM	Engaged	17 May 2021	Engagement
Liu Weiwu	Director	Elected	28 May 2021	Election
Zheng Yongkuan	Independent director	Elected	28 May 2021	Election
Wang Zhenmin	Independent director	Left	28 May 2021	Personal reason
Zheng Shaoping	Vice GM	Left	6 August 2021	Personal reason
Liu Yingjie	Chairman of the Supervisory Committee	Left	13 August 2021	Job change

Bai Jingtao	Vice Chairman of the Board and CEO	Left	20 August 2021	Job change
Zhang Yi	Director, COO and GM	Left	20 August 2021	Job change
Wang Xiufeng	CEO	Engaged	23 August 2021	Engagement
Wang Xiufeng	Vice Chairman of the Board	Elected	27 September 2021	Election
Yang Yuntao	Chairman of the Supervisory Committee	Elected	18 October 2021	Election
Yan Gang	COO and GM	Engaged	3 November 2021	Engagement
Yan Shuai	Director	Left	25 February 2022	Job change
Hu Qin	Supervisor	Left	25 February 2022	Retirement

2. Biographical Information

Professional backgrounds, major work experience and current duties in the Company of the incumbent directors, supervisors and senior management:

Deng Renjie, Chairman of the Board, graduated from Beijing Electronic Science&Technology Institute, majoring in computing, and obtained a bachelor degree, later graduated from Dalian Maritime University, majoring in international economic law, and obtained master's degree. Deng Renjie now holds the post of the Vice GM of China Merchants Group Company Limited, President of Liaoning Port Group Co., Ltd., the Company's Chairman of the Board, Vice President of the 8th Council of China Highway and Transportation Society & Vice President of the 7th Council of China Transportation Association. Deng Renjie has successively held the posts of Researcher of General Office of Ministry of Communications, Deputy Director of General Office of Hunan Provincial Party Committee, Deputy Secretary General of Hunan Provincial Party Committee, Deputy Secretary General of Party Committee of Xinjiang Autonomous Region, Assistant President of China Merchants Group Company Limited, Director of General Manager's Office, and Chairman of the Board of China Merchants Expressway Network & Technology Holdings Co., Ltd. Deng Renjie has been being the Vice Chairman of the Board of the Company from December 2018 to January 2020, and has been being the Chairman of the Board of the Company since February 2020.

Wang Xiufeng, Vice Chairman of the Board, CEO, senior accountant, and senior engineer, graduated from Northeast University with a bachelor's degree in industrial accounting, and obtained

master's degree in business administration from Tsinghua University. He previously served as the General Manager of China 22MCC Group Corporation Ltd., Chairman and Party Secretary of MCC Jingtang Construction Ltd., Vice President and Standing Member of CPC Committee of China Metallurgical Group Corporation, Director of Anhui Wantong Expressway Company Limited, a director of Henan Zhongyuan Expressway Co., Ltd., Vice Chairman of Shandong Hi-Speed Company Limited, Director of Xingyun Shuju (Beijing) Technology Co., Ltd., CFO of CMG Huajian Expressway Investment Co., Ltd., and Chairman and General Manager of China Merchants Expressway Network & Technology Holdings Co., Ltd. Mr. Wang has been CEO of the Company from August 2021 to present and Vice Chairman of the Company from September 2021 to present.

Liu Weiwu, Director and intermediate accountant, graduated from the Economics Department of Xi'an Highway Institute with a bachelor's degree in engineering, and obtained a master's degree in business administration from Macau University of Science and Technology. He is currently the Head of the Finance Department (Property Rights Department) of China Merchants Group Limited. He previously served as the Head of Treasury Division of Financial Department of Guangzhou Ocean Shipping Company, the Manager of Financial Department of Hong Kong Ming Wah Shipping Company Limited, the Deputy General Manager of the Finance Department of China Merchants Group Limited, and the Chief Financial Officer, the Deputy General Manager and a director of China Merchants Energy Shipping Co., Ltd. He has served as a director of the Company since May 2021.

Song Dexing, Director, Senior Engineer, graduated from Department of Mechanics of Wuhan University of Technology (former name is Wuhan Institute of Water Transportation Engineering), and obtained bachelor's degree in engineering. Later Song Dexing obtained master's degree, majoring in transportation planning at Wuhan University of Technology and doctor's degree in management, majoring in administrative management at Huazhong University of Science and Technology. Song Dexing now holds the posts of Business Director of Transportation & Logistics, Minister of Transportation & Logistics Department/Beijing Headquarters of China Merchants Group Company Limited, GM, Secretary of Party Committee of SINOTRANS&CSC. Song Dexing has successively held the posts of Secretary of Youth League Committee, Engineer of Water Transport Planning & Design Institute of Ministry of Communications, Principal Staff of Division of Transport of Ministry of Communications, Deputy Director, Director of Container Office of Division of Water

Transport of Ministry of Communications, Deputy Mayor of Luoyang Municipal People's Government (temporary post), Deputy Director of China Waterborne Transport Research Institute, Deputy Director, Director of Yangtze Three Gorges Navigation Administration, Deputy Director, Director of Division of Water Transport of Ministry of Communications, Director of Bureau of Water Transport of Ministry of Transport (Director of Taiwanese Affairs Office of the ministry), Vice Chairman of the Board, Member of Party Committee, Deputy Secretary of Party Committee, Secretary of Committee for Discipline Inspection of SINOTRANS&CSC, General Manager of SINOTRANS&CSC, Director of Department of Comprehensive Logistics Business of China Merchants Group Company Limited. Song Dexing has been being the Director of the Company since December 2018.

Gao Ping, Independent Director, obtained Executive Master of Business Administration from the University of International Business and Economics (UIBE). He is also a senior engineer and senior political worker. His former titles included first mate, Management Section Chief, and HR Manager at Shanghai Ocean Shipping Co., Ltd., HR General Manager at COSCO Container Lines Co., Ltd., General Manager at the Crew Department of COSCO (H.K.) Shipping Co., Ltd., Deputy General Manager at COSCO (H.K.) Shipping Co., Ltd., Deputy General Manager at Shenzhen Ocean Shipping Co., Ltd. under COSCO (H.K.) Shipping Co., Ltd., General Manager at the Organization Department/HR Department of China COSCO SHIPPING Corporation Limited (COSCO SHIPPING Group), Secretary of the Party Committee and Deputy General Manager at COSCO Shipping Lines Co., Ltd., member of 11th and 12th Shanghai Committees of the Chinese People's Political Consultative Conference (CPPCC), and Deputy Director of the Committee for Economic Affairs of the Shanghai Committee of the CPPCC.

Li Qi, Independent Director, graduated from Guanghua School of Management, Peking University, and majored in Business Management. Currently, she is an associate professor at the Department of Accounting of the Guanghua School of Management, Peking University. She worked as a teaching assistant and lecturer at the Department of Accounting and Assistant to the Dean and Deputy Secretary of the Party Committee of the Guanghua School of Management, Peking University. She has been an independent director of the Company since May 2020.

Zheng Yongkuan, Independent Director, graduated from China University of Political Science and Law with bachelor's degree in law, a master's degree in civil and commercial law and doctor degree

in civil and commercial law. He is now a professor of Law School, Head of Civil and Commercial Law Teaching and Research Section and Director of Tort Law Research Center in Xiamen University. He is also a director of Civil Law Research Institute of China Law Society, Vice President of Civil and Commercial Law Research Institute of Fujian Law Society, arbitrator of Xiamen Arbitration Commission, arbitrator of Quanzhou Arbitration Commission and a lawyer of Fidelity Law Firm. He has been an assistant professor and associate professor in Law School, Xiamen University. He has served as an independent director of the Company since May 2021.

Yang Yuntao, Chairman of the Supervisory Committee, graduated from Jilin University, majoring in international law, and obtained bachelor's degree in law. Later Yang Yuntao studied at School of Law, University of International Business and Economics, and obtained doctor's degree in law. He is now Head of the Risk Management Department/Legal Compliance Department/Audit Department of CMG and Chairman of the Board of Supervisors of China Yangtze Shipping Group Co., Ltd. Yang Yuntao has successively held the posts of Deputy General Manager of Port Business Department of Sino-Trans China National Foreign Trade Transportation Corporation, General Manager of Law Department, Director, Deputy President (principal person) of SINOTRANS (Hong Kong) Group Company Limited, Non-Executive Director of SINOTRANS Limited, General Manager of Law Department of Sino-Trans China Foreign Trade Transportation (Group) Corporation, General Manager, Deputy General Counsel, General Counsel and General Manager of Law Department of SINOTRANS & CSC, Deputy Director of Transportation & Logistics Business Department/Beijing Headquarters of China Merchants Group Company Limited., Deputy Director of Shipping Business Management Preparatory Office of China Merchants Group, Deputy General Manager and General Counsel of China Merchants Energy Shipping Co., Ltd., Yang Yuntao has been being the Supervisor of the Company since December 2018 and the Chairman of the Supervisory Committee of the Company since October 2021.

Gong Man, Supervisor, obtained her master's degree in accounting from the Dongbei University of Finance & Economics, was non-practicing member of Chinese Institute of Certified Public Accountants. She serves as the Senior Manager at the Financial Management Department of China Merchants Port Group Co., Ltd. and accountant at the Financial Department of Shekou Container Terminal Co., Ltd. She has been a supervisor of the Company since May 2020.

Xu Jia, Supervisor, graduated from the Wuhan University of Technology and obtained a master's degree in Control Theory and Control Engineering. He is the Senior Manager at the Operations Management Department of China Merchants Port Group Co., Ltd. He worked as a Senior System Planning Engineer and Project Planning Director at the Engineering Technology Department of Shekou Container Terminal Co., Ltd. He has been a supervisor of the Company since May 2020.

Yan Gang, Chief Operating Officer and GM, graduated from Xiamen University with a bachelor's degree in international trade, and completed an MBA program co-created by the Maastricht School of Management (Maastricht, the Netherlands) and Shanghai Maritime University. He previously served as Commissioner in the Transportation Department of Neptune Orient Lines of Singapore, Shipping Manager of Swire Shipping Office in Beijing, Trainee Manager of Hong Kong Tug & Salvage Limited appointed by Swire Group, Assistant General Manager of Shekou Container Terminals Limited appointed by Swire Group, General Manager of Pearl River Delta Logistics at Hong Kong Air Cargo Terminal appointed by Swire Group, Deputy General Manager and General Manager of Shekou Container Terminals Limited, Chief Business Officer of China Merchants Holdings (International) Company Limited, Vice General Manager and Chief Business Officer of China Merchants Port Holdings Company Limited, Vice General Manager of China Merchants Port Group Co., Ltd., General Manager of China-Belarus Industrial Park Development Company, the Chief Representative of the Representative Office of China Merchants Group Limited in Central Asia and the Baltic Sea and the Chief Representative of Representative Office of China Merchants Group Limited in the Republic of Belarus. He has served as the Chief Operating Officer and General Manager of the Company since November 2021.

Tu Xiaoping, Chief Financial Officer, senior accountant, graduated from Shanghai Maritime University with a bachelor's degree in economics, majoring in financial accounting, and a master's degree in management from Zhongnan University of Economics and Law, majoring in administration management. He currently serves as the Chief Financial Officer of the Company. He worked as accountant in Finance Division of Anhui Jianghai Transportation Company, Deputy Head of Finance Division of Anhui Ocean Shipping Co., Ltd., a clerk in the Finance Department of Hong Kong Ming Wah Shipping Company Limited, Deputy Manager of the Finance Department of China Merchants Group Cangma Transportation Co., Ltd., Manager of Finance Department and Chief Financial Officer

of China Merchants Real Estate Co., Ltd., Manager of Finance Department of China Merchants Real Estate Group Co., Ltd., Chief Financial Officer and Deputy General Manager of Shenzhen Merchants Venture Co., Ltd., General Manager of Finance Department, China Merchants Shekou Industrial Zone Co., Ltd., CFO, Deputy General Manager and Party Secretary of China Merchants Logistics Group Co., Ltd., General Manager and Deputy Party Secretary of China Yangtze Shipping Group Co., Ltd. He has served as the Chief Financial Officer of the Company since May 2021.

Lu Yongxin, Vice GM, graduated from Dalian University of Technology, and obtained bachelor's degree in English for science and technology. Later Lu Yongxin graduated from Curtin University and obtained master's degree in project management. Lu Yongxin now holds the post of Deputy GM of the Company, Deputy General Manager of China Merchants Port Holdings Company Limited (CM Port Holdings). Lu Yongxin has successively held the posts of Assistant General Manager of Zhenhua Construction Co. Ltd., Deputy Director of CHEC (Beijing) Head Office, Deputy General Manager of Research & Development Department of China Merchants Port Holdings Company Limited (CM Port Holdings), General Manager of Overseas Business Department, Assistant General Manager. Lu Yongxin has been dispatched to Terminal Link in France to act as CFO and Senior Vice President. Lu Yongxin has been as the Deputy GM of the Company since December 2018.

Li Yubin, Vice GM and Secretary of the Board, graduated from Tianjin University, majoring in Harbor and Cannel Engineering with the bachelor of engineering degree, Tianjin University, majoring in engineering management, and obtained master's degree. Later Li Yubin graduated from The University of Hong Kong and obtained doctor's degree in real estate and construction. Li Yubin now holds the post of Deputy GM, Secretary of the Board and Chief Digital Officer of the Company and Deputy General Manager of China Merchants Port Holdings Company Limited (CM Port Holdings). Li Yubin has successively held the posts of Deputy General Manager of Road and Bridge Project of China Harbor Company in Bangladeshi Office, Project Director of Overseas Business Department of CHEC, Assistant General Manager of Planning and Commerce Department, R&D Department and Overseas Branches Department of China Merchants Holdings (International) Company Limited, General Manager, Deputy General Economist of Strategy and Operation Management Department of China Merchants Port Holdings Company Limited (CM Port Holdings) & General Manager and Chairman of the Board of China Merchants Bonded Logistics Co., Ltd. and the Chief Representative

of Representative Office of China Merchants Group in Djibouti. Li Yubin has been acting the Vice GM of the Company since December 2018 and the Secretary of the Board of the Company since April 2021.

Zhang Yiming, Vice GM, senior engineer, graduated from Tianjin University with a bachelor's degree in inorganic non-metallic materials engineering and a master's degree in engineering, and subsequently obtained a doctorate degree in management from system analysis and management at Dalian University of Technology. He is now a Vice General Manager of the Company. He previously served as the Deputy Director of the Dalian Electric Porcelain Factory, Director's Assistant of the Dalian Mechanical & Industrial Department of the Electric Equipment Industrial Management Bureau, the Director's Assistant and Deputy Director of the Dalian Economic and Trade Committee of the Dalian Municipal Government, the Deputy Secretary-general of the People's Government of Dalian Municipality, Deputy Secretary of the Party Committee of Pulandian City, Liaoning Province, the Mayor of the Liaoning Pulandian Municipal People's Government, the Deputy Secretary of the Party Working Committee, the Deputy Director of the Committee's Management Board of Dalian Puwan New Area, the Director (Secretary) and Party Secretary of the Dalian Economic and Information Technology Committee (Dalian Municipal Small and Medium Enterprises Bureau), Chairman of the Board of Director of Dalian Port (PDA) Company Limited, Chairman of the Board of Director and Party Secretary of Dalian Port Group Corporation Limited, Deputy General Manager and Party committee member of Liaoning Port Group Co., Ltd. He has been a Vice General Manager of the Company since May 2021.

Xu Song, Vice GM, holds a bachelor's degree in Material Management of the Huazhong University of Science and Technology, Master of Business Administration (MBA) of the Dongbei University of Finance & Economics, Master of International Business (MIB) of the Coventry University, and Ph.D. in Transportation Planning and Management of the Dalian Maritime University. He is also a Senior Economist. He used to work as Deputy General Manager at Dalian Port Container Co., Ltd.; Deputy General Manager and General Manager at Dalian Port Jifa Logistics Co., Ltd.; Secretary of the Party Committee and General Manager at Dalian Port Container Co., Ltd.; General Manager at Dalian Port Northern Huanghai Sea Port Cooperative Management Company; General Manager at Dalian Port (PDA) Company Limited; Deputy General Manager, director, and General Manager and Deputy

Secretary of the Party Committee of Dalian Port; and Deputy General Manager and member of the Party Committee of Liaoning Port Group Co., Ltd. He has been Deputy General Manager of the Company since October 2020.

Liu Libing, General Counsel, graduated from the Department of Philosophy, School of Philosophy, Wuhan University with a Bachelor in Philosophy. Later, he pursued further study at Sun Yat-sen University School of Law and obtained a Master of Laws. He worked as Publicity Secretary of the Political Work Department of China Construction Third Engineering Bureau, Deputy Secretary of Party Branch (deputy section level) and Deputy Director of Party Committee Office of Shenzhen Decoration Design Engineering Co., Ltd. of China Construction Third Bureau, Production Supervisor of Shenzhen Foxconn (Group) Company, lawyer assistant and full-time lawyer at Shenzhen Office of Shanghai City Development Law Firm, and full-time lawyer at Guangdong Sun Law Firm. Manager at the Legal Affairs Department and Senior Manager of China Merchants Property Development Co., Ltd., Manager at the Legal Affairs Department of China Merchants Group Co., Limited, Senior Manager at the Risk Management Department of China Merchants Group Co., Limited, and Senior Manager of the General Office and head of the Secretariat of the Board of Directors at China Merchants Group Co., Limited. He has been the General Counsel of the Company since August 2020.

Offices held concurrently in shareholding entities:

Applicable Not applicable

Offices held concurrently in other entities:

Name	Other entity	Office held in the entity	Start of tenure	End of tenure	Remuneration or allowance from the entity
Deng Renjie	China Merchants Group Co., Limited	Vice GM	March 2015		Yes
Deng Renjie	China Merchants Group (H.K.) Limited	Director	December 2015		No
Deng Renjie	Liaoning Port Group	Chairman of the Board	November 2018		No
Deng Renjie	The 7 th Council of China Transportation Association.	Vice President	December 2018		No
Deng Renjie	China Merchants Steamship Co., Ltd.	Director	March 2020		No
Deng Renjie	China Merchants Inspection and Certification Co. Ltd.	Executive director & GM	October 2020		No

Deng Renjie	The 9 th Council of China Highway and Transportation Society	Vice President	September 2021		No
Deng Renjie	China Merchants Testing Technology Holdings Ltd.	Chairman of the Board	December 2021		No
Wang Xiufeng	Liaoning Port Group	Director	October 2021		No
Wang Xiufeng	China Merchants Taiping Bay Development Investment Co., Ltd.	Director	February 2022		No
Wang Xiufeng	China Merchants Northeast Asia Development Investment Co., Ltd.	Director	February 2022		No
Liu Weiwu	China Merchants Group Co., Limited	Minister of Financial Management Department (Property Right Department)	December 2020		Yes
Liu Weiwu	China Aerospace Science and Technology Corporation	Independent non-executive director	June 2018		Yes
Liu Weiwu	Liaoning Port Group	Director	March 2021		No
Liu Weiwu	China Merchants Chongqing Communications Technology Research & Design Institute Co., Ltd.	Director	March 2021		No
Liu Weiwu	China Merchants Taiping Bay Development Investment Co., Ltd.	Director	March 2021		No
Liu Weiwu	China Merchants International Finance Co., Ltd.	Director	March 2021		No
Liu Weiwu	China Merchants Industry Holdings Co., Ltd.	Director	March 2021		No
Liu Weiwu	China Merchants Group Finance Co., Ltd.	Director	March 2021		No
Liu Weiwu	China Merchants Zhangzhou Development Zone Co., Ltd.	Director	March 2021		No
Liu Weiwu	China Merchants Expressway Network & Technology Holdings Co., Ltd.	Director	April 2021		No
Liu Weiwu	China Merchants Shared Service Co. Ltd.	Executive director	April 2021		No
Liu Weiwu	China Merchants Securities Co., Ltd.	Director	June 2021		No
Liu Weiwu	China Merchants Life Insurance Company Limited	Non-executive director	June 2021		No
Liu Weiwu	Sinotrans Limited	Director	June 2021		No
Liu Weiwu	China Merchants Port Investment Development Company Limited	Director	June 2021		No
Liu Weiwu	China Merchants Union(BVI)Limited	Director	October 2021		No
Liu Weiwu	China Merchants Testing Technology Holdings Ltd.	Director	November 2021		No

Song Dexing	China Merchants Group Co., Limited	Minister of Transportation & Logistics Division/ Minister of the Headquarters of the Group in Beijing	August 2018		No
Song Dexing	China Merchants Group Co., Limited	Director of Transportation & Logistics Business	May 2019		No
Song Dexing	SINOTRANS&CSC	GM	June 2016		Yes
Song Dexing	SINOTRANS&CSC	Executive director	September 2016		Yes
Song Dexing	Sinotrans Limited	Executive director	December 2016		No
Song Dexing	Sinotrans Limited	Vice Chairman of the Board	June 2018		No
Song Dexing	China Merchants Energy Shipping Co., Ltd.	Vice Chairman of the Board	August 2018		No
Song Dexing	Liaoning Port Group	Director	September 2019		No
Yang Yuntao	China Merchants Group Co., Limited	Minister of Risk Management Department/ Legal Compliance Department/ Audit Department	September 2021		No
Yang Yuntao	China Yangtze Shipping Group Co., Ltd.	Chairman of the Supervisory Committee	October 2021		No
Yang Yuntao	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Supervisor	March 2022		No
Yang Yuntao	China Merchants Expressway Network & Technology Holdings Co., Ltd.	Chairman of the Supervisory Committee	March 2022		No
Yan Gang	Terminal Link S.A.S.	Director	November 2021		No
Lu Yongxin	Tin-can Island Container Terminal Ltd	Vice Chairman of the Board	July 2019		No
Lu Yongxin	LOME CONTAINER TERMINAL S.A.	Chairman of the Board	November 2019		No
Lu Yongxin	Kumport Liman Hizmetleri ve Lojistik San. ve Tic. A.Ş.	Chairman of the Board	December 2019		No

Lu Yongxin	Terminal Link S.A.S.	Director	March 2020		No
Li Yubin	Silk Road Yishang Information Technology Co., Ltd.	Chairman of the Board	January 2019		No
Li Yubin	Shenzhen Gangteng Internet Technology Co., Ltd.	Chairman of the Board	January 2022		No
Zhang Yiming	Dalian Port Group Corporation Limited	Director	April 2019		No
Zhang Yiming	Tianjin Port Container Terminal Co., Ltd.	Director	September 2021		No
Zhang Yiming	Ningbo Zhoushan Port Company Limited	Director	September 2021		No
Xu Song	Liaoning Port Co., Ltd.	Director	November 2021		No
Note	Offices of directors, supervisor, and senior management held concurrently in other entities exclude offices held in the Company and subsidiaries within the consolidation scope.				

Punishments imposed in the recent three years by the securities regulator on the incumbent directors, supervisors and senior management as well as those who left in the Reporting Period:

Applicable Not applicable

3. Remuneration of Directors, Supervisors and Senior Management

Decision-making procedure, determination basis and actual payments of remuneration for directors, supervisors and senior management:

Decision-making procedure for the remuneration of directors, supervisors and senior management:

Remunerations for the Company's directors, supervisors and senior management shall be nominated by the Board of Directors and determined upon review of the Remuneration and Appraisal Committee. Allowance for the 10th Independent Directors is RMB150,000/year (tax included), which has been approved at the 2019 Annual General Meeting.

Determining basis for the remuneration of directors, supervisors and senior management: The modes and amounts of the remuneration for directors, supervisors and senior management are determined according to the market levels with the post value, responsibilities, etc. taken into account.

Actual payment for the remuneration of directors, supervisors and senior management: Salaries and independent director allowances were paid to directors, supervisors and senior executives on a monthly basis. And the other bonuses were paid all at one time according to the performance of each of them.

Remuneration of directors, supervisors and senior management for the Reporting Period

Name	Office title	Gender	Age	Incumbent/Former	Total before-tax remuneration from the Company (RMB'0,000)	Any remuneration from related party
Deng Renjie	Chairman of the Board	Male	52	Incumbent	0	Yes
Wang Xiufeng	Vice Chairman of the Board and CEO	Male	51	Incumbent	69	No
Liu Weiwu	Director	Male	57	Incumbent	0	Yes
Song Dexing	Director	Male	59	Incumbent	0	Yes
Gao Ping	Independent director	Male	66	Incumbent	15	No
Li Qi	Independent director	Female	51	Incumbent	15	No
Zheng Yongkuan	Independent director	Male	44	Incumbent	9	No
Yang Yuntao	Chairman of the Supervisory Committee	Male	55	Incumbent	0	Yes
Gong Man	Supervisor	Female	33	Incumbent	58	No
Xu Jia	Supervisor	Male	40	Incumbent	58	No
Yan Gang	COO and GM	Male	49	Incumbent	21	No
Tu Xiaoping	CFO	Male	56	Incumbent	101	No
Lu Yongxin	Vice GM	Male	52	Incumbent	175	No
Li Yubin	Vice GM and Secretary of the Board	Male	50	Incumbent	199	No
Zhang Yiming	Vice GM	Male	58	Incumbent	91	No
Xu Song	Vice GM	Male	50	Incumbent	137	No
Liu Libing	General Counsel	Male	48	Incumbent	127	No
Bai Jingtao	Former Vice Chairman of the Board and CEO	Male	56	Former	165	No
Yan Shuai	Former Director	Male	49	Former	0	Yes
Su Jian	Former Director	Male	50	Former	0	Yes
Zhang Yi	Former Director, COO and GM	Male	51	Former	131	No
Wang Zhenmin	Former Independent director	Male	55	Former	6	No
Liu Yingjie	Former Chairman of the Supervisory Committee	Male	50	Former	0	Yes
Hu Qin	Former Supervisor	Female	55	Former	0	Yes
Zheng Shaoping	Former Vice GM	Male	59	Former	96	No
Huang Chuanjing	Former Vice GM and Secretary of the Board	Male	39	Former	7	No
Total	--	--	--	--	1,480	--

Note: the above total remuneration has been rounded off.

VI Performance of Duty by Directors in the Reporting Period

1. Board Meeting Convened during the Reporting Period

Meeting	Date of the meeting	Disclosure date	Meeting resolutions
The 1 st Extraordinary Meeting of the 10 th Board of Directors in 2021	29 January 2021	30 January 2021	The meeting deliberated and passed: 1. Proposal on Adjusting the Exercise Price of the First Grant under the Stock Option Incentive Plan (Phase I); 2. Proposal on the Grant of Stock Option (the Reserved) to Incentive Objects of the Stock Option Incentive Plan (Phase I)
The 3 rd Meeting of the 10 th Board of Directors	29 March 2021	31 March 2021	The meeting deliberated and passed: 1. Proposal on the 2020 Report on the Work of the Board of Directors; 2. Proposal on the 2020 Report on Business Operations; 3. Proposal on the 2020 Report on Financial Accounts; 4. Proposal on the 2020 Profit Distribution and Dividend Payout Plan; 5. Proposal on the Annual Report 2020 and Abstract; 6. Proposal on the 2020 Corporate Social Responsibility Report; 7. Proposal on the 2020 Annual Internal Control Evaluation Report; 8. Proposal on the 2020 Summary Report on Legal and Compliance Work; 9. Proposal on 2021 Fixed Assets Investment Plan; 10. Proposal on the Confirmation of the Continuing Related-Party Transactions in 2020 and the Estimation of Such Transactions in 2021; 11. Proposal on the Related-Party Transactions Regarding Making Deposits in and Obtaining Loans from China Merchants Bank in 2021; 12. Proposal on Confirming External Guarantee Progress of the Company in 2020 and the Expected New External Guarantee Line in the Next 12 Months; 13. Proposal on Bank Credit Line and Financing Plan for Financial Institutions in 2021; 14. Proposal on Reviewing the General Authorization of the Company to Issue Bond Products; 15. Proposal on the Risk Assessment Report of China Merchants Group Finance Co., Ltd. Dated 31 December 2020; 16. Proposal on the Special Audit Report of the 41.85% Shareholder's Equity Impairment Test of China Merchants Port Holdings Company Limited on 31 December 2020; 17. Proposal on the Special Report on Deposit and Usage of Raised Fund in 2020; 18. Proposal on Renewal of Appointment of Accounting Firm for 2021; 19. Proposal on the By-election of Director; 20. Proposal on the Renewal of Liability Insurance for Directors, Supervisors and Senior Management;
The 2 nd Extraordinary Meeting of the 10 th Board of Directors in 2021	13 April 2021	14 April 2021	The meeting deliberated and passed: Proposal on the Appointment of Secretary of the Board
The 3 rd Extraordinary Meeting of the 10 th Board of Directors in 2021	28 April 2021	30 April 2021	The meeting deliberated and passed: 1. Proposal on the First Quarter Report 2021; 2. Proposal on Related-Party Transaction regarding Conducting Entrusted Wealth Management with Self-Owned Idle Funds; 3. Proposal on Adjustment of Providing Financial Aid by Majority-owned Subsidiaries; 4. Proposal on the Revisions to the Management System on Inside Information

			and 5. Proposal on the Schedule and Agenda of the 2020 Annual General Meeting Insiders;
The 4 th Extraordinary Meeting of the 10 th Board of Directors in 2021	17 May 2021	18 May 2021	The meeting deliberated and passed: 1. Proposal on the Appointment of Chief Financial Officer and Vice General Manager; 2. Proposal on the By-election of Independent Director
The 5 th Extraordinary Meeting of the 10 th Board of Directors in 2021	30 June 2021	1 July 2021	The meeting deliberated and passed: Proposal on the Revisions to the Information Disclosure Management Rules for the Inter-bank Debt Financing Instrument
The 6 th Extraordinary Meeting of the 10 th Board of Directors in 2021	13 July 2021	14 July 2021	The meeting deliberated and passed: 1. Proposal on the Company Meeting the Conditions for Non-public Offering of A-Shares; 2. Proposal on the Company's Non-public Offering of A-Shares; 3. Proposal on the Plan for the Company's Non-public Offering of A-Shares; 4. Proposal on the Signing of Conditional Share Subscription Agreement and Related-Party Transaction between the Company and Specified Objects; 5. Proposal on the Introduction of Strategic Investor and the Signing of a Conditional Strategic Cooperation Framework Agreement; 6. Proposal on Related-Party Transactions regarding the Company's Non-public Offering of A-Shares; 7. Proposal on the Feasibility Analysis Report on the Usage of Funds Raised by the Company's Non-public Offering of A-Shares; 8. Proposal on the Report on the Use of the Fund Raised by the Company in the Previous Round; 9. Proposal on Risk Warning and Mitigation Measures for Diluted Immediate Returns from the Company's Non-public Offering of A-Shares; 10. Proposal on the Company's Shareholder Return Plan for the Next Three Years (2021-2023); 11. Proposal on Requesting the General Meeting of the Company to Authorize the Board of Directors and relevant Authorized Persons of the Board of Directors to Handle all Matters related to the Non-public Offering of A-Shares; 12. Proposal on the Company as a Strategic Investor Subscribing to the Non-public Offering of Shares of Ningbo Zhoushan Port Company Limited and Related-Party Transaction; 13. Proposal on Holding a General Meeting at a Later Date of the Company
The 7 th Extraordinary Meeting of the 10 th Board of Directors in 2021	23 August 2021	24 August 2021	The meeting deliberated and passed: 1. Proposal on the By-election of Mr. Wang Xiufeng as a Director; 2. Proposal on the Appointment of Chief Executive Officer
The 4 th Meeting of the 10 th Board of Directors	30 August 2021	31 August 2021	The meeting deliberated and passed: 1. The Proposal on the Semi-Annual Report 2021 and Abstract; 2. Proposal on the Risk Assessment Report of China Merchants Group Finance Co., Ltd. Dated 30 June 2021; 3. Proposal on the Special Report on Deposit and Usage of Raised Fund in H1 2020; 4. Proposal on Establishment of a New Wholly-owned Subsidiary in Hong Kong and Adjustment of the Shareholding Structure of the Subsidiary; 5. Proposal on Adjustment of the Amount of Deposits and Loans in China Merchants Bank and Related-Party Transaction;

			6. Proposal on Convening the Company's 1st Extraordinary General Meeting in 2021
The 8 th Extraordinary Meeting of the 10 th Board of Directors in 2021	8 September 2021	9 September 2021	The meeting deliberated and passed: 1. Proposal on the Report on the Use of the Fund Raised by the Company in the Previous Round; 2. Proposal on Supplementary Agreement for the Majority-owned Subsidiary to Enter into Franchise Lease Agreement
The 9 th Extraordinary Meeting of the 10 th Board of Directors in 2021	27 September 2021	28 September 2021	The meeting deliberated and passed: Proposal on the Election of Mr. Wang Xiufeng as the Vice Chairman of the 10th Board of Directors
The 10 th Extraordinary Meeting of the 10 th Board of Directors in 2021	28 October 2021	-	The meeting deliberated and passed: Proposal on the Third Quarter Report 2021
The 11 th Extraordinary Meeting of the 10 th Board of Directors in 2021	3 November 2021	4 November 2021	The meeting deliberated and passed: 1. Proposal on the By-election of Mr. Yim Kong as a Director; 2. Proposal on the Appointment of Chief Operating Officer and General Manager 3. Proposal on Convening the Company's 2nd Extraordinary General Meeting in 2021
The 12 th Extraordinary Meeting of the 10 th Board of Directors in 2021	3 December 2021	4 December 2021	The meeting deliberated and passed: Proposal on Transferring 49% Equity of the Joint Stock Company Zhanjiang Merchants Port City Investment Co., Ltd. to a Related Party and Related Party Transaction
The 13 th Extraordinary Meeting of the 10 th Board of Directors in 2021	23 December 2021	25 December 2021	The meeting deliberated and passed: 1. Proposal on the Implementation of the Functions and Powers of the Board of Directors; 2. Proposal on the Use of Idle Raised Funds for Cash Management

2. Attendance of Directors at Board Meetings and General Meetings

Attendance of directors at board meetings and general meetings							
Director	Total number of board meetings the director was eligible to attend	Board meetings attended on site	Board meetings attended by telecommunication	Board meetings attended through a proxy	Board meetings the director failed to attend	The director failed to attend two consecutive board meetings (yes/no)	General meetings attended
Deng Renjie	15	2	13	0	0	No	2
Wang Xiufeng	5	0	5	0	0	No	1
Liu Weiwu	10	1	9	0	0	No	2
Song Dexing	15	2	13	0	0	No	2

Gao Ping	15	2	13	0	0	No	2
Li Qi	15	2	13	0	0	No	2
Zheng Yongkuan	10	1	9	0	0	No	2
Bai Jingtao	7	1	6	0	0	No	1
Yan Shuai	15	2	13	0	0	No	2
Su Jian	1	0	1	0	0	No	0
Zhang Yi	7	1	6	0	0	No	1
Wang Zhenmin	5	1	4	0	0	No	1

Why any director failed to attend two consecutive board meetings:

None

3. Objections Raised by Directors on Matters of the Company

Indicate by tick mark whether any directors raised any objections on any matter of the Company.

Yes No

No such cases in the Reporting Period.

4. Other Information about the Performance of Duty by Directors

Indicate by tick mark whether any suggestions from directors were adopted by the Company.

Yes No

Specification of whether suggestions from directors are adopted or not adopted by the Company

During the Reporting Period, all the directors of the Company carried out their work conscientiously and responsibly in strict accordance with the Company Law, Securities Law, Listed Company Governance Standards, Self-Regulatory Guidelines No. 1 for Companies Listed on Shenzhen Stock Exchange - Standard Operation of Listed Companies on the Main Board, Articles of Association and Rules of Procedure of the Board of Directors. Based on the Company's reality, they put forward relevant opinions on the Company's major governance and operation decisions, and reached consensus through full communication and discussion. They resolutely supervised and promoted the implementation of the resolutions of the Board of Directors to ensure scientific, timely and efficient decision-making and fully safeguard the legitimate rights and interests of the Company and all shareholders.

VII Performance of Duty by Specialized Committees under the Board in the Reporting Period

Profile of Specialized Committee under the Board as at the end of the period			
No.	Specialized Committee	Member	Convener
1	Strategy Committee	Deng Renjie, Wang Xiufeng, Yan Shuai, Song Dexing, Gao Ping, Li Qi	Deng Renjie
2	Audit Committee	Li Qi, Liu Weiwu, Zheng Yongkuan	Li Qi

3	Nomination, Remuneration and Evaluation Committee	Gao Ping, Deng Renjie, Zheng Yongkuan	Gao Ping
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Committee	Member	Number of meetings convened	Date of the meeting	Meeting	Contents	Other information about the performance of duty	Details about matters with objections (if any)
Strategy Committee of the Board of Directors	Deng Renjie, Bai Jingtao, Yan Shuai, Song Dexing, Zhang Yi, Gao Ping, Li Qi	2	29 March 2021	The 1 st Meeting of the Strategy Committee of the 10 th Board of Directors for 2021	The meeting reviewed: 1. Proposal on Report on the Performance of Duty by the Strategy Committee of the Board of Directors in 2020; 2. Proposal on the Company's Five-year Strategic Plan for 2021-2025	Unanimous vote	None
			13 July 2021	The 1 st Meeting of the Strategy Committee of the 10 th Board of Directors for 2021	The meeting reviewed: 1. Proposal on the Introduction of Strategic Investor and the Signing of a Conditional Strategic Cooperation Framework Agreement; 2. Proposal on the Company as a Strategic Investor Subscribing to the Non-public Offering of Shares of Ningbo Zhoushan Port Company Limited and Related-Party Transaction;	Unanimous vote	None
Audit Committee of the Board of Directors	Li Qi, Wang Zhenmin	5	29 March 2021	The 1 st Meeting of the Audit Committee of the 10 th Board of Directors for 2021	The meeting reviewed: 1. Proposal on the Report on Performance of Duty by the Audit Committee of the Board of Directors in 2020; 2. Proposal on Work Report of Accounting Firm for 2020; 3. Proposal on the Financial Report of 2020; 4. Proposal on Renewal of Appointment of Accounting Firm for 2021; 5. Proposal on Anti-fraud Risk Assessment Report for 2020; 6. Proposal on Internal Auditing Report for 2020; 7. Proposal on Internal Auditing Plan for 2021; 8. Proposal on	Unanimous vote	None

					Inspection Report on the Deposit and Usage of Raised Fund in 2020; 9. Proposal on the 2020 Legal Compliance Work Report		
			28 April 2021	The 2 nd Meeting of the Audit Committee of the 10 th Board of Directors for 2021	The meeting reviewed: 1. Proposal on Internal Audit Report for the First Quarter of 2021; 2. Proposal on Inspection Report on the Deposit and Usage of Raised Fund in the First Quarter of 2021;	Unanimous vote	None
	Li Qi, Liu Weiwu, Zheng Yongkuan		27 August 2021	The 3 rd Meeting of the Audit Committee of the 10 th Board of Directors for 2021	The meeting reviewed: 1. Proposal on Financial Report for H1 2021; 2. Proposal on Internal Audit Report for the Second Quarter of 2021; 3. Proposal on Inspection Report on the Deposit and Usage of Raised Fund in H1 2021; 4. Proposal on Inspection Report on the Provision of Guarantees, Related-Party Transactions, Securities Investment and Derivatives Transactions and the Provision of Financial Assistance	Unanimous vote	None
			28 October 2021	The 4 th Meeting of the Audit Committee of the 10 th Board of Directors for 2021	The meeting reviewed: 1. Proposal on Internal Audit Report for the Third Quarter of 2021; 2. Proposal on Inspection Report for the Deposit and Usage of Raised Fund for the Third Quarter of 2021	Unanimous vote	None
			29 December 2021	The 5 th Meeting of the Audit Committee of the 10 th Board of Directors for 2021	Meet with accountants to negotiate the schedule for the audit of the 2021 Annual Financial Report	Meeting and communication with accountants	None
Nomination, Remuneration and Evaluation Committee of the		Gao Ping, Deng Renjie, Wang Zhenmin	5	29 March 2021	The 1 st Meeting of the Nomination, Remuneration and Evaluation Committee of the 10 th Board of Directors for 2021	The meeting reviewed: 1. Proposal on Performance of Duty by the Nomination, Remuneration and Evaluation Committee of the Board of Directors in 2020; Proposal on the Remuneration of the	Unanimous vote

Board of Directors					Directors, Supervisors and Senior Management in 2020; 3. Proposal on the Inspection of Director Candidates		
			13 April 2021	The 2 nd Meeting of the Nomination, Remuneration and Evaluation Committee of the 10 th Board of Directors for 2021	The meeting reviewed: Proposal on the Appointment of Secretary of the Board	Unanimous vote	None
			17 May 2021	The 3 rd Meeting of the Nomination, Remuneration and Evaluation Committee of the 10 th Board of Directors for 2021	The meeting reviewed: 1. Proposal on the Appointment of Chief Financial Officer and Vice General Manager; 2. Proposal on the Inspection of Candidates for Independent Director	Unanimous vote	None
			23 August 2021	The 4 th Meeting of the Nomination, Remuneration and Evaluation Committee of the 10 th Board of Directors for 2021	The meeting reviewed: 1. Proposal on the Inspection of Director Candidates; 2. Proposal on the Appointment of Chief Executive Officer	Unanimous vote	None
			3 November 2021	The 5 th Meeting of the Nomination, Remuneration and Evaluation Committee of the 10 th Board of Directors for 2021	The meeting reviewed: 1. Proposal on the Inspection of Director Candidates; 2. Proposal on the Appointment of Chief Operating Officer and General Manager	Unanimous vote	None
	Gao Ping, Deng Renjie, Zheng Yongkuan						

VIII Performance of Duty by the Supervisory Committee

Indicate by tick mark whether the Supervisory Committee found any risk to the Company during its supervision in the Reporting Period.

Yes No

The Supervisory Committee raised no objections in the Reporting Period.

IX Employees

1. Number, Functions and Educational Backgrounds of Employees

Number of in-service employees of the Company as the parent as at the end of the period	328
Number of in-service employees of major subsidiaries as at the end of the period	15564
Total number of in-service employees	15892
Total number of paid employees in the Reporting Period	15892

Number of retirees to whom the Company as the parent or its major subsidiaries need to pay retirement pensions	9528
Functions	
Function	Employees
Production	8515
Sales	602
Technical	3543
Financial	563
Administrative	2669
Total	15892
Educational backgrounds	
Educational background	Employees
Master's degree and above	577
Bachelor's degree	4115
Junior college	4098
Technical secondary school and below	7102
Total	15892

2. Employee Remuneration Policy

The Company followed the principle of efficiency first, consideration of impartiality, and sustainable development in its remuneration management. It continued to pay attention to the global economic trend, and implemented dynamic compensation management strategy based on market trends and corporate efficiency factors to ensure its market competitiveness in employee remuneration. In 2021, the Company continued to promote the development of incentive mechanism by combining short-term incentive with medium - and long-term incentive, and adopting complementary cash incentive and equity incentive. On the basis of the promotion and application of HR-MAX intelligent personnel management platform, the Company improved the evaluation and incentive mechanism, strengthened the connection with evaluation, applied evaluation results scientifically, adhered to the performance-oriented market-oriented income distribution concept, stimulated employees' potential and creativity, and further improved the efficiency of resource allocation. Employee remuneration adjustment and bonus distribution are connected with company benefit and individual performance to improve the effectiveness and accuracy of remuneration incentives and promote the continuous improvement in organizational performance. In 2021, the Company introduced a performance-related remuneration scheme for strategic assessment, whereby deferred bonuses for senior management and middle management were paid based on the results of strategic assessment. This aimed to guide the Company's medium - and long-term development and support the achievement of its strategic goals. Efforts were made to promote the phased implementation of equity incentive scheme, and explore the development of an incentive mechanism for scientific and technological innovation talent. A

mechanism for sharing of profits and risks among the Company and its shareholders and employees was created.

In 2021, the COVID-19 reoccurred from time to time, and the pandemic control situation remained grim. The Company coordinated the regular pandemic prevention and control and its operation and development. While striving to achieve the production and operation goals, it truly gave meticulous care for employees and fulfilled corporate social responsibility to minimize the impact of the pandemic. Online and offline professional medical teams offered consulting services. The Company cared for the physical and mental health of front-line COVID-19 prevention and control staff in an all-round manner through multiple channels. The special credit line was used to subsidize overtime work and other related work, and a plan was made to subsidize pandemic prevention and control for expatriate employees who were fighting against the pandemic overseas on the front line. More incentives were granted to front-line staff engaging in pandemic prevention and control. Advanced models in pandemic prevention and control were commended. In 2021, the Company also launched the construction of overseas employees' health management platform. Through systematic management, online consultation, evaluation reminder, file storage, data query and other functions were realized to comprehensively guarantee the physical and mental health of overseas employees.

3. Employee Training Plans

Focusing on its talent development strategy and business development needs, the Company is dedicated to creating a platform for the development and promotion of global port professionals, provides domestic and foreign employees with learning opportunities, opens channels for global career development and helps employees to keep improving themselves with the development of the Company. Meanwhile, it provides its peers with opportunities of coming to China for exchange to share knowledge and values.

In 2021, the Company overcame the impact of the reoccurring COVID-19 to carry out talent training mainly in online way with offline training as a supporting way. It conducted various training programs by combining online live streaming, online courses and offline intensive training to speed up the construction of the Company's talent at four major levels. Major projects include 2021 Young Cadre Class Project (Phase IV), Phase III Maritime Silk Road Elite Training Program, Financial Elite Talent Training Plan, Internal Trainer Training and others. These projects vigorously promoted the Company's construction of management talent, overseas talent, professional talent echelon, enhanced the brand value, strengthened and improved the Company's internal training system construction.

In 2021, the Company also made great progress in exploring more talent development opportunities in deepening college-enterprise cooperation. CM Port Group and Shenzhen Polytechnic continued to strengthen cooperation. By introducing training programs and signing management consulting contracts, they provided practical training services for the college's trainees in the port industry. In the future, with the help of the platform of China Merchants Port International Exchange College, in-depth exploration will be made in personnel training, industry-education integration and other aspects. In 2021, the Company gathered strong transportation schools, professional teachers and international young talent in transportation for the first time, and successfully held the 9th "China Merchants C-Blue Training Program". It provided a sustainable development learning platform for outstanding international students and outstanding youth in the field of transportation in China, promoted the common aspiration of the people, economic development and social progress of countries along the Belt and Road, and expanded the brand influence and circle of friends for investment, which laid the foundation for integrated and win-win development.

Meanwhile, the online platform was fully applied to the training for the Company and its subsidiaries. All members utilized the online platform to produce livestreaming and online courses and develop internal quality courses. As a result, the coverage of training during the pandemic was expanded. Companies deepened collaboration in training. Internal training across the Group was strongly promoted.

4. Labor Outsourcing

Total man-hours (hour)	N/A
Total remuneration paid (RMB)	1,399,573,359.28

X Final Dividend Plan of the Company for the Reporting Period

1. Formulation, execution or adjustments of profit distribution policy for shareholders, especially cash dividend policy, in Reporting Period

Pursuant to the CSRC Guideline for Listed Companies No.3-Cash Dividends of Listed Companies and the Notice of CSRC on Further Implementing Matters Related to Cash Dividends of Listed Companies, the Articles of Association clarifies the specific profit distribution policy, decision-making procedures and mechanism, adjustment of profit distribution policy, implementation of profit distribution plan, and profit distribution for foreign shares. During the Reporting Period, the Company executed the profit distribution policy in strict compliance with the Articles of Association.

Special statement about the cash dividend policy	
In compliance with the Company's Articles of Association and resolution of general meeting	Yes

Specific and clear dividend standard and ratio	Yes
Complete decision-making procedure and mechanism	Yes
Independent directors faithfully performed their duties and played their due role	Yes
Non-controlling interests are able to fully express their opinion and desire and their legal rights and interests are fully protected	Yes
In case of adjusting or changing the cash dividend policy, the conditions and procedures involved are in compliance with applicable regulations and transparent	Not applicable

2. The Company was profitable in the Reporting period and the positive profits of the Company as the parent attributable to shareholders while the distribution plan of cash dividend for shareholders was not proposed.

Applicable Not applicable

3. Final Dividend Plan for the Reporting Period

Bonus shares/10shares (share)	0
Cash dividend/10 shares (RMB) (tax inclusive)	4.3
Bonus issue from capital reserves (share/10 shares)	0
Share base (share)	1,922,365,124
Total cash dividends (RMB) (tax inclusive)	826,617,003.32
Cash dividends in other forms (such as share repurchase) (RMB)	0.00
Total cash dividends (including other forms) (RMB)	826,617,003.32
Distributable profits (RMB)	2,729,507,111.31
Cash dividends (including other forms) as % of total profits to be distributed (%)	100%

Details of the cash dividends

As the Company is in the mature stage of development with significant capital expenditures arrangement, when distributing profits, the proportion of cash dividends in this profit distribution shall be 40% at least.

Details of final dividend plan for the Reporting Period

As audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP, the consolidated net profit attributable to the Company as the parent for 2021 stood at RMB2,685,829,204.07 and the net profit of the Company as the parent at RMB1,087,072,210.89.

(1) According to the Company Law and the Articles of Association of the Company, when distributing the current year's after-tax profits, the company shall draw 10% of the profits for the company's statutory reserve fund. If the cumulative amount of the company's statutory reserve fund is more than 50% of the company's registered capital, it may not be withdrawn. After this withdrawal, the cumulative amount of legal surplus reserve has reached 50% of the registered capital, and the company will not continue to withdraw legal surplus reserve. The accumulative distributable profit of the Company as the parent at the end of 2021 was RMB2,729,507,111.31.

(2) Base on the total 1,922,365,124 shares as at the end of 2021, a cash dividend of RMB4.30 (tax included) is to be distributed for every 10 shares, totaling RMB826,617,003.32.

After the above-mentioned distribution, the retained earnings of the Company as the parent will be RMB1,902,890,107.99.

The above profit distribution plan still needs to be submitted to the 2021 Annual General Meeting for approval.

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

1. The Company is implementing the stock option incentive plan, and the review and approval procedures carried out in connection with the Stock Option Incentive Plan are as follows:

(1) At the 1st Extraordinary Meeting of the 10th Board of Directors in 2021 and the 1st Extraordinary Meeting of the 10th Supervisory Committee in 2021 held on 29 January 2021, the Proposal on Adjusting the Exercise Price of the First Grant under the Stock Option Incentive Plan (Phase I) and the Proposal on the Grant of Stock Option (the Reserved) to Incentive Objects of the Stock Option Incentive Plan (Phase I) of the Company were considered and approved respectively. The Supervisory Committee reviewed the list of incentive objects for the reserved stock options under the Stock Option Incentive Plan (Phase I) on the grant date, and independent directors expressed independent opinions. Refer to the relevant announcements (Announcement No. 2021-007, No. 2021-008) disclosed on www.cninfo.com.cn for details.

(2) On 9 February 2021, the Company disclosed the Announcement on Notes of the Supervisory Committee on the Review and Publicity of the List of Incentive Objects for the Reservation under the Stock Option Incentive Plan (Phase I) (Announcement No. 2021-009). The Company published the names and positions of the incentive objects for reserved stock options in its internal OA system from 29 January 2021 to 8 February 2021. By the end of the publicity, the Company's Supervisory Committee had not received any objection against the incentive objects for reserved stock options. Refer to the relevant announcement (Announcement No. 2021-009) disclosed on www.cninfo.com.cn for details.

2. Equity Incentives for Directors, Supervisors and Senior Management in the Reporting Period:

On 3 February 2020, the Company held the 1st Extraordinary General Meeting of 2020, at which the following matters were reviewed and approved: Stock Options Incentive Plan (Draft) and its Abstract, Stock Options Incentive Plan (Phase I) (Revised Draft) and its Abstract, Management Method for Stock Options Incentive Plan, Examination Method for Implementation of Stock Options Incentive Plan and Proposal on Authorization to the Board to Handle Matters in Relation to Stock Options

Incentive. The details about the stock options granted to directors and senior management of the Company in the incentive plan are as follows:

No.	Name	Office title	Share options granted ('0,000 shares)	As % of total granted	As % of total share capital
1	Lu Yongxin	Vice GM	24.0	1.35%	0.012%
2	Li Yubin	Vice GM and Secretary of the Board	24.0	1.35%	0.012%

At the 1st Extraordinary Meeting of the 10th Board of Directors in 2021 and the 1st Extraordinary Meeting of the 10th Supervisory Committee in 2021 held on 29 January 2021, Proposal on the Grant of Stock Option (the Reserved) to Incentive Objects of the Stock Option Incentive Plan (Phase I) of the Company was considered and approved respectively. The stock options granted to directors and senior management of the Company for the incentive plan are as follows:

No.	Name	Office title	Share options granted ('0,000 shares)	As % of total granted	As % of total share capital
1	Xu Song	Vice GM	24.0	1.35%	0.012%
2	Liu Libing	General Counsel	5.0	0.29%	0.003%

3. Appraisal of and Incentive for Senior Management

In 2021, the Company took the tenure system and contractual management as an opportunity to realize comprehensive coverage, and strengthened the assessment for rigid remuneration realization. The Company has a mature assessment mechanism and system covering all senior management personnel. The annual comprehensive assessment combines qualitative and quantitative methods with the dimensions including performance, competence, self-discipline, etc. The assessment results of senior management serve as an important basis for appointment and motivation. The Company adjusts and determines the post salary of senior managers based on the factors including operation status, position served and assessment results, and determines the performance bonus of managers through the factors including annual comprehensive ability assessment, annual key performance indicators appraisal and three-year strategic appraisal results.

The Company strives to be "superior to the market average and peers" regarding as the assessment and distribution of performance bonuses for senior executives. Senior executives are expected to compare with themselves chronologically and with their peers horizontally. Short-term KPI

assessment and long-term strategy assessment complement each other. The comprehensive assessment results of corporate performance are linked with the performance bonuses of senior executives so as to give full play to the incentive and guiding effects of remuneration. Accordingly, senior executives pay attention to the short-term performance in the current period or year and the mid- and long-term development of the Company.

4. Employee Stock Ownership Plans

Applicable Not applicable

5. Other Incentive Measures for Employees

Applicable Not applicable

XII Establishment and Implementation of Internal Control System in the Reporting Period

1. Establishment and Implementation of Internal Control System

(1) Establishment of internal control system

One unit was newly included as one of the ninth batch of units in 2021. As of 31 December 2021, a total of 25 units have been included in the risk control system to evaluate, covering all enterprises controlled by the Company. Based on the personnel changes of the Company and its subsidiaries, the list of members of the leading group and working group for risk management and internal control self-assessment was adjusted.

(2) Further Improvement in coverage of internal control evaluation process

In 2021, 22 subsidiaries included in the Company's internal control system to self-evaluate as the first to eighth batch of units have completed the sorting out of all 12 business processes so as to make the internal control evaluation cover the core business of the Company; Ningbo Daxie China Merchants International Container Terminal Co., Ltd., newly added as one of the ninth batch of subordinate units, the combing of 8 core processes (production management, sales and marketing, outsourcing management, contract management, procurement management, capital management, information system and project management) and preparing of the process manual have been completed to make the internal control process compliant.

(3) Carrying out the establishment and evaluation of internal control system on a regular basis

As of 31 December 2021, all units have renewed their internal control self-evaluation working papers in accordance with the annual internal control evaluation plan and changes in business process and carried out the internal control self-evaluation work on a quarterly basis. The internal control working group of the Company has reviewed the internal control working papers submitted by each unit and notified the problems existing in the self-evaluation of each unit.

(4) Completing the internal control as planned

The Company has prepared the Report of China Merchants Port Group Co., Ltd. on Internal Control System Evaluation of 2021. At the same time, it has cooperated with the external internal control audit project team to complete the internal control audit and obtained the internal control audit report on time. The Company worked out the “Three-year Full Coverage” work plan for supervising and inspecting internal control systems for all subsidiaries incorporated into the Company’s internal control system and intended to conduct the supervision and inspection of eight units of them in 2021. As of 31 December 2021, the supervision and inspection on the internal control system of nine subsidiaries have been completed with the internal control evaluation defect lists.

2. Material Internal Control Weaknesses Identified for the Reporting Period

Yes No

XIII Management and Control over Subsidiaries for the Reporting Period

The Company, guided by “empowerment, professionalism and value”, established an operation management system with sustainable value creation, gradually formulated standards for all functional modules, and managed to build a world-class value-oriented headquarters. Taking into account the strategic positioning of its subsidiaries, the Company, adhering to the principles of differentiation and controllable risks and pushing forward full-cycle asset management, procurement management, and performance evaluation mechanism, continuously promoted the healthy development of its subsidiaries. Besides, focusing on execution quality, the Company intensified the tasks on quality and efficiency improvement and strived to implement related measures to achieve in-depth integration between quality and efficiency improvement and strategic objectives.

XIV Internal Control Self-Evaluation Report and Independent Auditor's Report on Internal Control

Disclosure date of the internal control self-evaluation report		31 March 2022		
Index to the disclosed internal control self-evaluation report		For details, see www.cninfo.com.cn		
Evaluated entities' combined assets as % of consolidated total assets		97.73%		
Evaluated entities' combined operating revenue as % of consolidated operating revenue		99.44%		
Identification standards for internal control weaknesses				
Type	Weaknesses in internal control over financial reporting	Weaknesses in internal control not related to financial reporting		
Nature standard	If a defect or defect group give rise to the following events which cannot be prevented or found and made rectification, the defect or defect group are recognized as significant defects: (1) Malpractices of directors, supervisors and senior management; (2) The Company make correction to the financial report issued; (3) Certified Public Accountant find that there is a significant error in the financial report, however, the internal control did not discover it when conducting internal control; (4) The Audit Committee under the Board and Internal Audit Service's supervision to the internal control is invalid.	Great defect	Significant defect	Common defect
		Development direction substantially deviates from the strategic goals, investment direction, and business structure, commercial modeled, which completely unable to support the realization of strategic goals	Development direction partly deviates from the strategic goals, investment direction, and business structure, commercial modeled, which unable to support the realization of strategic goals at a larger extent	Development direction slightly deviates from the strategic goals, investment direction, and business structure, commercial modeled, which completely can't fully support the realization of strategic goals
		Strategy implementation is blocked, almost all indicators of strategy implementation cannot completed as planned	Strategy implementation is blocked, most of indicators of strategy implementation cannot completed as planned	Strategy implementation is blocked, part of indicators of strategy implementation cannot completed as planned
		Lead to break off of common business/service or it takes half year or above to recover the break off of common business/service	Lead to break off of common business/service or it takes three months or half year below to recover the break off of common business/service	Some daily business is influenced, lead to break off of common business/service or it takes three months below to recover the break off of common business/service
		Badly damage the working enthusiasm of all the employees, will give rise to large scale group events or heavy damage to enterprises culture and enterprises cohesion	In a large extent, damage the working enthusiasm of all the employees, reduce work efficiency, have greatly adverse effect to enterprises culture and enterprises cohesion	damage the working enthusiasm of all the employees, reduce work efficiency, have some adverse effect to enterprises culture and enterprises cohesion
		The employee's ability and professional skills universally cannot meet the enterprise development needs by a large margin	The employee's ability and professional skills in some significant fields cannot meet the enterprise development needs	The employee's ability and professional skills in some fields cannot meet the enterprise development

		Negative news spread in the field of the entire business (including extending to industry chain), or was paid attention by the national media or public media, the recovery of reputation will take more than six months	Negative news spread in the field of the entire business, or was paid attention or reported by the local media the recovery of reputation will take three to six months	Negative news spread in the field of the entire business, have small damage to the reputation of the enterprise, the recovery of reputation will take three months below
		The enterprise's internal confidential information leakage which badly affect the enterprise's competitive capacity in the market, or affect the competitive capacity in management	The enterprise's internal confidential information leakage which affect the enterprise's competitive capacity in the market, or affect the competitive capacity in management in a large extent	The enterprise's internal confidential information leakage which affect the enterprise's competitive capacity in the market, or affect the competitive capacity in management in a general extent
Quantitative standard	The judging standard was the net profits attributable to the parent Company's shareholders in the consolidated financial statements audited in last year. Misstatement amount $\geq 5\%$ above of judging standard was great defect; 5% judging standard $> 1\%$ misstatement amount was significant defect; misstatement amount $< 1\%$ below of judging standard was general standard.	The judging standard was the net profits attributable to the parent Company's shareholders in the consolidated financial statements audited in last year.		
		Great defect	Significant defect	Common defect
		Have a significant adverse impact on the asset turnover ability, which lead to total asset turnover rate lowed 20% above (Including 20%)	Have a greater adverse impact on the asset turnover ability, which lead to total asset turnover rate lowed 10% to 20% (Including 10%)	Have an adverse impact on the asset turnover ability, which lead to total asset turnover rate lowed 10% below
		Had significant adverse impact to the annual operation profits or cause decrease of annual operation profits when at 5% (including 5%) above of judging standard	Had larger adverse impact to the annual operation profits or cause decrease of annual operation profits when at 1% (including 1%) to 5% judging standard	Had adverse impact to the annual operation profits or cause decrease of annual operation profits when at 1% below of judging standard
		Had significant adverse impact to decrease of inflow of total cash flow or increase of outflow total cash flow when at 10% (including 10%) above of judging standard	Had larger adverse impact to decrease of inflow of total cash flow or increase of outflow total cash flow when at 5% (including 5%) to 10% above of judging standard	Had adverse impact to decrease of inflow of total cash flow or increase of outflow total cash flow when at 5% below of judging standard
		Great investment mistake incurred which cause direct economy losses when at 5% (including 5%) above of judging standard or the return on investment more than 40% lower than expected	Larger investment mistake incurred which cause direct economy losses when at 1% (including 1%) to 5% of judging standard or the return on investment less than 30% (including 30% to 40%) lower than expected	Great investment mistake incurred which cause direct economy losses when at 1% below of judging standard or the return on investment less than 30% lower than expected

	10 death or above , or 50 people serious injury, or direct economy losses when at 5% (including 5%) above of judging standard	3 deaths above to 10 deaths below , or more than 10 people but less than 50 people serious injury, or direct economy losses when at 1% (including 1%) to 5% of judging standard	less than 3 deaths or above , or less than 10 people serious injury, or direct economy losses when at 1% below of judging standard
	Asset integrity cannot be ensured, when assets losses at 5% (including 5%) above of judging standard	Asset integrity cannot be ensured, when assets losses at 1% (including 1%)to 5% of judging standard	Asset integrity cannot be ensured, when assets losses at 1% below of judging standard
	A large number of great commercial disputes, civil lawsuits and negative influences can't eliminate in a short period of time, may pay compensation at 5% (including 5%) above of judging standard	Several commercial disputes, civil lawsuits, and had obviously influence in a certain area and period, may pay compensation at 1% (including 1%) to 5% of judging standard	Irreconcilable commercial disputes, civil lawsuits happened sometimes, cause a certain influences in local, may pay compensation at 1% below of judging standard
	A serious violation of laws and regulations, investigated by government department and legal department, cause prosecution and class action, may pay compensation at 2% (including 2%) above of judging standard	A serious violation of laws and regulations, investigated by government department and legal department, may pay compensation at 0.5% (including 0.5%) to 2% of judging standard	Violation of laws and regulations, investigated by government department and legal department, may pay compensation at 0.5% below of judging standard
Number of material weaknesses in internal control over financial reporting			0
Number of material weaknesses in internal control not related to financial reporting			0
Number of serious weaknesses in internal control over financial reporting			0
Number of serious weaknesses in internal control not related to financial reporting			0

Note: The percentages of evaluated entities' combined assets and operating revenue to consolidated total assets and operating revenue have been deducted the corresponding financial data of the merged company.

Opinion paragraph in the independent auditor's report on internal control	
We believe that China Merchants Port Group Co., Ltd. has maintained effective internal control over financial reporting in all material respects as of 31 December 2021 as per the Basic Rules for Enterprise Internal Control and relevant regulations.	
Independent auditor's report on internal control disclosed or not	Disclosed
Disclosure date	31 March 2022
Index to such report disclosed	For details, see www.cninfo.com.cn

Type of the auditor's opinion	Unmodified unqualified opinion
Material weaknesses in internal control not related to financial reporting	None

Indicate by tick mark whether any modified opinion is expressed in the independent auditor's report on the Company's internal control.

Yes No

Indicate by tick mark whether the independent auditor's report on the Company's internal control is consistent with the internal control self-evaluation report issued by the Company's Board.

Yes No

XV Rectifications of Problems Identified by Self-inspection in the Special Action for Listed Company Governance

During the Reporting Period, the Company organized relevant departments to conduct self-inspection on corporate governance issues and completed the Special Self-Inspection List in accordance with the requirements of the *Announcement on Launching a Special Campaign to Improve the Governance of Listed Companies* issued by the CSRC. The self-inspection results showed that the overall corporate governance met the requirements, and no major problems that needed to be remedied were identified.

The Company identified a total of 69 internal control defects in 2019 and 66 internal control defects in 2020, all of which are general defects. All responsible departments and subordinate units have made remediation plans for the defects in internal control identified and implemented remediation in time according to the Company's internal control management requirements. The above-mentioned internal control defects have been remedied on time, and all defects have been remedied before 30 June 2021. The Company has established a relatively perfect internal control management mechanism, and adopted measures such as incompatible job separation control, authorization and approval control, accounting system control, property protection control and budget control to prevent major internal control defects.

Part V Environmental and Social Responsibility

I Major Environmental Issues

1. Pollution Discharge

Name of the company or subsidiary company	Names of major and characteristic pollutants	Discharge method	Outlet quantity	Outlet distribution	Discharge concentration	Pollutant discharge standards	Total discharge	Total discharge approved	Excessive discharge
The first branch of Zhanjiang Port (Group) Co., Ltd.	Particulate matters	Unorganized	--	Plant boundary	0.055mg/m ³	<i>Discharge Limits of Air Pollutants</i> (DB44/27-2001)	--	--	No excessive discharge
	SO ₂	Unorganized	--	Plant boundary	0.008mg/m ³		--	--	No excessive discharge
	Oxynitride	Unorganized	--	Plant boundary	0.007mg/m ³		--	--	No excessive discharge
	PH	No efflux	--	--	8.27	Level-1 standards for the 2nd time interval of <i>Discharge Limits of Water Pollutants</i> (DB44/26-2001)	--	--	No excessive discharge
	Suspended substances	No efflux	--	--	6mg/L		--	--	No excessive discharge
	Chemical oxygen demand (COD)	No efflux	--	--	8mg/L		--	--	No excessive discharge
	Five-day biochemical oxygen demand (BOD ₅)	No efflux	--	--	2.6mg/L		--	--	No excessive discharge
	Ammonia-nitrogen	No efflux	--	--	0.108mg/L		--	--	No excessive discharge
	Petroleum	No efflux	--	--	0.06mg/L		--	--	No excessive discharge
	Noise (plant boundary)	Unorganized	--	Plant boundary	Daytime: (56.7-63.8) db Nighttime: (47.3-53.1) db	<i>Emission Standard for Noise of Industrial Enterprises at Boundary</i> (GB12348-2008)	--	--	No excessive discharge
The third branch of Zhanjiang Port (Group) Co., Ltd.	Particulate matters	Unorganized	--	Plant boundary	0.094mg/m ³	<i>Discharge Limits of Air Pollutants</i> (DB44/27-2001)	--	--	No excessive discharge
	SO ₂	Unorganized	--	Plant boundary	0.007mg/m ³		--	--	No excessive discharge
	Oxynitride	Unorganized	--	Plant boundary	0.017mg/m ³		--	--	No excessive discharge
	PH	No efflux	--	--	7.38	--	--	No excessive discharge	
	Suspended substances	No efflux	--	--	56mg/L	--	--	No excessive discharge	
	Chemical oxygen demand (COD)	No efflux	--	--	89mg/L	--	--	No excessive discharge	

	Ammonia-nitrogen	No efflux	--	--	3.9mg/L		--	--	No excessive discharge
	Petroleum	No efflux	--	--	0.07mg/L		--	--	No excessive discharge
	Phosphate	No efflux	--	--	0.45mg/L		--	--	No excessive discharge
	Noise (plant boundary)	Unorganized	--	Plant boundary	Daytime: (55.8-59) db Nighttime: (46.7-48.8) db	Level-1 standards for the 2nd time interval of <i>Discharge Limits of Water Pollutants</i> (DB44/26-2001)	--	--	No excessive discharge
Zhanjiang Port Petrochemical Terminal Co., Ltd.	Volatile organic compounds (plant boundary)	Unorganized	--	Plant boundary	0.31-0.74mg/m ³	<i>Emission Standard for Noise of Industrial Enterprises at Boundary</i> (GB12348-2008)	--	--	No excessive discharge
	Volatile organic compounds	Organized and discontinuous discharge	2	Two exhaust outlets, one for vehicle loading, another for train loading	(4.55-21.6)g/m ³	Discharge Limits of Air Pollutants (DB44/27-2001)	1.2550 tons	235.25468 tons (total approved amount for one year)	No excessive discharge
	Volatile organic compounds	Unorganized	--	Volatilization of storage tank (33 storage tank)	--	<i>Emission Standard of Air Pollutant for Bulk Petroleum Terminals</i> (GB20950-2020)	168.352 tons		No excessive discharge
	Volatile organic compounds	Unorganized	--	A dynamic or static sealing point around 21,500	--	Discharge Limits of Air Pollutants (DB44/27-2001)	4.2443 tons		No excessive discharge
	Noise (plant boundary)	Plant boundary	--	Plant boundary	Daytime: (60.4-62.3) db Nighttime: (50.5-52.6) db	<i>Discharge Limits of Air Pollutants</i> (DB44/27-2001)	--	--	No excessive discharge
	Chemical oxygen demand (COD)	Discontinuous discharge	2	Wastewater outlet, Rainwater outlet	Industrial wastewater: 43-63mg/L Rainwater:	<i>Emission Standard for Noise of</i>	--	--	No excessive discharge

					6-45mg/L	<i>Industrial Enterprises at Boundary (GB12348-2008)</i>			
Ammonia-nitrogen (NH ₃ -N)	Discontinuous discharge	2	Wastewater outlet, Rainwater outlet	Industrial wastewater: (0.23-0.325)mg/L Rainwater: (0.106-0.677)mg/L	<i>Discharge Limits of Water Pollutants (DB44/26-2001) of Guangdong Province</i>	--	--	No excessive discharge	
Petroleum	Discontinuous discharge	2	Wastewater outlet, Rainwater outlet	Industrial wastewater: (0.06-0.45)mg/L Rainwater: (0.06-0.44)mg/L	<i>Discharge Limits of Water Pollutants (DB44/26-2001) of Guangdong Province</i>	--	--	No excessive discharge	
PH	Discontinuous discharge	1	Wastewater outlet	7.0-7.79	<i>Discharge Limits of Water Pollutants (DB44/26-2001) of Guangdong Province</i>	--	--	No excessive discharge	
Suspended substances	Discontinuous discharge	1	Wastewater outlet	6-7mg/L	<i>Discharge Limits of Water Pollutants (DB44/26-2001) of Guangdong Province</i>	--	--	No excessive discharge	
Total organic carbon (TOC)	Discontinuous discharge	1	Wastewater outlet	5.7-13.8mg/L	<i>Discharge Limits of Water Pollutants (DB44/26-2001) of Guangdong Province</i>	--	--	No excessive discharge	
Volatile phenols	Discontinuous discharge	1	Wastewater outlet	0.01-0.284 mg/L	<i>Discharge Limits of Water Pollutants (DB44/26-2001) of Guangdong Province</i>	--	--	No excessive discharge	
Total cyanide	Discontinuous discharge	1	Wastewater outlet	0.004-0.005mg/L	<i>Discharge Limits of Water Pollutants (DB44/26-2001) of Guangdong Province</i>	--	--	No excessive discharge	

2. Construction and operation of pollution control facilities

(1) Wastewater treatment

①The first branch of Zhanjiang Port (Group) Co., Ltd. has a set of temporary rainwater collection and treatment facilities, and the rainwater is collected and transferred to the second branch for treatment. The domestic sewage in the port area is assigned to a qualified third party for treatment in compliance with relevant standards, and the equipment and facilities are in normal operation. The sewage collection and treatment system of Xiashan Port Area is under construction.

②The third branch of Zhanjiang Port (Group) Co., Ltd. has a set of temporary rainwater collection facilities, and the rainwater is collected for watering and dust control in the port area after treatment; while domestic sewage in the port area is assigned to a qualified third party for treatment in compliance with relevant standards. The equipment and facilities are in normal operation. The sewage collection and treatment system of Tiaoshun Port Area is under construction.

③Zhanjiang Port Petrochemical Terminal Co., Ltd. has two sets of wastewater treatment facilities, and the production wastewater and initial rainwater are discharged into the sea after being treated by wastewater treatment facilities.

The above-mentioned equipment and facilities are in normal operation.

(2) Waste gas treatment

① The first and third branches of Zhanjiang Port (Group) Co., Ltd. use water spray, water mist spray, sprinkler and other facilities to meet the demand for dust control in mass stockpiles and working places. To reduce dust emissions to the maximum, the stockpile is fully covered, and the dust control management in the process of static storage and dynamic operation is strengthened. The first branch owns a dust-free and sound-proof wall with a length of 160 meters and a height of 12 meters on the northern boundary of the plant; and the third branch has a dust suppression wall 427 meters long and 17 meters high, a retaining wall 2.5 meters high and 3,100 meters long, and a green belt around the port area covering 60,000 square meters. The wind and dust suppression wall of 350 meters has been newly built.

② Zhanjiang Port Petrochemical Terminal Co., Ltd. has two sets of waste gas treatment equipment to recover the oil and gas generated during vehicle and train loading. One set is for the recovery of oil and gas of vehicles, with a processing capacity of 200 m³/h. The other is for the recovery of oil and gas of trains, with a processing capacity of 1200 m³/h.

The above-mentioned equipment and facilities are in normal operation.

(3) Hazardous waste

The first and third branches of Zhanjiang Port (Group) Co., Ltd., and Zhanjiang Port Petrochemical Terminal Co., Ltd. provide seven special rooms for temporary storage of hazardous waste as required, and assign a qualified third party to transport the waste in time. This system is in normal operation.

3. Assessment of the environmental impact of construction projects and other administrative licenses of environmental protection

According to the requirements of relevant laws and regulations, the first and third branches of Zhanjiang Port (Group) Co., Ltd., and Zhanjiang Port Petrochemical Terminal Co., Ltd. provide various documents such as the environmental impact report, environmental inspection and acceptance report, and approval and licenses of environmental authorities. The reply documents include: *Review Opinions of the Current Environmental Impact Assessment Report of the First Branch of Zhanjiang Port (Group) Co., Ltd.* (Document Z.X.H.J. [2018] No. 12); *Review Opinions of the Current*

Environmental Impact Assessment Report of the Third Branch of Zhanjiang Port (Group) Co., Ltd. (Document Z.H.C.J. [2018] No. 31); *Environmental Impact Assessment Report of the Current Status of Crude Oil Storage Tank Farms of Zhanjiang Port Petrochemical Terminal Co., Ltd.* (Document Z.X.H.J. [2019] No. 05); *Environmental Impact Assessment Report of 1# Tank Farm Project of Zhanjiang Port Petrochemical Terminal Co., Ltd.* (Document Z.H.J.X. [2021] No. 6), etc.

4. Contingency plan for environmental emergencies

In order to earnestly implement the *Emergency Response Law of the People's Republic of China*, other relevant laws, regulations and documents, and to prevent, prepare for and respond to environmental emergencies, as well as to protect the lives and reduce property losses, Zhanjiang Port (Group) Co., Ltd. prepares *Contingency Plan for Environmental Emergencies of Zhanjiang Port (Group) Co., Ltd.* and has completed the filing of this document (Filing No.440803-2020-0036-H). The first branch of it separately prepares *Contingency Plan for Environmental Emergencies of the First Branch of Zhanjiang Port (Group) Co., Ltd.* and has completed the filing of this document (Filing No.440803-2021-0025-M). The third branch of it also prepares its contingency plan and is going through the filing process. Zhanjiang Port Petrochemical Terminal Co., Ltd. prepares the *Contingency Plan for Environmental Emergencies of Zhanjiang Port Petrochemical Terminal Co., Ltd.* and has completed the filing of this document (Filing No. 440803-2021-0040-H).

5. Environmental self-monitoring program

The first and third branch of Zhanjiang Port (Group) Co., Ltd., and Zhanjiang Port Petrochemical Terminal Co., Ltd. entrust environmental monitoring of wastewater, waste gas and noise to the institutions with nationally recognized qualifications. With accumulated data and a scientific outlook to further guide environmental protection, the Company strives to be an environment-friendly enterprise which promotes social harmony.

6. Administrative penalties for environmental problems during the Reporting Period

Name of the company or subsidiary company	Penalty reason	Violation situation	Penalty result	Impact on the production and operation of the Company	Remediation measures of the Company
Shenzhen Mawan Ganghang Co., Ltd.	Administrative penalties for environmental protection problems	The lessees of Shenzhen Mawan Ganghang Co., Ltd. did not take the airtight method to load and unload the muck	A fine of RMB10,000	No significance influence	As required, Shenzhen Mawan Ganghang Co., Ltd. talked with the two lessees and established a rectification period. The Operations Department of Shenzhen Mawan Ganghang Co., Ltd. has improved the sprinkler equipment and installed a vehicle washing system for the muck operation site within the specified period. The Quality and Safety Department of China Merchants Port Service (Shenzhen) Co., Ltd. has intensified the inspection of muck dust and muck vehicle cleaning of Shenzhen Mawan Ganghang Co., Ltd.
Shenzhen Chiwan Port Development Co., Ltd.	Administrative penalties for environmental protection problems	The leasee of Shenzhen Chiwan Port Development Co., Ltd. did not take insufficient dust prevention measures in sand and	A fine of RMB50,000	No significance influence	Shenzhen Chiwan Port Development Co., Ltd. has timely talked with the lessee as required and set the remediation deadline. Measures are as follows: replan the sand and gravel storage yard functional area; comprehensively cover the unworking sand and gravel storage yard; add sprinkling facilities and sprinklers around the yard; add dust net at the top of storage yard operation area; ensure that the spraying equipment is in the open state during the operation to maintain uninterrupted spray dust; arrange the sprinklers to water the road surface to reduce dust during the operation.

		gravel operation			
Shenzhen Chiwan Port Development Co., Ltd.	Administrative penalties for environmental protection problems	Two forklift trucks exceeded the standard in exhaust test	A fine of RMB5,000	No significance influence	The two devices have been installed with particle traps and passed the verification of Shenzhen Academy of Metrology & Quality Inspection. They also passed the reinspection.

7. Other environmental information that should be disclosed

Applicable Not applicable

8. Measures taken to decrease carbon emission in the Reporting Period and corresponding effects

Applicable Not applicable

9. Other information related to environmental protection

The Company adhered to the concept of "lucid waters and lush mountains are invaluable assets", and strictly implemented the state's decisions and arrangements on energy conservation and environmental protection. It strengthened the bottom-line thinking and red-line awareness, did well in climate risk prevision and total energy consumption and intensity control, consolidated the foundation, strengthened weak links, and solved prominent problems of environmental pollution. It has made contribution to the stability of energy conservation and environmental protection.

Regarding response to climate change, the Company actively responded to the state's low-carbon energy conservation policy, constantly improved its energy conservation and emission reduction and environmental management system, and increased investment in environmental protection year by year. It has strengthened efforts to identify and respond to climate risks, continued to promote clean and low-carbon development, and spread advanced concepts of green and environmental protection to contribute to the goal of "carbon peaking and carbon neutrality". Great efforts were made to identify climate risks. The Company adhered to the guiding ideology of "prevention first, people orientation, scientific and technological improvement, comprehensive management". It promoted the construction of an emergency command platform, and made use of the meteorological system and information exchange mechanism established by the weather early warning system and local meteorological departments to improve the early warning and prevention capabilities of sudden climate risks. Clean and low-carbon development was the focus. The Company endeavored to promote the use of clean energy and low-carbon technology development, and continued to promote distributed photovoltaic power generation, energy-saving lighting transformation, change from oil into electricity and other new energy-saving technologies and products. It has contributed wisdom and experience to green water transport, and interpreted the concept of green, energy conservation and environmental protection with practical actions to promote the development of green shipping.

Regarding adherence to green operation, the Company continued to strengthen pollution prevention and control in production and operation, promoted recycling and reuse of resources, and strengthened the protection of biodiversity. It made active efforts to create a new ecology of green industry, and build a green ecological port. Attention was paid to pollution control. The Company strictly observed the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution* by solid Waste and other environmental laws and regulations. It has carried out environmental protection work centering on the goal that "total discharge of major pollutants continues to decrease, environmental risks are effectively controlled, and the environmental protection and energy conservation continue to improve". More efforts were made to promote innovation in environmental protection technology and monitoring methods to improve the overall pollution prevention and control. Actions were taken to save resources. The Company actively responded to the state's call to build a resource-saving enterprise, encouraged employees to save water and electricity and go paperless, and integrated the concept of green office into its daily operation. Chiwan Port has developed the recycling of sewage from its vehicle cleaning yard to continuously improve the utilization of water resources and protect natural resources. Efforts were made to protect biological diversity. The Company attached great importance to the harmonious symbiotic relationship between the enterprise and the local ecological environment system. The "Human-Elephant Peace Fund" was established to provide a solid guarantee for green and circular development in Sri Lanka. The Company continued to carry out ecological compensation activities for breeding and releasing water, monitor and protect whales, turtles and grass banks. The site selection and environmental impact of new projects were assessed strictly in accordance with relevant requirements to minimize the impact on the surrounding environment and promote the sustainable development of marine undertakings. Regarding the transmission of green value, port is an important channel for a city to connect with the world. Developing green ports and transmitting green value is an inevitable way to achieve sustainable development of ports. The Company actively carried out a variety of green charitable activities, passing on the concept of green environmental protection. This aims to make the sustainable development concept of green, low-carbon and environmental protection deeply rooted in people's hearts.

II Corporate Social Responsibility (CSR)

Always upholding the principle of sustainable development and performing its social responsibilities proactively, the Company promotes its sustainable development with efforts in continuously strengthening environment governance, safeguarding the rights and interests of its employees,

attaching importance to occupational health, participating in charitable activities, and responding to targeted poverty alleviation.

The Company is always committed to take on historical missions and has a strong sense of social responsibilities. During our journey of growth and development, we never steer away from the original goal. We take the lead to address social problems, continue to seek for the matching point for mutual development with the society and explore appropriate models for conducting charitable business that meets the needs of the current generation. By leveraging our core strengths to launch professional charitable activities, support regional development and preserve fine cultures, we will incorporate social development needs into our daily operation activities and join hands with even more partners to create a harmonious society and promote social progress.

In 2021, the Company continued to build the "Shaping Blue Dreams Together (C-Blue)" charity brand and to carry out C-Blue Training Program and provide care for left-behind children and alleviate poverty for rural areas. In terms of activities in China, with the support of the team of "C-Blue" volunteers, the Company hosted CM Port Group's "Caring for You, Standing by You" development camp for students in Weining, Guizhou. This camp was a six-day, five-night camp for 100 teachers and students in Weining County, Guizhou Province and provided them with a platform to enrich themselves and develop their dreams. Through this program, CM Port Group showed its love and care for students as well as expressed a wish to stand by them. The 9th China Merchants "C-Blue Training Program" was held successfully, and 80 C-Blue Talent Program students from 34 countries on 5 continents completed all courses. The second C-Blue Children's Growth Camp of "C-Blue Volunteers Care for You" in 2021 was upgraded and expanded again in Qiling Town, Wuhua County, Guangdong Province. As for overseas activities, CICT has completed the construction of "Love Village" community center in Kalutara District, Sri Lanka. In April, CICT and HIPG jointly launched the second "Love Village" project in Sri Lanka and conducted research and initial preparation for this project in a village of Hambantota District.

Please refer to *Corporate Social Responsibility Report of China Merchants Port Group Co., Ltd. in 2021* for the fulfillment of social responsibilities in the Reporting Period for details.

III Consolidation and Expansion of Poverty Alleviation Outcomes, and Rural Revitalization

In 2021, after completing the last round of poverty alleviation work, Zhanjiang Port subordinate to the Company adhered to the concept of poverty alleviation, enthusiasm in charitable activities and harmonious development of CMG. Carrying forward its tradition of "serving the society with sincerity and responsibility", Zhanjiang Port assumed its social responsibility, continued to devote

itself to rural revitalization, and quickly started relevant work. For Macheng Village, Hai'an Town, Xuwen County, Zhanjiang, the main area to be supported, Zhanjiang Port selected two Party members who are enthusiastic about charity and have strong sense of responsibility to be team members stationed in the town to support the rural revitalization work. They actively provided assistance, paid visits and carried out volunteer service activities to express greetings and care.

"Education is the fundamental driving force of rural revitalization." In 2021, through the charity model of rural education revitalization of "Small Cut, Big World" of C-Blue Children's Growth Camp, the Company continued to promote rural revitalization with charitable acts, and to upgrade, innovate and expand rural revitalization in Qiling Town, Wuhua County, Guangdong Province. By carrying out C-Blue Reading Corner, C-Blue Growth Classroom, C-Blue Children's Playground and C-Blue Courses and other activities, it brought C-Blue education assistance and spiritual care to more than 5,000 local teachers and students and more than 20,000 rural children's families, which aroused strong response and played a demonstration and leading role in the education and care for local left-behind children. In the future, with Qiling Town in Wuhua as the starting point and original point, the project will continue to deepen and expand the C-Blue Children's Growth Camp from vertical reinforcement and horizontal expansion. Through this project, the Company will continuously strengthen and expand the care and support for rural children in China.

Part VI Significant Events

I Fulfillment of Commitments

1. Commitments of the Company's Actual Controller, Shareholders, Related Parties, and Acquirers, as well as the Company Itself and other Entities Fulfilled in the Reporting Period or Ongoing at the Period-end

Commitment	Promisor	Type of commitment	Details of commitment	Date of commitment making	Term of commitment	Fulfillment
Commitments made in acquisition documents or shareholding alteration documents	CMGD and Broadford Global	Commitments on horizontal competition, related-party transaction and capital occupation	Commitment on safeguarding independence of CMPort made by CMGD and its person acting in concert Broadford Global: to safeguard the independence of finance, institutions, business and personnel of CMPort as well as independence and integrity of assets of CMPort.	15 March 2018	The commitment on safeguarding independence of CMPort is effective for a long time; the commitment on regulating related-party transactions is effective during the period when CMGD and its persons acting in concert possess control power over the Company	Ongoing
	CMGD and Broadford Global	Commitments on horizontal competition, related-party transaction and capital occupation	Commitment on regulating related-party transaction made by CMGD and corresponding persons acting in concert- Broadford Global: 1. CMGD/Broadford Global will make a great effort to reduce related-party transaction between CMGD/Broadford Global and its related parties as well as CMPort. Inevitable business dealings or transactions shall be conducted as per marketization principle and fair price and the obligation of information disclosure shall be fulfilled pursuant to provisions; 2. CMGD/Broadford Global and its related parties ensure they will strictly observe related stipulations of laws, regulations, normative documents and Articles of Association of CMPort and equally execute shareholders' rights and fulfill shareholders' obligations together with other shareholders in line with legal program as well as won't seek improper interest with actual controller's status or damage legitimate interest of CMPort and other shareholders; 3. The above commitment is continuously effective during the period when CMGD/Broadford Global has the right to control CMPort. In	15 March 2018	The commitment on safeguarding independence of CMPort is effective for a long time; the commitment on regulating related-party transactions is	Ongoing

			case of losses incurred by CMGD/Broadford Global failing to fulfill the above commitment to CMPort, CMGD will bear corresponding compensation responsibility.		effective during the period when CMGD and its persons acting in concert possess control power over the Company	
	CMG	Commitments on horizontal competition, related-party transaction and capital occupation	Commitment on regulating related-party transaction: 1. China Merchants Group will try its best to reduce related-party transaction between it and its related parties and CMPort. Inevitable business dealings or transactions shall be conducted as per marketization principle and fair price and the obligation of information disclosure shall be fulfilled pursuant to provisions; 2. China Merchants Group ensure they will strictly observe related stipulations of laws, regulations, normative documents and Articles of Association of CMPort and equally execute shareholders' rights and fulfill shareholders' obligations together with other shareholders in line with legal program as well as won't seek improper interest with actual controller's status or damage legitimate interest of CMPort and other shareholders; 3. The above commitment is continuously effective during the period when China Merchants Group has the right to control CMPort. In case of losses incurred by China Merchants Group failing to fulfill the above commitment to CMPort, China Merchants Group will bear corresponding compensation responsibility.	15 March 2018	Effective until no-longer to be the actual controller of the Company	Ongoing
Commitments made in time of asset restructuring	CMPID	Commitment on restriction on share trading	1. CMPort shares obtained by purchasing assets with shares issued this time are forbidden to be transferred or transacted in the market before the latter one between the date arising 36 months after the date when CMPort shares gained by CMPID based on this transaction are registered under the name of CMPID and the date when fulfillment of compensation obligations set forth in the <i>Impairment Compensation Agreement for Issuing Shares To Purchase Assets</i> signed by and between CMPID and CMPort, separately and its supplementary agreement (if any) is over (except for repurchasing or presenting shares pursuant to <i>Impairment Compensation Agreement for Issuing Shares To Purchase Assets</i> and its supplementary agreement (if any)); 2. In case of closing price of CMPort stocks being lower than issue price for consecutive 20 transaction days within 6 months after completion of the transaction or such closing price being lower than issue price at the end of the 6th month after completion of the transaction, the lockup period of CMPort stocks held by CMPID will be automatically lengthened for at least 6 months; 3. CMPort shares which derive from consideration shares obtained by CMPID based on the transaction during the lockup period due to CMPort distributing stock dividend and capital reserve converted into increased capital shall be subject to the commitment regarding the above restricted stock trade period; 4. In case that the transaction is placed on file for investigation and prosecution by judiciary authorities as well as registered and investigated by CSRC because false record, misleading statement or important omission happens to provided or disclosed information, CMPID won't transfer its shares with rights and interests at CMPort before case investigation conclusion is drawn; 5. In case that lockup period set forth in the commitment is inconsistent with regulatory opinions from securities market supervision department or lockup period	26 December 2018	25 June 2022	Ongoing

		required by related provisions, CMPID shall adjust the above lockup period pursuant to regulatory opinions from relevant securities market supervision department and related provisions. 6. After the above lockup period expires, CMPID shall observe provisions of laws and regulations, related rules of Shenzhen Stock Exchange as well as Articles of Association of CMPort in case of reducing shares held by it.				
	CMPID	Commitments on horizontal competition, related-party transaction and capital occupation	<p>Commitment on avoiding horizontal competition: 1. CMPID and other enterprise controlled by CMPID fail to engage in or participate in business or activity which is similar with and constitutes or likely constitutes competitive relation with main business conducted by CMPort and the enterprise controlled by it now; 2. CMPID will try its best to promote CMPID and other enterprise controlled by CMPID not to directly or indirectly engage in or participate in or assist to engage in or participate in any business or activity which constitutes or likely constitutes competitive relation with main business conducted by CMPort and the enterprise controlled by it now and in the future independently or together with others; 3. In case of discovering any new business opportunity which constitutes or likely constitutes direct or indirect competitive relation with main business of CMPort or the enterprise controlled by it, CMPID or CMPID and other enterprise controlled by it will immediately notify CMPort in written as well as make a great effort to promote such business opportunity to be provided to CMPort or the enterprise controlled by it firstly according to reasonable and fair terms and conditions; 4. In case of CMPort or the enterprise controlled by it waiving such competitive new business opportunity and CMPID or/and other enterprise controlled by it engaging in such competitive business, CMPort or the enterprise controlled by it will have the right to purchase any stock rights, assets or other rights and interests in the above competitive business from CMPID or/and other enterprise controlled by it once or several times at any moment, or CMPort will select entrusted operation, leasing or contract operation of assets or businesses of CMPID or/and other enterprise controlled by it in the above competitive business as per the mode permitted by national laws and regulations; 5. When CMPID and other enterprise controlled by it plans to transfer, sell, rent out, conduct licensed use of or transfer or allow to use assets and businesses which constitutes or likely constitutes direct or indirect competitive relationship with main business of CMPort or the enterprise controlled by it in other way, CMPID and other enterprise controlled by it will provide the right of priority assignment to CMPort or the enterprise controlled by it and promise to make a great effort to promote other enterprise controlled by CMPID provide CMPort or the enterprise controlled by it with the right of priority assignment under the above situation; 6. As of the date when the commitment letter is provided, CMPID promises to compensate all actual losses, damages and expenses arising from violation of any clause in the commitment letter by CMPID or the enterprise controlled by it to CMPort or the enterprise controlled by it.</p>	26 July 2018	Effective until no-longer to be the largest shareholder of the Company	Ongoing
	CMPID	Commitments on horizontal competition, related-party transaction and capital occupation	<p>Commitment on regulating related-party transaction: 1. CMPID and other enterprise controlled by it will make a great effort to avoid and reduce related-party transaction between CMPort and economic entity controlled by it; 2. CMPID and other enterprise controlled by it will exercise stockholder's rights in accordance with related provisions of relevant laws and regulations as well as Articles of Association of CMPort and fulfill the obligation of vote avoidance at the moment of voting for related-party transactions involved by CMPID and other enterprise controlled by it at the stockholders' meeting; 3. As for related-party transaction which is inevitable or occurs due to reasonable reason, CMPID will carry out transaction pursuant</p>	26 July 2018	Effective until no-longer to be the largest shareholder of the Company	Ongoing

			to the principle of openness, fairness and justice for market transaction and based on fair and reasonable market price, perform related-party transaction decision-making process and legally fulfill information disclosure obligation to safeguard benefits of CMPort and other shareholders of CMPort in line with provisions of laws, regulations, normative documents and Articles of Association of CMPort; 4. It's ensured that no legitimate interest of CMPort and other shareholders of CMPort is damaged by related-party transaction based on status and influence of CMPort; 5. CMPID will promote other enterprise controlled by it to observe the commitment of Subparagraph 1-4; 6. In case of CMPID and other enterprise controlled by it violating the above commitment, causing rights and interests of CMPort and its shareholders are damaged, CMPID will take corresponding compensation responsibility according to law.			
	CMPID	Commitments on horizontal competition, related-party transaction and capital occupation	Commitment about keeping independence of CMPort: 1. After the transaction is completed, CMPID will strictly observe related provisions regarding independence of listed Companies from CSRC and won't violate standard operating procedures of CMPort based on the first majority shareholder, conduct excessive intervention of operation and management activities of CMPort and its subsidiary, embezzle benefits of CMPort and its subsidiary or damage legitimate interest of CMPort and other shareholders; 2. CMPID will ensure CMPort is independent from CMPID and related parties in the aspects of business, asset, finance, personnel and institution; 3. CMPID ensures independence of CMPort, CMPID and other enterprise controlled by it fail to occupy capitals and resources of CMPort based on violation in any way and will strictly observe provisions of rules and regulations for avoiding occupation of related party funds from CMPort as well as related laws, regulations and normative documents; 4. The commitment letter takes effect as of the signature date of CMPID as well as is legally binding upon CMPID. CMPID ensures it will strictly fulfill various commitments in the commitment letter and will take corresponding legal responsibility for losses incurred to CMPort due to violation of related commitment.	26 July 2018	Effective until no longer to be the largest shareholder of the Company	Ongoing
	CMG	Commitments on horizontal competition, related-party transaction and capital occupation	Commitment on avoiding horizontal competition: 1. China Merchants Group and the enterprise controlled by it (excluding CMPort Holdings and the enterprise controlled it) fail to engage in or participate in any business or activity which is similar with and constitutes or likely constitute direct or indirect competitive relationship with main business conducted by CMPort and the enterprise controlled by it now; 2. China Merchants Group will try its best to promote enterprises controlled by it(except for CMPort and the enterprise controlled by it) not to directly or indirectly engage in or participate in or assist to engage in or participate in any business or activity which constitutes or likely constitutes competitive relation with main business conducted by CMPort and the enterprise controlled by it now and in the future independently or together with others; 3. In case of discovering any new business opportunity which constitutes and likely constitutes direct or indirect competitive relation with main business of CMPort or the enterprise controlled by it, China Merchants Group or enterprise controlled by it(except for CMPort and the enterprise controlled by it) will immediately notify CMPort in written as well as make a great effort to promote such business opportunity to be provided to CMPort or the enterprise controlled by it firstly according to reasonable and fair terms and conditions; 4. In case of CMPort or the enterprise controlled by it waives such competitive new business opportunity and China Merchants Group or the enterprise controlled by it (except for CMPort and the enterprise controlled by it) engaging in such competitive business, CMPort or the enterprise controlled by it will be entitled to	26 July 2018	Effective until no longer to be the actual controller of the Company	Ongoing

			purchase any equities, assets and other rights and interests in the above competitive business from China Merchants Group or the enterprise controlled by it (except for CMPort and the enterprise controlled by it) once or several times at any moment or CMPort will select entrusted operation, leasing or contract operation of assets or businesses of China Merchants Group or the enterprise controlled by it (except for CMPort and the enterprise controlled by it) in the above competitive business according to the mode permitted by national laws and regulations; 5. When China Merchants Group and the enterprise controlled by it (except for CMPort and the enterprise controlled by it) plans to transfer, sell, lease, allow to use or transfer or allow to use asset and business which constitutes or likely constitutes direct or indirect competitive relationship with main business of CMPort or the enterprise controlled by it in other way, China Merchants Group and the enterprise controlled by it (except for CMPort and the enterprise controlled by it) will provide the right of priority assignment for CMPort or the enterprise controlled by it and promise to make a great effort to promote the enterprise controlled by China Merchants Group to provide the of priority assignment for CMPort or the enterprise controlled by it under the above situation; 6. As of the date when the commitment letter is provided, China Merchants Group promises to compensate all actual losses, damages and expenses arising from violation of any clause in the commitment letter by China Merchants Group or the enterprise controlled by it to CMPort or the enterprise controlled by it.			
	CMG	Commitments on horizontal competition, related-party transaction and capital occupation	Commitment on regulating related-party transaction: 1. China Merchants Group and other enterprise controlled by it will make a great effort to avoid and reduce related-party transaction between CMPort and economic entity controlled by it; 2. China Merchants Group and other enterprise controlled by it will exercise stockholder's rights in accordance with related provisions of relevant laws and regulations as well as Articles of Association of CMPort and fulfill the obligation of vote avoidance at the moment of voting for related-party transactions involved by China Merchants Group and other enterprise controlled by it at the stockholders' meeting; 3. As for related transaction which is inevitable or occurs due to reasonable reason, China Merchants Group will carry out transaction pursuant to the principle of openness, fairness and justice for market transaction and based on fair and reasonable market price, perform related-party transaction decision-making process and legally fulfill information disclosure obligation to safeguard benefits of CMPort and other shareholders of CMPort in line with provisions of laws, regulations, normative documents and Articles of Association of CMPort; 4. It's ensured that no legitimate interest of CMPort and other shareholders of CMPort is damaged by related-party transaction based on status and influence of CMPort; 5. China Merchants Group promotes other enterprise controlled by it to observe the commitment set forth in Subparagraph 1-4 above; 6. In case of China Merchants Group and other enterprise controlled by it violating the above commitment, causing rights and interests of CMPort and its shareholders are damaged, China Merchants Group will take corresponding compensation responsibility according to law.	26 July 2018	Effective until no longer to be the actual controller of the Company	Ongoing
	CMG	Commitments on horizontal competition, related-party transaction and capital	Commitment about keeping independence of CMPort: 1. After the transaction is completed, China Merchants Group will strictly observe related provisions regarding independence of listed companies from CSRC and won't violate standard operating procedures of CMPort based on actual controller's status, conduct excessive intervention of operation and management activities of CMPort and its subsidiary, embezzle benefits of CMPort and its subsidiary or damage legitimate	26 July 2018	Effective until no longer to be the actual controller of the Company	Ongoing

		occupation	interest of CMPort and other shareholders; 2. China Merchants Group will ensure CMPort is independent from China Merchants Group and related parties in the aspects of business, asset, finance, personnel and institution; 3. China Merchants Group ensures independence of CMPort, China Merchants Group and other enterprise controlled by it fail to occupy capitals and resources of CMPort based on violation in any way and will strictly observe provisions of rules and regulations for avoiding occupation of related party funds from CMPort as well as related laws, regulations and normative documents; 4. The commitment letter takes effect as of the signature date of China Merchants Group as well is legally binding upon China Merchants Group. China Merchants Group ensures it will strictly fulfill various commitments in the commitment letter and will take corresponding legal responsibility for losses incurred to listed Company due to violation of related commitment.			
	CMG	Other commitment	Commitment letter about perfecting the property ownership certificate for land and house property of CMPort Holdings and the enterprise subordinate to it: 1. China Merchants Group will spare no effort to assist, promote and drive CMPort Holdings and the enterprise subordinate to it to standardize, perfect and solve ownership defects of properties such as land and house property; 2. The following situations happen to CMPort Holdings and the enterprise subordinate to it before completion of the transaction: (1) Land use right of ownership certificate which is being handled, the house property failing to be timely handled (except for results incurred by force majeure, law, policy, government administration behavior and change in planned use of the land instead of CMPort Holdings and the enterprise subordinate to it); Or (2) Land use right of ownership certificate, the property ownership certificate failing to be handled (except for results incurred by force majeure, law, policy, government administration behavior and change in planned use of the land of CMPort Holdings and the enterprise subordinate to it); Or (3) In case of nonstandard other land use right and house property (except for results incurred by force majeure, law, policy, government administration behavior and change in planned use of the land instead of CMPort Holdings and the enterprise subordinate to it) and encountering actual losses (including but not limited to compensation, fine, expenditure and benefit lost), China Merchants Group will timely and fully compensate CMPort.	26 July 2018	Effective until no longer to be the actual controller of the Company	Ongoing
	CMG	Other commitment	Commitment letter about real estate leased by CMPort Holdings and the enterprise subordinate to it: In case of nonstandard situation of the leased property significantly influencing use of CMPort Holdings and the Company subordinate to it to engage in operation of normal business, China Merchants Group will actively take effective measures (including but not limited to arranging to provide the property with identical or similar conditions to be used for operation of related Company) to promote business operation of related Company to be conducted normally and alleviate or eliminate adverse effect; In case of nonstandard of the leased property causing CMPort Holdings and the enterprise subordinate to it produce actual additional expenditures or losses (such as third-party compensation), China Merchants Group will actively coordinate and negotiate with other related party to support normal operation of CMPort Holdings and the enterprise subordinate to it to the great extent and avoid or control continuous enlargement of the damage; At the same time, China Merchants Group agrees compensate CMPort Holdings and the enterprise subordinate to it in cash for actual losses incurred to CMPort Holdings and the enterprise subordinate to it for this reason to relieve or eliminate adverse effect.	26 July 2018	Effective until no longer to be the actual controller of the Company	Ongoing

CMG	Other commitment	Commitment letter about allotted land of the enterprise subordinate to China Merchants Port Holdings Company Limited from China Merchants Group: In case that the above allotted land is withdrawn or needs to be translated into assignment land due to policy adjustment in the future after the transaction is completed, China Merchants Group will actively coordinate with CMPort and related companies such as China Merchants Group International Port (Qingdao) Co., Ltd. and Shantou CMPort Group Co., Ltd. to handle the transfer procedure or take other feasible countermeasures. In case of any actual loss (excluding land-transferring fees or rent, fees paid for taking rural land, ownership registration fees, taxes and dues and other related expenses to be paid by Chiwan Wharf or above-mentioned related companies according to provisions of laws and regulations) incurred to CMPort or above-mentioned related companies for this reason, China Merchants Group will timely and fully compensate actual loss incurred to CMPort or above-mentioned related companies.	26 July 2018	Effective until no longer to be the actual controller of the Company	Ongoing
CMG	Other commitment	Commitment letter about undertaking the accreditation fees of property ownership certificate for the perfection of the land and house property of CMPort Holdings and the enterprise subordinate to it: In case of defective land use right and house property involved by the Company subordinate to CMPort Holdings on account of operation (namely land use right and house property of the Company subordinate to CMPort Holdings without complete ownership certificate existing before the transaction is completed), incurring registration fees such as taxes and dues, compensation and fine in the process of perfecting legal procedures of defective land use right and house property by the subordinate to CMPort Holdings, China Merchants Group will timely and fully compensate to the Company subordinate to CMPort Holdings for undertaking.	14 September 2018	Effective until no longer to be the actual controller of the Company	Ongoing
CMG	Other commitment	Commitment letter about related matters of CMPort after the transaction is completed: After the transaction is completed, Chiwan Wharf will become port business asset management headquarters and domestic capital operation platform of China Merchants Group, deeply participate in integration of domestic regional port assets and enlarge the scale of domestic listed assets to make net profit of CMPort Holdings (00144.HK) enjoyed as per the rights and interests in the consolidated statement of listed Company in recent one fiscal year fail to exceed 50% net profit of consolidated statement of the listed Company and net asset of CMPort Holdings (00144.HK) enjoyed in light of rights and interests in the consolidated statement of listed Company in recent one fiscal year fail to exceed 30% net asset in the consolidated statement of the listed Company within 3-5 years after the transaction is completed.	30 September 2018	Three to five years and CMG is the actual controller of the Company	Ongoing
CMG	Other commitment	China Merchants Group and all its directors, supervisors and administrative officers ensure the transaction report, its abstract, other information provided for the transaction and application document are true, accurate and complete without false record, misleading statement or important omission as well as take individual and joint legal liability for false record, misleading statement or important omission. If the information provided or disclosed by this transaction is suspected of false records, misleading statements or major omissions, and is investigated by the judicial authorities or investigated by the China Securities Regulatory Commission (CSRC), the directors, supervisors or senior managers of China Merchants Group do not transfer the shares that have interests in listed Company, and submit the written application and stock account of the suspension of the transfer to the Board of Directors of the CMPort within two trading days after receiving the filing inspection notice, and the Board of Directors shall apply for lock-up on behalf of the CMG Hong Kong to the Stock	26 July 2018	Effective continuously	Ongoing

			Exchange and Registration and Settlement Company. In case of failing to file a locking application within two transaction days and after the Board of Directors is authorized for verification, identity information and account information on directors, supervisors or administrative officers of China Merchants Group will be directly submitted to Stock Exchange and Registration and Settlement Company with locking applied; In case of Board of Directors failing to submit identity information and account information on directors, supervisors or administrative officers of China Merchants Group to Stock Exchange and Registration and Settlement Company, Stock Exchange and Registration and Settlement Company will be authorized to directly lock related shares. In case that the situation of violating laws and rules is found upon investigation conclusion, directors, supervisors or administrative officers of China Merchants Group promise locked shares are voluntarily used for compensating related investors.			
CMG Hong Kong	Other commitment	<p>1. CMG Hong Kong ensures related information provided for the transaction is true, accurate and complete without false record, misleading statement or important omission; 2. CMG Hong Kong ensures the data provided to CMPort and all intermediary organs participating in the transaction is true, accurate and complete original written data or data copy. Data copy is consistent with original data and signature and seal of all the documents are true. The signatory of such documents is legally authorized and effectively signs such documents without any false record, misleading statement or important omission; 3. CMG Hong Kong ensures descriptions and confirmations issued for the transaction is true, accurate and complete without false record, misleading statement or important omission; 4. CMG Hong Kong ensures that statutory disclosure and report obligation has been performed, and no contracts, agreements, arrangements or miscellaneous that should have been disclosed exists; 5. The CMG Hong Kong made the commitment that if the information provided or disclosed by this transaction is suspected of false records, misleading statements or major omissions, and is investigated by the judicial authorities or investigated by the China Securities Regulatory Commission (CSRC), it does not transfer the shares that have interests in listed Company, and submit the written application and stock account of the suspension of the transfer to the Board of Directors of the CMPort within two trading days after receiving the filing inspection notice, and the Board of Directors shall apply for lock-up on behalf of the CMG Hong Kong to the Stock Exchange and Registration and Settlement Company. In case of failing to file a locking application within two transaction days and after the Board of Directors is authorized for verification, identity information and account information on CMG Hong Kong will be directly submitted to Stock Exchange and Registration and Settlement Company with locking applied; In case of Board of Directors failing to submit identity information and account information on CMG Hong Kong to Stock Exchange and Registration and Settlement Company, Stock Exchange and Registration and Settlement Company will be authorized to directly lock related shares. If the investigation finds that there is a violation of the law, CMG Hong Kong committed to lock the shares voluntarily for the relevant investor compensation; 6. If CMG Hong Kong promises to related document, data and information provided in the reorganization process aren't true, accurate or complete or are with false record, misleading statement or important omission, CMG Hong Kong is willing to legally bear corresponding legal responsibility; 7. In case of CMG Hong Kong violating the above promise, incurring losses to CMPort, CMG Hong Kong will take corresponding compensation responsibility.</p>	26 July 2018	Effective continuously	Ongoing	

	CMPID	Other commitment	<p>1. CMPID ensures related information provided for the transaction is true, accurate and complete without false record, misleading statement or important omission; 2. CMPID ensures the data provided to CMPort and all intermediary organs participating in the transaction is true, accurate and complete original written data or data copy. Data copy is consistent with original data and signature and seal of all the documents are true. The signatory of such documents is legally authorized and effectively signs such documents without any false record, misleading statement or important omission; 3. CMPID ensures description and confirmation provided for the transaction are true, accurate and complete without any false record, misleading statement or important omission; 4. CMPID ensures that statutory disclosure and report obligation has been performed, and no contracts, agreements, arrangements or miscellaneous that should have been disclosed exists; 5. The CMPID made the commitment that if the information provided or disclosed by this transaction is suspected of false records, misleading statements or major omissions, and is investigated by the judicial authorities or investigated by the China Securities Regulatory Commission (CSRC), it does not transfer the shares that have interests in CMPort, and submit the written application and stock account of the suspension of the transfer to the Board of Directors of the CMPort within two trading days after receiving the filing inspection notice, and the Board of Directors shall apply for lock-up on behalf of the CMG Hong Kong to the Stock Exchange and Registration and Settlement Company. If the application for lock-up is not submitted within two transaction days, the Board of Directors is authorized to verify and submit the identity information and account information of CMPID directly to the Stock Exchange and Registration and Settlement Company and apply for lock-up; If the Board of Directors fails to submit the identity information and account information of the CMPID to the Stock Exchange and Registration and Settlement Company, then the Stock Exchange and Registration and Settlement Company shall be authorized to directly lock the relevant shares. If the investigation finds that there is a violation of the law, CMPID committed to lock the shares voluntarily for the relevant investor compensation; 6. If CMPID promises to related document, data and information provided in the reorganization process aren't true, accurate or complete or are with false record, misleading statement or important omission, CMPID is willing to legally bear corresponding legal responsibility; 7. In case of CMPID violating the above commitment, incurring losses to CMPort, CMPID will take corresponding compensation responsibility.</p>	26 July 2018	Effectively continuously	Ongoing
	CMPort Holdings	Other commitment	<p>1. CMPort Holdings ensures related information provided for the transaction is true, accurate and complete without false record, misleading statement or important omission; 2. CMPort Holdings ensures the data provided to CMPort and all intermediary organs participating in the transaction is true, accurate and complete original written data or data copy. Data copy is consistent with original data and signature and seal of all the documents are true. The signatory of such documents is legally authorized and effectively signs such documents without any false record, misleading statement or important omission; 3. CMPort Holdings ensures description and confirmation provided for the transaction are true, accurate and complete without any false record, misleading statement or important omission; 4. CMPort Holdings ensures that statutory disclosure and report obligation has been performed, and no contracts, agreements, arrangements or miscellaneous that should have been disclosed exists; 5. CMPort Holdings made the commitment that if the information provided or disclosed by this transaction is suspected of false records, misleading</p>	26 July 2018	Effectively continuously	Ongoing

		statements or major omissions, and is investigated by the judicial authorities or investigated by the China Securities Regulatory Commission (CSRC); CMPort Holdings committed that if CMPort Holdings violated the above promise, incurring losses to CMPort, CMPort Holdings will take corresponding compensation responsibility.			
CMG	Other commitment	1. China Merchants Group ensures related information provided for the transaction is true, accurate and complete without false record, misleading statement or important omission; 2. China Merchants Group ensures the data provided to CMPort and all intermediary organs participating in the transaction is true, accurate and complete original written data or data copy. Data copy is consistent with original data and signature and seal of all the documents are true. The signatory of such documents is legally authorized and effectively signs such documents without any false record, misleading statement or important omission; 3. China Merchants Group ensures descriptions and confirmations issued for the transaction is true, accurate and complete without false record, misleading statement or important omission; 4. China Merchants Group ensures that statutory disclosure and report obligation has been performed, and no contracts, agreements, arrangements or miscellaneous that should have been disclosed exists; 5. China Merchants Group made the commitment that if the information provided or disclosed by this transaction is suspected of false records, misleading statements or major omissions, and is investigated by the judicial authorities or investigated by the China Securities Regulatory Commission (CSRC), it does not transfer the shares that have interests in CMPort, and submit the written application and stock account of the suspension of the transfer to the Board of Directors of the CMPort within two trading days after receiving the filing inspection notice, and the Board of Directors shall apply for lock-up on behalf of China Merchants Group to the Stock Exchange and Registration and Settlement Company. In case of failing to file a locking application within two transaction days and after the Board of Directors is authorized for verification, identity information and account information of China Merchants Group will be directly submitted to Stock Exchange and Registration and Settlement Company with locking applied; In case of Board of Directors failing to submit identity information and account information of China Merchants Group to Stock Exchange and Registration and Settlement Company, Stock Exchange and Registration and Settlement Company will be authorized to directly lock related shares. If the investigation finds that there is a violation of the law, China Merchants Group committed to lock the shares voluntarily for the relevant investor compensation; 6. If China Merchants Group promises to related document, data and information provided in the reorganization process aren't true, accurate or complete or are with false record, misleading statement or important omission, China Merchants Group is willing to legally bear corresponding legal responsibility; In case of China Merchants Group violating the above promise, incurring losses to CMPort, China Merchants Group will take corresponding compensation responsibility.	26 July 2018	Effectively continuously	Ongoing
Chiwan Wharf and all directors, supervisors and senior management	Other commitment	Chiwan Wharf and all its directors, supervisors and administrative officers ensure the transaction report, its abstract, other information provided for the transaction and application document are true, accurate and complete without false record, misleading statement or important omission as well as take individual and joint legal liability for false record, misleading statement or important omission. If the information provided or disclosed by this transaction is suspected of false records, misleading statements or major omissions, and is investigated by the judicial authorities or investigated by the China Securities Regulatory Commission (CSRC), the	26 July 2018	Effectively continuously	Ongoing

			directors, supervisors, or senior managers of Chiwan Wharf do not transfer the shares that have interests in CMPort, and submit the written application and stock account of the suspension of the transfer to the Board of Directors of the CMPort within two trading days after receiving the filing inspection notice, and the Board of Directors shall apply for lock-up on behalf of them to the Stock Exchange and Registration and Settlement Company. In case of failing to file a locking application within two transaction days and after the Board of Directors is authorized for verification, identity information and account information on directors, supervisors or administrative officers of Chiwan Wharf will be directly submitted to Stock Exchange and Registration and Settlement Company with locking applied; In case of Board of Directors failing to submit identity information and account information on directors, supervisors or administrative officers of Chiwan Wharf to Stock Exchange and Registration and Settlement Company, Stock Exchange and Registration and Settlement Company will be authorized to directly lock related shares. In case that the situation of violating laws and rules is found upon investigation conclusion, directors, supervisors or administrative officers of Chiwan Wharf promise locked shares are voluntarily used for compensating related investors.			
Other commitments made to minority shareholders	China Nanshan Development (Group) Inc.	Other commitment	CND Group will irrevocably and unconditionally agrees it will ensure transferee of such land use right and its successor and assignee will be fully exempted from responsibility for the above matters in case of CMPort encountering losses, needing to bear expenses and liabilities, undergoing claim for compensation or needing to file a lawsuit due to any actual or potential illegal and unenforceable issues incurred by land use agreement and relevant documents signed and to be signed by it.	20 March 2001; 18 June 2003; 29 September 2004	Effectively continuously	Ongoing
	China Nanshan Development (Group) Inc.	Other commitment	In order to properly solve the issue regarding the ownership of the land of 270,692 square meters transferred to CMPort by CND Group as a contribution, CND Group hereby irrevocably undertakes as follows: 1. CND Group affirms the historical fact that it contributed to the restructuring and listing of Chiwan Wharf with the right to use 270,692 square meters of land in 1993. Besides, it affirms that the 270,692 square meters of land has been transferred to CMPort (formerly known as Chiwan Wharf) and the right to use the land is owned by CMPort. 2. CND Group will continue keeping the original undertaking and ensure that the signing of the relevant agreement will not damage CMPort's rights and interests of 148,119 square meters of land transferred in 1993 to CMPort (formerly, Chiwan Wharf) as a contribution. 3. CND Group will continue giving full play to its advantages to fully support land-related authorities in Shenzhen City to secure CMPort's right to use the 270,692 square meters of land. Moreover, CND Group will continue to actively assist CMPort in going through the corresponding procedures for the change of ownership of property rights and perfect legal procedures related to the right to use the land (e.g., defining the boundary line of land, land surveying, and claiming for the certificate of land). In addition, CND Group undertakes to cover all costs incurred accordingly (including the land premium). 4. All consequent losses to CMPort shall be borne by CND Group, should the latter break the above undertaking. Furthermore, CND Group will shoulder all liabilities for damage, if the asset integrity of the listed company, CMPort, is damaged.	2 July 2020	Effectively continuously	Ongoing
	CMG	Other commitment	CMPort intends to issue 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised in this non-public offering is RMB10,917,111,500. In order to ensure that the compensation measures for the dilution of immediate returns in this non-public offering can be	13 July 2021	Effectively continuously	Ongoing

		effectively implemented, in accordance with the <i>Opinions of the General Office of the State Council on Further Strengthening the Work of Protection of the Legitimate Rights and Interests of Minority Investors in the Capital Markets</i> (G.B.F. [2013 No. 110), the <i>Guiding Opinions on Matters concerning the Dilution of Immediate Return in Initial Public Offering, Refinancing and Material Asset Restructuring</i> (Announcement of the China Securities Regulatory Commission [2015] No. 31) and other laws, regulations and normative documents, as the controlling shareholder and actual controller of the issuer of the non-public offering, I hereby make a commitment as follows concerning the dilution of immediate returns and compensation measures in connection with the non-public offering: 1. I will not interfere in the operation and management activities of the Company beyond its authority and will not encroach on its interests. 2. From the date of issuance of this commitment to the completion of the non-public offering of the Company, if the regulatory authority has other requirements on the measures to compensate the returns and the relevant provisions of the commitment, and the commitment cannot meet the relevant requirements of the regulatory authority, I will make a supplementary commitment in accordance with relevant regulations.			
	CMG	Other commitment CMPort intends to issue 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised by this non-public offering is RMB10,917,111,500, which will be subscribed by Seaport Group in a lump sum in cash. As the actual controller of CMPort, the company hereby make a commitment as follows: In connection with this non-public offering, the company does not provide financial assistance, compensation, promise of benefits or other similar arrangements to Seaport Group, directly or through its stakeholders.	16 November 2021	Effective continuously	Ongoing
	Broadford Global	Other commitment CMPort intends to issue 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised in this non-public offering is RMB10,917,111,500. In order to ensure that the compensation measures for the dilution of immediate returns in this non-public offering can be effectively implemented, in accordance with the <i>Opinions of the General Office of the State Council on Further Strengthening the Work of Protection of the Legitimate Rights and Interests of Minority Investors in the Capital Markets</i> (G.B.F. [2013 No. 110), the <i>Guiding Opinions on Matters concerning the Dilution of Immediate Return in Initial Public Offering, Refinancing and Material Asset Restructuring</i> (Announcement of the China Securities Regulatory Commission [2015] No. 31) and other laws, regulations and normative documents, as the controlling shareholder and actual controller of the issuer of the non-public offering, I hereby make a commitment as follows concerning the dilution of immediate returns and compensation measures in connection with the non-public offering: 1. I will not interfere in the operation and management activities of the Company beyond its authority and will not encroach on its interests. 2. From the date of issuance of this commitment to the completion of the non-public offering of the Company, if the regulatory authority has other requirements on the measures to compensate the returns and the relevant provisions of the commitment, and the commitment cannot meet the relevant requirements of the regulatory authority, I will make a supplementary commitment in accordance with relevant regulations.	13 July 2021	Effective continuously	Ongoing
	Broadford Global	Other commitment CMPort intends to issue 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund	16 November 2021	Effective	Ongoing

		nt	raised by this non-public offering is RMB10,917,111,500, which will be subscribed by Seaport Group in a lump sum in cash. As the controlling shareholder of CMPort, the company hereby make a commitment as follows: In connection with this non-public offering, the company does not provide financial assistance, compensation, promise of benefits or other similar arrangements to Seaport Group, directly or through its stakeholders.		continuously	ng
	Director s and senior manage ment of CMPort	Other commitme nt	CMPort intends to issue 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised in this non-public offering is RMB10,917,111,500. In order to ensure that the compensation measures for the dilution of immediate returns in this non-public offering can be effectively implemented, in accordance with the <i>Opinions of the General Office of the State Council on Further Strengthening the Work of Protection of the Legitimate Rights and Interests of Minority Investors in the Capital Markets</i> (G.B.F. [2013 No. 110]), the <i>Guiding Opinions on Matters concerning the Dilution of Immediate Return in Initial Public Offering, Refinancing and Material Asset Restructuring</i> (Announcement of the China Securities Regulatory Commission [2015] No. 31) and other laws, regulations and normative documents, as a director and senior management member of the issuer of the non-public offering, I hereby make a commitment as follows concerning the dilution of immediate returns and compensation measures in connection with the non-public offering: 1. I will not transfer benefits to other units or individuals for free or under unfair conditions, nor will I damage the interests of the Company in other ways. 2. I will regulate my personal business consumption behavior. 3. I will not use the Company's assets to engage in investment and consumption activities unrelated to the performance of my duties. 4. The salary system formulated by the board of directors or the remuneration committee is linked to the implementation of the Company's return compensation measures. 5. If the Company intends to implement equity incentives, the exercise conditions of such equity incentive are linked to the implementation of the Company's return compensation measures. 6. From the date of issuance of this commitment to the completion of the non-public offering of the Company, if the regulatory authority has other requirements on the measures to compensate the returns and the relevant provisions of the commitment, and the commitment cannot meet the relevant requirements of the regulatory authority, I will make supplementary commitments in accordance with relevant regulations.	13 July 2021	Effective continuous ly	Ongoi ng
	CMPort	Other commitme nt	Ningbo Port intends to issue A shares to CMPort in a non-public manner. As the subscription target of Ningbo Port's 2021 non-public offering of A-shares, CMPort irrevocably makes the following statements and commitments: Ningbo Port's 2021 non-public offering of A-shares is Ningbo Port's non-public offering of A-shares to CMPort. After the completion of Ningbo Port's non-public offering of A-shares to CMPort, the business relationship and management relationship between Ningbo Zhoushan Port Group, Seaport Group and the subordinate enterprises controlled by them and Ningbo Port will not change substantially, and it will not lead to new or potential competition in the same industry between Ningbo Port and Ningbo Zhoushan Port Group, Seaport Group and the subordinate enterprises controlled by them. Assuming that 3,646,971,029 shares are issued (i.e., 23.07% of the total share capital prior to issuance), after the completion of Ningbo Port's non-public offering of A-shares to CMPort, CMPort holds 20.98% shares of Ningbo Port and 2.10% shares of Ningbo Port	13 July 2021	Effective continuous ly	Ongoi ng

			<p>through China Merchants Ningbo. Thus, CMPort holds 23.08% shares of Ningbo Port in total. It will not lead to changes in the controlling shareholder and actual controller of Ningbo Port, so it will not lead to new or potential competition between Ningbo Port and CMPort and its controlling shareholder and actual controller.</p> <p>CMPort warrants that it has the right to enter into this Letter of Statements and Commitments, and once this Letter of Statements and Commitments is entered into by CMPort, it will constitute an effective, legal and binding responsibility upon the CMPort, and this Letter of Statements and Commitments will remain valid and irrevocable during the period when CMPort is as a shareholder of Ningbo Port. CMPort warrants that it will strictly fulfill all commitments in this Letter of Statements and Commitments. In case of any loss caused to Ningbo Port due to its violation of this Letter of Statements and Commitments, CMPort will bear relevant legal responsibilities.</p>			
	CMPort	Other commitment	<p>CMPort intends to fully subscribe the shares issued through non-public offering by Ningbo Port with cash. It is expected that after the issuance, CMPort and its subsidiary China Merchants Ningbo will hold about 23.08% of shares of Ningbo Port in total. CMPort and Ningbo Port continue to be independent from each other in assets, personnel, finance, organization and business. The A-shares issued by Ningbo Port to CMPort through non-public offering will not affect the independent operation ability of Ningbo Port. The statements on the independent operation of Ningbo Port after the completion of its non-public offering of A-shares to CMPort are as follows:</p> <p>i. Independent assets After the non-public offering of A-shares by Ningbo Port to CMPort, Ningbo Port still has complete and independent ownership of all its assets, which are strictly separated from the assets of CMPort and completely operated independently. There is no mixed operation, unclear assets, or fund or assets occupied by CMPort.</p> <p>ii. Independent personnel After the non-public offering of A-shares by Ningbo Port to CMPort, Ningbo Port will continue to have an independent and complete labor and personnel management system, which is completely independent from CMPort. The selection of directors, supervisors, managers and other senior management personnel recommended by CMPort to Ningbo Port shall be carried out through legal procedures. CMPort shall not interfere with the personnel appointment and removal decisions made by the board of directors and the general meeting of Ningbo Port.</p> <p>iii. Independent finance After the non-public offering of A-shares by Ningbo Port to CMPort, Ningbo Port will continue to maintain an independent financial accounting department, operate an independent accounting system and independent a financial management system. It will keep its independent bank account and will not share the bank account with CMPort. It will pay taxes independently and make independent financial decisions, and CMPort will not interfere in the use of funds of Ningbo Port. CMPort will not interfere with the use of funds of Ningbo Port in any illegal or rule-violating way, and Ningbo Port will not provide guarantee for other enterprises controlled by CMPort. No Ningbo Port's financial employee will work part-time in CMPort.</p> <p>iv. Independent organizations Ningbo Port will continue to maintain a sound corporate governance structure of joint-stock company. It has an independent and complete organizational structure. Its general meeting, board of directors, independent directors, board of supervisors and senior management exercise their functions and powers independently in accordance with laws, regulations and</p>	13 July 2021	Effectively continuously	Ongoing

		articles of association. It is in no subordinate or controlling relationship with the functional departments of other enterprises controlled by CMPort. v. Independent business Ningbo Port has an independent management system, assets, personnel, venues and brands to carry out business independently, and the ability to operate independently and continuously in the market. CMPort will not intervene in Ningbo Port's business activities other than the exercise of its rights as a shareholder.			
CMPort	Other commitment	Ningbo Port intends to issue A-shares to CMPort in a non-public manner. As the subscription target of Ningbo Port's 2021 non-public offering of A-shares, CMPort makes the following commitments: The fund used by CMPort to subscribe for the 2021 non-public offering of A-shares by Ningbo Port in accordance with the <i>Share Subscription Agreement between Ningbo Zhoushan Port Company Limited and China Merchants Port Group Co., Ltd.</i> is self-owned fund or self-raised fund. There is no external fund raising, proxy holding, structural arrangement or direct or indirect use of funds of Ningbo Zhoushan Port Company Limited and its related parties for this subscription. There is no financial support, compensation, promise of income or other arrangements by Ningbo Zhoushan Port Company Limited or its controlling shareholder or actual controller to CMPort directly or through its stakeholders.	13 July 2021	Effective continuously	Ongoing
CMPort	Other commitment	CMPort intends to fully subscribe the shares issued through non-public offering by Ningbo Port with cash. It is expected that after the issuance, CMPort and its subsidiary China Merchants Ningbo will hold about 23.08% of shares of Ningbo Port in total. CMPort's statements on non-transfer within 36 months after completion of subscription are as follows: The shares non-publicly offered by Ningbo Port that CMPort subscribes shall not be transferred within 36 months from the date of the end of the non-public offering of A-shares by Ningbo Port to CMPort. The shares derived from the company's distribution of stock dividends and the conversion of capital reserve fund into equity regarding the shares subscribed for by CMPort through this non-public offering shall also comply with the above lock-in arrangement.	13 July 2021	Effective continuously	Ongoing
CMPort	Other commitment	CMPort intends to issue 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, the fund raised in this non-public offering is RMB10,917,111,500. In order to further ensure the use of the funds raised in this non-public offering, the Company makes statements as follows: 1. The Company intends to use the proceeds of this non-public share offering to supplement working capital and repay debts, and it does not involve real estate development projects. 2. The fund raised by the Company in this non-public offering shall not be used for real estate development or in a disguised form.	29 September 2021	Effective continuously	Ongoing
CMPort	Other commitment	CMPort intends to issue 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised by this non-public offering is RMB10,917,111,500, which will be subscribed by Seaport Group in a lump sum in cash. The Company hereby makes commitments as follows: In connection with this non-public offering, the Company does not make a commitment on guarantee income or disguised guarantee income to Seaport Group, nor does it provide financial assistance, compensation, promise of benefits or other similar arrangements to Seaport Group, directly or through its stakeholders.	29 September 2021	Effective continuously	Ongoing
CMPort	Other commitment	CMPort makes the following commitments regarding the reduction of shares involved in the 2021 non-public offering of A-shares by Ningbo Port:	18 November 2021	Effective continuously	Ongoing

		<p>1. CMPort, its persons acting in concert and related parties controlled by CMPort have not reduced their holdings of shares of Ningbo Port from the six months prior to benchmark pricing date of Ningbo Port's 2021 non-public offering of A-shares to the date of issuance of this Letter of Commitment.</p> <p>2. CMPort, its persons acting in concert and related parties controlled by CMPort will not have the plan to reduce their holdings of shares of Ningbo Port from the date of issuance of this Letter of Commitment to the six months after the completion of Ningbo Port's 2021 non-public offering of A-shares.</p> <p>3. CMPort, its persons acting in concert and related parties controlled by CMPort will not violate Article 44 of the <i>Securities Law of the People's Republic of China</i>.</p> <p>4. In case of any violation of the above commitments, the income from the reduction in holdings of shares of Ningbo Port obtained by CMPort, its persons acting in concert and related parties controlled by CMPort will all be owned by Ningbo Port, and they bear the legal liabilities arising therefrom according to law.</p>			
CMPort	Other commitment	<p>CMPort intends to issue 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised by this non-public offering is RMB10,917,111,500. The Company hereby makes the following commitments regarding the Qualification Certificate of Real Estate Development Enterprise of the People's Republic of China (Number: SH.F.K.Z. (2017) No. 879) obtained by Shenzhen Jinyu Rongtai Investment Development Co., Ltd (hereinafter referred to as "Jinyu Rongtai"), a wholly-owned subsidiary of the Company:</p> <p>The Company will actively coordinate Jinyu Rongtai to handle the cancellation of the aforesaid real estate development qualification certificate. Within 30 days after approval of relevant laws and regulations, regulatory regulations and competent housing authorities, Jinyu Rongtai will apply to the competent housing department for the cancellation of real estate development qualification registration. Before the cancellation or expiration of the qualification, the Company and Jinyu Rongtai will not use the qualification to engage in real estate development and operation and other related businesses. After qualification cancellation or invalidity, qualification renewal or new real estate development qualification will not be handled.</p>	19 November 2021	Effective continuously	Ongoing
CMPort	Other commitment	<p>CMPort intends to issue 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised by this non-public offering is RMB10,917,111,500, which will be subscribed by Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd. in a lump sum in cash. The Company makes commitments in connection with the fund raised in this non-public offering as follows:</p> <p>The proceeds from this non-public offering of shares will not flow into China Nanshan Development (Group) Co., Ltd. through any direct or indirect means.</p>	16 December 2021	Effective continuously	Ongoing
CMPort	Other commitment	<p>CMPort intends to issue 576,709,537 RMB ordinary shares (A shares) to specific targets in a non-public manner, and the fund raised by this non-public offering is RMB10,917,111,500, which will be subscribed by Zhejiang Provincial Seaport Investment & Operation Group Co., Ltd. in a lump sum in cash. The Company hereby makes commitments as follows:</p> <p>Prior to the completion of the use of the fund raised in this non-public offering or within 36 months after the fund is raised, no additional investment (including capital increase, loan, guarantee and capital investment in other forms) shall be made in industrial funds and M&A funds that do not conform to the Company's upstream and downstream industrial chain or the Company's main business and strategic development direction.</p>	7 January 2022	Effective continuously	Ongoing

Whether fulfilled on time	Yes
Specific reasons for failing to fulfill commitments on time and plans for next step (if any)	N/A

2. Where there Had Been an Earnings Forecast for an Asset or Project and the Reporting Period Was still within the Forecast Period, Explain why the Forecast Has Been Reached for the Reporting Period.

Applicable Not applicable

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

Applicable Not applicable

During the Reporting Period, the controlling shareholder or its related parties did not occupy capital or repay for non-operating purposes. Deloitte Touche Tohmatsu Certified Public Accountants LLP issued the Special Report on Occupation of the Company's Capital by the Controlling Shareholder and Other Related Parties, and refer to www.cninfo.com.cn for details

III Irregularities in the Provision of Guarantees

Applicable Not applicable

No such cases in the Reporting Period.

IV Explanations Given by the Board of Directors Regarding the Independent Auditor's "Modified Opinion" on the Financial Statements of the Latest Period

Applicable Not applicable

V Explanations Given by the Board of Directors, the Supervisory Committee and Independent Directors (if any) Regarding the Independent Auditor's "Modified Opinion" on the Financial Statements of the Reporting Period

Applicable Not applicable

VI YoY Changes to Accounting Policies, Estimates or Correction of Material Accounting Errors

Applicable Not applicable

No such cases in the Reporting Period.

VII YoY Changes to the Scope of the Consolidated Financial Statements

On 18 December 2020, the Company signed the *Equity Subscription and Capital Increase Agreement* for CMHIT with the Company's subsidiaries CMPort Holdings and CMHIT, Jifa Logistics, DPCD, and Yingkou Port Group.

According to the *Equity Subscription and Capital Increase Agreement*, Jifa Logistics and DPCD would increase the capital of CMHIT with 29.40% and 49.63% of their respective shares in DPN, and Yingkou Port Group would increase the capital of CMHIT with 100% of its equity in YPIT. Before and after the merger, CMHIT, DPN and YPIT are all subject to the final control of CMG, the actual controller of the Company, and such control is not temporary.

The above capital increase was completed on 9 February 2021. Upon completion of the capital increase, CMHIT changed its name to CMIT. The Company, CMPort Holdings, Jifa Logistics, DPCD and Yingkou Port Group hold 13.18%, 43.74%, 13.26%, 22.38% and 7.44% equity in CMIT, respectively. CMIT remains a majority-owned subsidiary of the Company. CMIT holds 79.03% equity in DPN and 100% equity in YPIT respectively, and is able to exercise control over the latter two companies. Therefore, since 9 February 2021, the Company will follow the accounting processing method for enterprise merger under the same control and include DPN and YPIT in the consolidated scope of the Company's consolidated financial statements from the beginning of the comparative financial statement period.

VIII Engagement and Disengagement of Independent Auditor

Current independent auditor

Name of the domestic independent auditor	Deloitte Touche Tohmatsu Certified Public Accountants LLP
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The Company's payment to the domestic independent auditor (RMB'0,000)	703.71
How many consecutive years the domestic independent auditor has provided audit service for the Company	10
Names of the certified public accountants from the domestic independent auditor writing signatures on the auditor's report	Xu Xiangzhao, Pi Dehan
How many consecutive years the certified public accountants have provided audit service for the Company	1
Name of the overseas independent auditor (if any)	Deloitte Touche Tohmatsu
The Company's payment to the overseas independent auditor (RMB'0,000) (if any)	359.08
How many consecutive years the overseas independent auditor has provided audit service for the Company (if any)	10
Names of the certified public accountants from the overseas independent auditor writing signatures on the auditor's report (if any)	Hu Jinghua
How many consecutive years the certified public accountants have provided audit service for the Company (if any)	1

Indicate by tick mark whether the independent auditor was changed for the Reporting Period.

Yes No

Independent auditor, financial advisor or sponsor engaged for the audit of internal controls:

Approved by the 3rd Meeting of the 10th Board of Directors in 2021 and 2020 Annual General Meeting of the Company, the Company was allowed to continuously engage Deloitte Touche Tohmatsu Certified Public Accountants LLP as the 2021 independent auditor for the audit of annual financial statements and internal control in the 2021. The audit price for 2021 annual financial statements was RMB10.1939 million and the price for internal control was RMB0.434 million. The total expense on aforesaid two audit work was RMB10.6279 million.

IX Possibility of Delisting after Disclosure of this Report

Applicable Not applicable

X Insolvency and Reorganization

Applicable Not applicable

No such cases in the Reporting Period.

XI Major Legal Matters

Applicable Not applicable

No such cases in the Reporting Period.

Other legal matters

Basic situation of	Lawsuit	Whether	Process of lawsuit	Trial results and	Situation of	Disclo	Disclo
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lawsuit (arbitration)	amount (RMB '0,000)	form into estimated liabilities	(arbitration)	influences of lawsuit (arbitration)	execution of judgment of lawsuit (arbitration)	sure date	sure index
Summary of Brazil TCP Case (note)	2,0780.79	Partly	In progress	Relatively low risk	-	-	-
Summary of other matters not meeting the disclosure standards for major lawsuits (arbitrations)	21,024.00	Partly	In progress	Relatively low risk	-	-	-

Note: This 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 Company's management, the possible compensation is RMB207,807,928.33 but it is not likely to cause outflow of economic benefits from the Company. Therefore, the contingent liabilities arising from the above pending litigations are not recognized as provisions. The counter-bonification where the Company 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 need to make counter-bonification to the Company in respect of the above contingent liabilities, with the compensation amount not exceeding pre-determined amount and specified period.

XII Punishments and Rectifications

Applicable Not applicable

No such cases in the Reporting Period.

XIII Credit Quality of the Company as well as Its Controlling Shareholder and Actual Controller

Applicable Not applicable

XIV Major Related-Party Transactions

1. Continuing Related-Party Transactions

Related party	Relationship with the Company	Type of transaction	Specific transaction	Pricing principle	Transaction price (RMB'0,000)	Total value (RMB'0,000)	As % of the total value of all the same-type transactions	Approved transaction line (RMB'0,000)	Over the approved line or not	Way of settlement	Obtainable market price for same-type transactions (RMB'0,000)	Disclosure date	Index to disclosed information
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Liaoning Port Group Co., Ltd. and its subsidiaries	Under the control of ultimate shareholder	Render service and lease to related party, receive service and lease from related party	Lease, labor cost, information service income, etc.	Market price	19,087.72	19,087.72	20.66%	29,728.29	No	Settled monthly	19,087.72	31 March 2021	www.cninfo.com.cn (Announcement No. 2021-021)
Antong Holdings Co., Ltd. and its subsidiaries	Affiliated legal person	Render service to related party, receive service and lease from related party	Labor cost, freight forwarding agent, Port service charge	Market price	14,925.75	14,925.75	19.24%	13,522.24	Yes	Settled monthly	14,925.75	31 March 2021	www.cninfo.com.cn (Announcement No. 2021-021)
Sinotrans Limited and its subsidiaries	Under the control of ultimate shareholder	Render service and lease to related party, receive service from related party	Labor cost, demurrage, lease, etc.	Market price	16,285.64	16,285.64	18.85%	14,637.11	Yes	Settled monthly	16,285.64	31 March 2021	www.cninfo.com.cn (Announcement No. 2021-021)
China Merchants Shekou Industrial Zone Holdings Co., Ltd. and its subsidiaries	Under the control of ultimate shareholder	Render service and lease to related party, receive service and lease from related party	Labor cost, lease expense of land and houses	Market price	9,123.15	9,123.15	10.24%	9,506.17	No	Settled monthly	9,123.15	31 March 2021	www.cninfo.com.cn (Announcement No. 2021-021)
Total				--	--	59,422.26	--	67,393.81	--	--	--	--	--
Large-amount sales return in detail				None									

Give the actual situation in the Reporting Period (if any) where an estimate had been made for the total value of continuing related-party transactions by type to occur in the Reporting Period	The Proposal on Recognition of 2020 Daily Related-party Transaction and the Forecast of 2021 Daily Related-party Transaction was reviewed and approved on the 2020 Annual General Meeting on 28 May 2021, which allowed the Company and subsidiaries to conduct daily business transaction including office leasing, providing or receiving labor services. The amount of daily related-party transactions in 2021 is estimated to be RMB909 million. The actual occurrence of the company's daily related transactions in 2021 is significantly different from the expected event, which is due to the company's actual market demand and business development needs, and is a normal business adjustment of the company, which does not have a significant impact on the company's daily operations and performance. The transaction price is based on market principles. It is determined that the pricing is fair, fair and just, and there is no situation that damages the interests of the company and minority shareholders.
Reason for any significant difference between the transaction price and the market reference price (if applicable)	N/A

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

Applicable Not applicable

3. Related Transactions Regarding Joint Investments in Third Parties

Applicable Not applicable

4. Credits and Liabilities with Related Parties

Whether there are credits and liabilities with non-operating related parties

Yes No

Credits receivable with related parties

Related party	Related relationship	Forming reason	Whether there is occupation on non-operating capital or not	Beginning balance (RMB'0,000)	Increased in the Reporting Period (RMB'0,000)	Recovered in the Reporting Period (RMB'0,000)	Interest rate	Interest in the Reporting Period (RMB'0,000)	Ending balance (RMB'0,000)
China Merchants Bank	The ultimate controlling shareholder has major influence on it	Bank deposits/Structured deposit	No	275,114.92	6,577,235.92	6,505,918.26	1.65%-3.16%	3,293.16	346,432.58
Effects of credits with related parties on the Company's operating results and financial conditions	The above credits receivable with related parties were mainly deposits in financial institutions which has no major influence on the Company's operating results and financial conditions.								

Liabilities payable with related parties:

Related party	Related relationship	Forming reason	Beginning balance (RMB'0,000)	Increased in the Reporting Period (RMB'0,000)	Recovered in the Reporting Period (RMB'0,000)	Interest rate	Interest in the Reporting Period (RMB'0,000)	Ending balance (RMB'0,000)
China	The ultimate	Borrowing	10,903.32	9,096.68	0	3.41%	730.92	20,022.73

Merchants Bank	controlling shareholder has major influence on it							
Effects of liabilities with related parties on the Company's operating results and financial conditions		The above liabilities payable with related parties were mainly financial institution loans which had no major influence on the Company's operating results and financial conditions.						

5. Transactions with Related Finance Companies

Deposit business

Related party	Related relationship	Daily maximum limits (RMB'0,000)	Interest rate range	Beginning balance (RMB'0,000)	Actual amount		Ending balance (RMB'0,000)
					Total deposited amount (RMB'0,000)	Total withdrawn amount (RMB'0,000)	
China Merchants Group Finance Co., Ltd.	Other company under the same control of controlling shareholder	500,000.00	1.495%-2.1%	168,575.51	1,668,091.74	1,618,844.16	217,823.09

Loan business

Related party	Related relationship	Loan limit (RMB'0,000)	Interest rate range	Beginning balance (RMB'0,000)	Actual amount		Ending balance (RMB'0,000)
					Total loan amount (RMB'0,000)	Total repaid amount (RMB'0,000)	
China Merchants Group Finance Co., Ltd.	Other company under the same control of controlling shareholder	1,000,000.00	1.2%-5.5125%	312,437.74	486,882.23	402,898.27	396,421.70

Credit or other finance business

Related party	Related relationship	Type of business	Total amount (RMB'0,000)	Actual amount (RMB'0,000)
China Merchants Group Finance Co., Ltd.	Other company under the same control of controlling shareholder	Credit	1,000,000.00	396,421.70

The Company did not make deposits in, receive loans or credit from and was not involved in any other finance business with any related finance company or any other related parties.

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

Applicable Not applicable

7. Other Major Related-Party Transactions

(1) The Company held the third meeting of the Tenth Board of Directors on 29 March 2021, and reviewed and approved the *Proposal on the Related-Party Transactions Regarding Making Deposits in and Obtaining Loans from China Merchants Bank in 2021*, which was submitted to the 2020 Annual General Meeting of the Company for deliberation. The Company held the 2020 Annual General Meeting on 28 May 2021, and deliberated and approved the *Proposal on the Related-Party Transactions Regarding Making Deposits in and Obtaining Loans from China Merchants Bank in 2021*, agreeing the Company and its subsidiaries to open bank accounts with China Merchants Bank. In 2021, the maximum deposit balance of the Company and its subsidiaries with China Merchants Bank shall not exceed RMB5 billion, and the maximum loan balance shall not exceed RMB10 billion. For details, please refer to the Announcement on the *Related-Party Transactions Regarding Making Deposits in and Obtaining Loans from China Merchants Bank in 2021* (Announcement No. 2021-022) disclosed by the Company on 31 March 2021, the Announcement on the Resolution of the *2020 General Meeting of Shareholders* (Announcement No. 2021-047) disclosed by the Company on 29 May 2021 and other relevant announcements.

According to the business development needs and capital management requirements, the Company held the fourth meeting of the Tenth Board of Directors on 30 August 2021, and reviewed and approved the *Proposal on Adjustment of the Amount of Deposits and Loans in China Merchants Bank and Related-Party Transaction*, which was submitted to the 2021 First Extraordinary General Meeting of Shareholders for deliberation. The Company held the 2021 First Extraordinary General Meeting of Shareholders on 27 September 2021, deliberated and approved the *Proposal on Adjustment of the Amount of Deposits and Loans in China Merchants Bank and Related-Party Transaction*, agreeing to adjust the deposit and loan amount of the Company with China Merchants Bank, with the adjusted maximum deposit balance not exceeding RMB15 billion and maximum credit balance not exceeding RMB20 billion. For details, please refer to the *Announcement on the Adjustment of the Amount of Deposits and Loans in China Merchants Bank and Related-Party Transaction* (Announcement No. 2021-076) disclosed by the Company on 31 August 2021, the Announcement on the Resolution of *2021 First Extraordinary General Meeting of Shareholders* (Announcement No. 2021-087) disclosed by the Company on 28 September 2021 and other relevant announcements.

(2) The Company held the 3rd Extraordinary Meeting of the 10th Board of Directors in 2021 on 28 April 2021, and reviewed and approved the *Proposal on Related-Party Transaction regarding Conducting Entrusted Wealth Management with Self-Owned Idle Funds*, agreeing that the Company

may use self-owned idle funds to entrust wealth management through financial institutions approved and regulated by the China Banking and Insurance Regulatory Commission (CBIRC) (including but not limited to the related party China Merchants Bank) on the premise of not affecting the funds required for the Company's daily business and effective control of investment risks. The entities using the quota include the Company and its subsidiaries within the consolidated scope, and the total amount shall not exceed RMB3 billion. For details, please refer to the *Announcement on Related-Party Transaction regarding Conducting Entrusted Wealth Management with Self-Owned Idle Funds* (Announcement No. 2021-038) disclosed by the Company on 30 April 2021.

(3) The Company held the 6th Extraordinary Meeting of the 10th Board of Directors in 2021 and the Third Extraordinary Meeting of the 10th Board of Directors in 2021 on 13 July 2021, and reviewed and unanimously approved the *Proposal on the Company's Non-public Offering of A-Shares*, the *Proposal on the Company as a Strategic Investor Subscribing to the Non-public Offering of Shares of Ningbo Zhoushan Port Company Limited and Related-Party Transaction* and other proposals, agreeing the Company to introduce the Seaport Group as a strategic investor and non-publicly offered A shares of RMB577 million (accounting for 30% of the total share capital of the Company before the offering) to Seaport Group to raise RMB10,917 million, and agreeing the Company to participate in the subscription of non-publicly offered 3,646,971,029 A shares of Ningbo Port in 2021 in cash as a strategic investor. For details, please refer to the *Announcement on the Signing of Share Subscription Agreement with Specific Target with Conditions in Force and Related-Party Transaction* (Announcement No. 2021-038) disclosed by the Company on 14 July 2021, the *Announcement on the Company as a Strategic Investor Subscribing to the Non-public Offering of Shares of Ningbo Zhoushan Port Company Limited and Related-Party Transaction* and other relevant announcements.

(4) The Company held the 2nd Extraordinary Meeting of the 10th Board of Directors in 2020 on 30 November 2020, and reviewed and approved the *Proposal on the Establishment of Investment Fund under the Joint Capital Investment with Related Parties and Related-Party Transaction*, agreeing that the Company and its related party, China Merchants Venture and its managed China Merchants Venture Fund, jointly invest in the establishment of CMPort (Shenzhen) Industrial Innovation Private Equity Investment Fund Partnership (Limited Partnership) (hereinafter referred to as the "Fund").

On 26 October 2021, the Fund has completed the first phase of fund raising of RMB200.04 million, of which, China Merchants Venture Fund has contributed RMB100 million (accounting for 49.99%), CMPort has contributed RMB100 million (accounting for 49.99%) and China Merchants Venture has contributed RMB40,000 (0.02%). All relevant parties have signed the *Fund Partnership Agreement*, the *Fund Industry Investment Advisory Agreement* and other relevant agreements. The Fund has

performed the business registration procedures, completed the filing with the Asset Management Association of China on 22 October 2021, and obtained the Certificate of Filing of Private Investment Funds. For details, please refer to the *Announcement on the Establishment of Investment Fund under the Joint Capital Investment with Related Party and Related-Party Transaction* (Announcement No. 2021-095) disclosed by the Company on 26 October 2021.

In January 2022, in view of the fact that the Fund had not commenced actual investment activities, and based on the overall planning of the Company's capital operation, the Company, China Merchants Venture and China Merchants Venture Fund unanimously agreed to dissolve the Fund and go through the corresponding liquidation and cancellation procedures in accordance with the provisions of the *Partnership Law of the People's Republic of China* and other relevant laws and regulations and the partnership agreement related to the Fund. For details, please refer to the *Announcement on the Exit of Investment Fund* (Announcement No. 2022-001) disclosed by the Company on 8 January 2022.

(5) The Company held the 12th Extraordinary Meeting of the 10th Board of Directors in 2021 on 3 December 2021, and reviewed and approved the *Proposal on Transferring 49% Equity of the Joint Stock Company Zhanjiang Merchants Port City Investment Co., Ltd. to a Related Party and Related Party Transaction*, agreeing Broadford Shenzhen, a related party of the Company, to acquire 49% equity interest in Zhanjiang Merchants Port City Investment Co., Ltd. held by Zhanjiang Port, a holding subsidiary of the Company, through an open listing on the Shanghai United Assets and Equity Exchange(SUAEE). For details, please refer to the *Announcement on Transferring 49% Equity of the Joint Stock Company Zhanjiang Merchants Port City Investment Co., Ltd. to a Related Party and Related Party Transaction* (Announcement No. 2021-109) disclosed by the Company on 4 December 2021.

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

Name of provisional reports	Disclosure date	Website
Announcement on Deposit and Loan of Related-party Transaction in 2021 at China Merchants Bank	31 March 2021	www.cninfo.com.cn (Announcement No. 2021-022)
Announcement on Related-Party Transaction regarding Conducting Entrusted Wealth Management with Self-Owned Idle Funds	30 April 2021	www.cninfo.com.cn (Announcement No. 2021-038)
Announcement on Signing Conditionally Effective Share Subscription Agreement with Certain Entities & Related-party Transaction	14 July 2021	www.cninfo.com.cn (Announcement No. 2021-055)
Announcement on Subscription by the Company as a Strategic Investor of Shares in a Private Placement of Ningbo Zhoushan Port Company Limited & Related-party Transaction	14 July 2021	www.cninfo.com.cn (Announcement No. 2021-057)

Announcement on Adjustments to the Deposit and Loan Limits with China Merchants Bank & Related-party Transaction	31 August 2021	www.cninfo.com.cn (Announcement No. 2021-076)
Announcement on Progress of Establishing an Investment Fund and Related-party Transaction jointly with Related Parties through Investments	26 October 2021	www.cninfo.com.cn (Announcement No. 2021-095)
Announcement on Transfer of 49% of Equity Interest in Joint Stock Company Zhanjiang Merchants Port City Investment Co., Ltd. to Related Parties & Related-party Transaction	4 December 2021	www.cninfo.com.cn (Announcement No. 2021-109)
Announcement on the Exit of Investment Fund	8 January 2022	www.cninfo.com.cn (Announcement No. 2022-001)

XV Major Contracts and Execution thereof

1. Entrustment, Contracting and Leases

(1) Entrustment

Details of entrustment

On 13 December 2018, the Company held the 10th Extraordinary Meeting in 2018 of the 9th Board of Directors, on which the Proposal on Signing Custody Agreement of Equity of Liaoning Port Group Co., Ltd. between the Company and China Merchants (Liaoning) Port Development Co., Ltd. was reviewed and approved. The Company was allowed to sign the Custody Agreement of Equity of Liaoning Port Group Co., Ltd. with China Merchants (Liaoning) Port Development Co., Ltd., the indirect wholly-owned subsidiary of CMG, and made an appointment that China Merchants (Liaoning) Port Development entrusted all 49.9% shares of Liaoning Port Group Co., Ltd. held by it to the Company for management (hereinafter referred to as the “Entrustment”).

On 30 December 2021, the Company signed with China Merchants (Liaoning) Port Development Co., Ltd. the Termination Agreement between China Merchants Port Group Co., Ltd. and China Merchants (Liaoning) Port Development Co., Ltd. on the Share Custody Agreement of Liaoning Port Group Co., Ltd., in which the two sides agreed to terminate the custody, and to end the custody agreement since 1 January 2022. The Company will no longer be entrusted to manage Liaoning Port Group. For details, please refer to the Notice on Termination of Custody disclosed by the Company on 31 December 2021 (Notice No.: 2021-120).

Project which generates profit or loss reaching over 10% of total profits of the Company during the Reporting Period

Applicable Not applicable

No such cases in the Reporting Period.

(2) Contracting

Applicable Not applicable

No such cases in the Reporting Period.

(3) Leases

Applicable Not applicable

No such cases in the Reporting Period.

2. Major guarantees**(1) Guarantees**

Unit: RMB'0,000

Guarantees provided by the Company and its subsidiaries for external parties (exclusive of those for subsidiaries)								
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Term of guarantee	Having expired or not	Guarantee for a related party or not
Terminal Link S.A.S.	N/A	6,512.24	11 June 2013	6,512.24	General guarantee	About 20 years	Not	Yes
KHOR AMBADO FZCO	30 March 2019	18,338.11	24 May 2019	11,039.47	Joint-liability	About 13 years	Not	Yes
KHOR AMBADO FZCO	31 March 2021	7,000.00	-	-	-	-	-	-
Total approved line for such guarantees in the Reporting Period (A1)		7,000.00		Total actual balance of such guarantees in the Reporting Period (A2)		-		
Total approved line for such guarantees at the end of the Reporting Period (A3)		31,850.35		Total actual balance of such guarantees at the end of the Reporting Period (A4)		17,551.71		
Guarantee between the Company to its subsidiaries								
Obligor	Disclosure date of the	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Term of guarantee	Having expired or not	Guarantee for a

	guarantee line announcement							related party or not
Chiwan Wharf Holdings (Hong Kong) Limited	16 April 2020	150,000.00	28 July 2020	150,000.00	Joint-liability	About 1 year	Yes	Not
Chiwan Wharf Holdings (Hong Kong) Limited	31 March 2021	150,000.00		120,000.00	Joint-liability	About 1 year	Not	Not
Zhanjiang Port (Group) Co., Ltd.	16 April 2020	200,000.00	-	-	-	-	-	-
Total approved line for such guarantees in the Reporting Period (B1)		350,000.00		Total actual amount of such guarantees in the Reporting Period (B2)		120,000.00		
Total approved line for such guarantees at the end of the Reporting Period (B3)		350,000.00		Total actual balance of such guarantees at the end of the Reporting Period (B4)		120,000.00		
Guarantees provided between subsidiaries								
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Term of guarantee	Having expired or not	Guarantee for a related party or not
China Merchants International Terminal (Qingdao) Co., LTD	16 April 2020	59,010.00.00	1 Jan 2021	7,000.00	Joint and several liability guarantee	About 2 Years	Not	Not
Shenzhen Jinyu Rongtai Investment development Co., LTD	Not Applicable	80,000.00	12 Jan 2017	64,000.00	Joint and several liability guarantee	About 10 Years	Not	Not
China Merchants International (China) Investment Co., LTD	Not Applicable	2,500.00	30 Jun 2016	2,500.00	Joint and several liability guarantee	About 10 Years	Not	Not
China Merchants Finance Company Limited	4 May 2012	318,370.00	4 May 2012	318,370.00	General guarantee	About 10 Years	Not	Not
China Merchants Finance Company Limited	3 Aug 2015	318,370.00	3 Aug 2015	318,370.00	General guarantee	About 10 Years	Not	Not

CMHI Finance (BVI) Co., Ltd	6 Aug 2018	573,066.00	6 Aug 2018	573,066.00	General guarantee	About 5 Years	Not	Not
CMHI Finance (BVI) Co., Ltd	6 Aug 2018	382,044.00	6 Aug 2018	382,044.00	General guarantee	About 10 Years	Not	Not
CMHI Finance (BVI) Co., Ltd	26 Sept 2020	509,392.00	9 Oct 2020	382,044.00	General guarantee	About 3 Years	Not	Not
				127,348.00	General guarantee	About 5 Years	Not	Not
COLOMBO INTERNATIONAL CONTAINER TERMINALS LIMITED	Not Applicable	14,340.02	16 Sept 2012	14,340.02	General guarantee	About 13 Years	Not	Not
COLOMBO INTERNATIONAL CONTAINER TERMINALS LIMITED	Not Applicable	9,551.10	16 Sept 2012	9,551.10	General guarantee	Infinite	Not	Not
COLOMBO INTERNATIONAL CONTAINER TERMINALS LIMITED	Not Applicable	15,918.50	16 Sept 2012	15,918.50	General guarantee	Infinite	Not	Not
Lome Container Terminals Co., Ltd	Not Applicable	2,528.47	1 Jun 2015	872.32	General guarantee	About 9 Years	Not	Not
Lome Container Terminals Co., Ltd	Not Applicable	2,528.47	1 Jun 2015	872.32	General guarantee	About 9 Years	Not	Not
Lome Container Terminals Co., Ltd	Not Applicable	2,528.47	1 Jun 2015	872.32	General guarantee	About 9 Years	Not	Not
China Merchants Port Development (Shenzhen) Co., LTD	Not Applicable	320,000.00	31 Jul 2017	15,334.00	Joint and several liability guarantee	About 5 Years	Yes	Not
TCP - TERMINAL DE CONTEINERES DE PARANAGUA S/A.	Not Applicable	26,578.52	19 April 2018	15,947.11	General guarantee	About 6 Years	Not	Not
TCP - TERMINAL DE CONTEINERES DE PARANAGUA S/A.	Not Applicable	48,964.30	7 Nov 2016	34,274.68	General guarantee	About 6 Years	Not	Not
Shenzhen Haixin Port Development Co., LTD	30 March 2019	219,090.00	26 Jun 2019	18,830.08	Joint and several liability guarantee	About 18 Years	Not	Not
Zhanjiang Port (Group) Co., LTD	31 March 2019	80,000.00	9 Oct 2021	20,000.00	Joint and several liability guarantee	About 3 Years	Not	Not
China Merchants International Terminal (Qingdao) Co., LTD	31 March 2019	60,000.00	-	-	-	-	-	-
Hambantota International Port Group Co. LTD	31 March 2019	100,000.00	-	-	-	-	-	-
CMHI Finance (BVI) Co., Ltd	31 March 2019	800,000.00	-	-	-	-	-	-
TCP - TERMINAL DE CONTEINERES DE PARANAGUA S/A.	31 March 2019	10,000.00	-	-	-	-	-	-
Total approved line for such guarantees in the Reporting Period (C1)			1,050,000.00	Total actual amount of such guarantees in				27,000.00

		the Reporting Period (C2)	
Total approved line for such guarantees at the end of the Reporting Period (C3)	3,634,779.84	Total actual balance of such guarantees at the end of the Reporting Period (C4)	2,306,220.46
Total guarantee amount (total of the three kinds of guarantees above)			
Total guarantee line approved in the Reporting Period (A1+B1+C1)	1,407,000.00	Total actual guarantee amount in the Reporting Period (A2+B2+C2)	147,000.00
Total approved guarantee line at the end of the Reporting Period (A3+B3+C3)	4,016,630.19	Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)	2,443,772.17
Total actual guarantee amount (A4+B4+C4) as % of the Company's net assets		61.40%	
Of which:			
Balance of guarantees provided for shareholders, actual controller and their related parties (D)		17,551.71	
Balance of debt guarantees provided directly or indirectly for obligors with an over 70% debt/asset ratio (E)		2,303,833.34	
Amount by which the total guarantee amount exceeds 50% of the Company's net assets (F)		453,712.73	
Total of the three amounts above (D+E+F)		2,775,097.78	
Joint responsibilities possibly borne in the Reporting Period for undue guarantees (if any)		None	
Provision of external guarantees in breach of the prescribed procedures (if any)		None	

Particulars of guarantees adopting complex methods

Applicable Not applicable

3. Cash Entrusted to Other Entities for Management

(1) Cash Entrusted for Wealth Management

Applicable Not applicable

No such cases in the Reporting Period.

(2) Entrusted Loans

Overview of entrusted loans in the Reporting Period

Unit: RMB'0,000

Amount	Capital resources	Undue balance	Overdue amount
3,430.00	Self-owned funds	3,430.00	0

Particulars of entrusted loans with single significant amount or low security, bad liquidity, and no capital preservation

Applicable Not applicable

Whether there is the case where the principal cannot be recovered at maturity or other case which may cause impairment for entrusted loans

Applicable Not applicable

4. Other Major Contracts

Applicable Not applicable

No such cases in the Reporting Period.

XVI Other Significant Events**(I) Private Placement of A-shares and Subscription of Shares in Ningbo Port**

On 13 July 2021, the Proposal on the Plan for Private Placement of A-shares, the Proposal on Subscription by the Company as a Strategic Investor of Shares in a Private Placement of Ningbo Zhoushan Port Company Limited & Related-party Transaction, and other relevant proposals were approved unanimously at the 6th Extraordinary Meeting of the Company's 10th Board of Directors in 2021, and the 3rd Extraordinary Meeting of the Company's 10th Supervisory Committee in 2021, respectively. As such, the Company was agreed to introduce Zhejiang Provincial Seaport Investment & Operation Group Co. Ltd. (Seaport Group) as a strategic investor by carrying out a private placement of 577,000,000 A-shares (or 30% of the Company's total share capital before the issue) to Seaport Group to raise RMB10.917 billion. Meanwhile, the Company was agreed to subscribe for in cash, as a strategic investor, 3,646,971,029 A-shares in the 2021 private placement of Ningbo Zhoushan Port Company Limited (Ningbo Port). For further information, see Announcement No. 2021-053 on the Resolutions of the 6th Extraordinary Meeting of the 10th Board of Directors in 2021, Announcement No. 2021-054 on the Resolutions of the 3rd Extraordinary Meeting of the 10th Supervisory Committee in 2021, Announcement No. 2021-057 on Subscription by the Company as a Strategic Investor of Shares in a Private Placement of Ningbo Zhoushan Port Company Limited & Related-party Transaction, and other relevant announcements disclosed by the Company dated 14 July 2021.

On 26 August 2021, the Company disclosed that it had received the Reply on the Private Placement of A-shares of China Merchants Port Group Co., Ltd. (Guo Zi Chan Quan [2021] No. 457) issued by the State-owned Assets Supervision and Administration Commission of the State Council, which in

principle consented to the plan of the Company for a private placement of no more than 576,709,537 A-shares to Zhejiang Provincial Seaport Investment & Operation Group Co. Ltd. (SS). For further information, see Announcement No. 2021-070 on Approval of Private Placement of A-shares by SASAC of the State Council disclosed by the Company dated 27 August 2021.

On 27 September 2021, the proposals in relation to the private placement of A-shares were approved at the 1st Extraordinary General Meeting of the Company in 2021. For further information, see Announcement No. 2021-087 on Announcement on Resolutions of the 1st Extraordinary General Meeting of 2021 disclosed by the Company dated 28 September 2021.

On 15 October 2021, the Company received the Acceptance Form for Administrative License Application from the China Securities Regulatory Commission (Acceptance Number: 212745), which tells that the China Securities Regulatory Commission has examined the application materials submitted by the Company for Approval of Non-public Offering of Shares by Listed Company (A-Share Main Board of Shanghai Stock Exchange and Shenzhen Stock Exchange and B Shares) and decided to accept the application for an administrative license.

On 26 October 2021, the Company received the Announcement on Receiving the Notice of Feedback on the Examination of Administrative License Project (No. 212745) issued by the China Securities Regulatory Commission (hereinafter referred to as the "Feedback"), which tells that the China Securities Regulatory Commission has examined the application materials for an administrative license of Approval on Non-Public Offering of Shares (A-Share Main Board of Shanghai Stock Exchange and Shenzhen Stock Exchange and B Shares) by Listed Company of China Merchants Port Group Co., Ltd. submitted by the Company, and required the Company to make written descriptions and explanations on relevant issues, and submit a written reply to the administrative license acceptance department of the China Securities Regulatory Commission within 30 days.

On 20 November 2021, the Company and relevant intermediaries carefully checked and implemented the issues listed in the Feedback in accordance with the requirements of China Securities Regulatory Commission, and formed the Reply to the Feedback on the Application Document for the 2021 Non-Public Offering of A-Shares of China Merchants Port Group Co., Ltd. (hereinafter referred to as the "Reply to the Feedback") and disclosed it. For details, please refer to the Reply to the Feedback on the Application Document for the 2021 Non-Public Offering of A-Shares of China Merchants Port Group Co., Ltd. published on the website www.cninfo.com.cn on the same day. The Company has submitted the Reply to the Feedback and other relevant materials to CSRC within two working days after its disclosure.

2. Index to Disclosed Information

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

Announcement No.	Date of the announcement	Title of the announcement
2021-001	16 January 2021	Announcement on Voluntary Information Disclosure of Business Volume Data of December 2020
2021-002	16 January 2021	Announcement on Resignation of Vice General Manager & Secretary of the Board and the Vice General Manager Acting As the Secretary of the

		Board
2021-003	21 January 2021	Reminder of the Issuance of 2021 Phase I Super-short-term Financing Bonds
2021-004	26 January 2021	Announcement on Issue Results of 2021 Phase I Super-short-term Financing Bonds
2021-005	30 January 2021	Announcement on Resolutions of the 1 st Special Meeting of the 10 th Board of Directors in 2021
2021-006	30 January 2021	Announcement on Resolutions of the 1 st Special Meeting of the 10 th Supervisory Committee in 2021
2021-007	30 January 2021	Announcement on Adjusting the Exercise Price of the First Grant under the Stock Option Incentive Plan (Phase I)
2021-008	30 January 2021	Announcement on the Grant of Stock Option (the Reserved) to Incentive Objects of the Stock Option Incentive Plan (Phase I) of the Company
2021-009	9 February 2021	Announcement on Notes of the Supervisory Committee on the Review and Publicity of the List of Incentive Objects for the Reservation under the Stock Option Incentive Plan (Phase I)
2021-010	19 February 2021	Announcement on Voluntary Information Disclosure of Business Volume Data of January 2021
2021-011	3 March 2021	Announcement on the Due Payment of 2020 Phase III Super & Short-term Commercial Paper
2021-012	6 March 2021	Announcement on Resignation of Director
2021-013	6 March 2021	Announcement on Completion of the Grant of Stock Option (the Reserved) under the Stock Option Incentive Plan (Phase I) of the Company
2021-014	16 March 2021	Announcement on Voluntary Information Disclosure of Business Volume Data of February 2021
2021-015	19 March 2021	Reminder of the Issuance of 2021 Phase II Super-short-term Financing Bonds
2021-016	24 March 2021	Announcement on Issue Results of 2021 Phase II Super-short-term Financing Bonds
2021-017	31 March 2021	Announcement on Resolutions of the 3 rd Meeting of the 10 th Board of Directors
2021-018	31 March 2021	Announcement on Resolutions of the 3 rd Meeting of the 10 th Supervisory Committee
2021-019	31 March 2021	Announcement on 2020 Profit Distribution Plan
2021-020	31 March 2021	Abstract of 2020 Annual Report (Chinese and English Versions)
2021-021	31 March 2021	Announcement on the Confirmation of the Continuing Related-Party Transactions in 2020 and the Estimation of Such Transactions in 2021
2021-022	31 March 2021	Announcement on the Related-Party Transaction Regarding Making Deposits in and Obtaining Loans from China Merchants Bank in 2021
2021-023	31 March 2021	Announcement on the External Guarantee Progress of a Majority-Owned Subsidiary of the Company in 2020 and the Expected New External Guarantee Line in the Next 12 Months
2021-024	31 March 2021	Special Report on Deposit and Usage of Raised Fund in 2020
2021-025	31 March 2021	Announcement on Reappointment of Accounting Firm in 2021
2021-026	31 March 2021	Announcement on By-election of Director
2021-027	31 March 2021	Announcement on the Disclosure of the 2020 Annual Results by the Majority-Owned Subsidiary
2021-028	31 March 2021	Announcement on the Online Investor Communication on the 2020 Annual Results to Be Held

2021-029	13 April 2021	Reminder of the Issuance of 2021 Phase I Medium Term Notes
2021-030	14 April 2021	Announcement on Resolutions of the 2 nd Special Meeting of the 10 th Board of Directors in 2021
2021-031	14 April 2021	Announcement on Appointment of Secretary of the Board
2021-032	15 April 2021	Announcement on Voluntary Information Disclosure of Business Volume Data of March 2021
2021-033	15 April 2021	2021 First Quarter Performance Forecast
2021-034	20 April 2021	Announcement on Issue Results of 2021 Phase I Medium Term Notes
2021-035	23 April 2021	Announcement on the Due Payment of 2021 Phase I Super & Short-term Commercial Paper
2021-036	30 April 2021	Announcement on Resolutions of the 3 rd Special Meeting of the 10 th Board of Directors in 2021
2021-037	30 April 2021	The Text of the First Quarter Report 2021 (Chinese and English Versions)
2021-038	30 April 2021	Announcement on Related-Party Transaction regarding Conducting Entrusted Wealth Management with Self-Owned Idle Funds
2021-039	30 April 2021	Announcement on Adjustment of Providing Financial Aid by Majority-owned Subsidiaries
2021-040	30 April 2021	Notice on Convening the 2020 Annual General Meeting
2021-041	7 May 2021	Reminder of Convening the 2020 Annual General Meeting
2021-042	15 May 2021	Announcement on Voluntary Information Disclosure of Business Volume Data of April 2021
2021-043	18 May 2021	Announcement on Resolutions of the 4 th Special Meeting of the 10 th Board of Directors in 2021
2021-044	18 May 2021	Announcement on Appointment of Chief Financial Officer and Vice General Manager
2021-045	18 May 2021	Announcement on Resignation of Independent Director and By-election of Independent Director
2021-046	18 May 2021	Announcement on Adding a Impromptu Proposal for the 2020 Annual General Meeting and the Supplementary Notice Thereof
2021-047	29 May 2021	Announcement on Resolutions of the 2020 Annual General Meeting
2021-048	4 June 2021	Reminder of the Issuance of 2021 Phase III Super-short-term Financing Bonds
2021-049	8 June 2021	Announcement on Issue Results of 2021 Phase III Super-short-term Financing Bonds
2021-050	16 June 2021	Announcement on Voluntary Information Disclosure of Business Volume Data of May 2021
2021-051	1 July 2021	Announcement on the Resolutions of the 5 th Extraordinary Meeting of the 10 th Board of Directors in 2021
2021-052	1 July 2021	Announcement on 2021 Interest Payment for 2020 Public Offering of Corporate Bonds (Tranche 1) to Qualified Investors
2021-053	14 July 2021	Announcement on the Resolutions of the 6 th Extraordinary Meeting of the 10 th Board of Directors in 2021
2021-054	14 July 2021	Announcement on the Resolutions of the 3 rd Extraordinary Meeting of the 10 th Supervisory Committee in 2021
2021-055	14 July 2021	Announcement on Signing Conditionally Effective Share Subscription Agreement with Certain Entities & Related-party Transaction
2021-056	14 July 2021	Announcement on Signing Strategic Cooperation Framework Agreement with Zhejiang Provincial Seaport Investment & Operation Group Co. Ltd.

2021-057	14 July 2021	Announcement on Subscription by the Company as a Strategic Investor of Shares in a Private Placement of Ningbo Zhoushan Port Company Limited & Related-party Transaction
2021-058	14 July 2021	Announcement on No Punishments or Other Regulatory Measures from the Securities Regulator or the Stock Exchange in the Past 5 Years
2021-059	14 July 2021	Reminder on Changes in Shareholders' Equity in a Private Placement
2021-060	15 July 2021	Announcement on Estimated Increase in 2021 Interim Earnings
2021-061	15 July 2021	Announcement on Voluntary Disclosure of the Business Volume Data of June 2021
2021-062	15 July 2021	Announcement on Payout of 2020 Final Dividends
2021-063	17 July 2021	Reminder on the 4th Issue of SCP in 2021
2021-064	21 July 2021	Announcement on Results of the 4th Issue of SCP in 2021
2021-065	7 August 2021	Announcement on Resignation of Deputy General Manager Mr. Zheng Shaoping
2021-066	14 August 2021	Announcement on Voluntary Disclosure of the Business Volume Data of July 2021
2021-067	14 August 2021	Announcement on Resignation of Chairman of the Supervisory Committee
2021-068	24 August 2021	Announcement on the Resolutions of the 7 th Extraordinary Meeting of the 10 th Board of Directors in 2021
2021-069	24 August 2021	Announcement on Resignation of Director and Senior Management & Re-election of Director and Appointment of CEO
2021-070	28 August 2021	Announcement on Approval of Private Placement of A-shares by SASAC of the State Council
2021-071	31 August 2021	Announcement on the Resolutions of the 4 th Meeting of the 10 th Board of Directors
2021-072	31 August 2021	Announcement on the Resolutions of the 4 th Meeting of the 10 th Supervisory Committee
2021-073	31 August 2021	Interim Report 2021 (Summary) (Chinese and English Version)
2021-074	31 August 2021	Special Report of the Deposit and Use of Raised Funds for H1 2021
2021-075	31 August 2021	Announcement on Incorporation of HK Wholly-owned Subsidiary and Adjustment to Ownership Structure of the Subsidiary
2021-076	31 August 2021	Announcement on Adjustments to the Deposit and Loan Limits with China Merchants Bank & Related-party Transaction
2021-077	31 August 2021	Announcement on Release of 2021 Interim Results by Majority-owned Subsidiary
2021-078	31 August 2021	Announcement on Online Investor Meeting on 2021 Interim Results
2021-079	9 September 2021	Announcement on the Resolutions of the 8 th Extraordinary Meeting of the 10 th Board of Directors in 2021
2021-080	9 September 2021	Announcement on the Resolutions of the 4 th Extraordinary Meeting of the 10 th Supervisory Committee in 2021
2021-081	9 September 2021	Announcement on Majority-owned Subsidiary Signing Supplementary Agreement to Lease Agreement Regarding Concessions
2021-082	9 September 2021	Notice of the 1st Extraordinary General Meeting of 2021
2021-083	14 September 2021	Announcement on Alteration of Registered Information with Industry and Commerce Administration
2021-084	15 September 2021	Announcement on Voluntary Disclosure of the Business Volume Data of August 2021

2021-085	23 September 2021	Announcement on Redemption of the 2 nd Issue of SCP in 2021 upon Maturity
2021-086	25 September 2021	Reminder on the 5th Issue of SCP in 2021
2021-087	28 September 2021	Announcement on Resolutions of the 1st Extraordinary General Meeting of 2021
2021-088	28 September 2021	Announcement on the Resolutions of the 9 th Extraordinary Meeting of the 10 th Board of Directors in 2021
2021-089	29 September 2021	Announcement on Results of the 5th Issue of SCP in 2021
2021-090	15 October 2021	Announcement on Performance Forecast for the First Three Quarters in 2021
2021-091	15 October 2021	Announcement on Voluntary Information Disclosure of Business Volume Data of September 2021
2021-092	19 October 2021	Announcement on Resolutions of the 5th Special Meeting of the 10th Board of Supervisors in 2021
2021-093	19 October 2021	Announcement on the Election of the Chairman of the Board of Supervisors
2021-094	19 October 2021	Announcement on the Due Payment of 2021 Phase IV Super & Short-term Commercial Paper
2021-095	26 October 2021	Announcement on the Establishment of Investment Fund under the Joint Capital Investment with Related Party and Related-Party Transaction
2021-096	27 October 2021	Announcement on <i>Receiving the Acceptance Form of Administrative License Application</i> from the CSRC
2021-097	28 October 2021	Announcement on <i>Receiving the Notice of Feedback on the First Examination of Administrative License Project</i> from the CSRC
2021-098	30 October 2021	The Third Quarter Report 2021 (Chinese and English Versions)
2021-099	30 October 2021	Reminder of the Issuance of 2021 Phase VI Super & Short-term Commercial Paper
2021-100	3 November 2021	Announcement on Issue Results of 2021 Phase VI Super & Short-term Commercial Paper
2021-101	4 November 2021	Announcement on Resolutions of the 11th Extraordinary Meeting of the 10th Board of Directors in 2021
2021-102	4 November 2021	Announcement on the By-election of Director and Appointment of Chief Operating Officer and General Manager
2021-103	5 November 2021	Announcement on the Progress of Replacement Land for Dachan Bay Port Area by Qianhai Land Preparation, a Wholly-owned Subsidiary of the Holding Subsidiary
2021-104	15 November 2021	Announcement on Voluntary Information Disclosure of Business Volume Data of October 2021
2021-105	20 November 2021	Announcement on the Reply to the Feedback on the Application Document for the Non-Public Offering of A-Shares
2021-106	23 November 2021	Announcement on Approval for Registration of Debt Financing Instruments
2021-107	25 November 2021	Announcement on Participating in the Online Collective Reception Day Activity of Investors of Listed Companies in 2021 "Communicating and Transferring Value, Communicating and Creating Good Ecology" of Shenzhen Municipality
2021-108	4 December 2021	Announcement on Resolutions of the 12th Extraordinary Meeting of the 10th Board of Directors in 2021
2021-109	4 December 2021	Announcement on Transferring 49% Equity of the Joint Stock Company Zhanjiang Merchants Port City Investment Co., Ltd. to a Related Party and Related-Party Transaction
2021-110	7 December 2021	Announcement on the Due Payment of 2021 Phase III Super & Short-term Commercial Paper

2021-111	10 December 2021	Reminder of the Issuance of 2021 Phase VII Super & Short-term Commercial Paper
2021-112	14 December 2021	Announcement on the Change of Audit Project Partner and Signing CPA
2021-113	15 December 2021	Announcement on Voluntary Information Disclosure of Business Volume Data of November 2021
2021-114	16 December 2021	Announcement on Issue Results of 2021 Phase VII Super & Short-term Commercial Paper
2021-115	18 December 2021	Announcement on the Due Payment of 2021 Phase VI Super & Short-term Commercial Paper
2021-116	25 December 2021	Announcement on Resolutions of the 13th Extraordinary Meeting of the 10th Board of Directors in 2021
2021-117	25 December 2021	Announcement on Resolutions of the 7th Special Meeting of the 10th Board of Supervisors in 2021
2021-118	25 December 2021	Announcement on the Use of Idle Raised Funds for Cash Management
2021-119	28 December 2021	Announcement on the Due Payment of 2021 Phase V Super & Short-term Commercial Paper
2021-120	31 December 2021	Announcement on the Termination of Custody
2021-121	31 December 2021	Announcement on New Media for Information Disclosure

XVII Significant Events of Subsidiaries

On 25 November 2019, CMPort Holdings signed a memorandum of agreement with CMA, according to which, CMA intended to transfer the equity assets of 10 ports it held to Terminal Link S.A.S. (TL). To complete the transfer, CMPort Holdings would provide TL with a financing of no more than US\$968 million, including guaranteed long-term loans of no more than US\$500 million with a term of eight years and mandatory convertible securities of no more than US\$468 million for the subscription of TL. At the maturity of the long-term loans, CMA would provide the cash required for repaying the loans by injecting capital in TL and all the convertible securities held by CMPort Holdings would be converted into TL's equity mandatorily. On 26 March 2020, CMPort Holdings completed the acquisition of Phase I eight target ports, with the subscription of mandatory convertible securities and prepayment of the loans amounting to approximately US\$815 million. CMPort Holdings and CMA agreed to extend the delivery deadline for the remaining terminals to 30 September 2021, but due to the pandemic and geopolitical factors, the delivery of the remaining terminals failed to be approved by relevant government authorities. Therefore, as of 30 September 2021, CMA confirmed that the delivery of the remaining Gemalink Terminal in Vietnam and Mundra Terminal in India could not be finalized. In accordance with the Share Purchase Agreement (SPA) signed by both parties, CMPort Holdings will not pay the US\$20.73 million withheld during the delivery of the first tranche of assets, accounting for 5% of the consideration for the first tranche of

assets delivered. The acquisition ended up with the acquisition of eight of CMA's terminals by CMPort Holdings.

Part VII Share Changes and Shareholder Information

I Share Changes

1. Share Changes

Unit: share

	Before		Increase/decrease in the Reporting Period (+/-)					After	
	Shares	Percentage (%)	New issues	Shares as dividend converted from profit	Shares as dividend converted from capital reserves	Other	Subtotal	Shares	Percentage (%)
I. Restricted shares	1,148,658,144	59.7523%	0	0	0	325	325	1,148,658,469	59.7524%
1. Shares held by state	0	0.0000%	0	0	0	0	0	0	0.0000%
2. Shares held by state-owned legal person	0	0.0000%	0	0	0	0	0	0	0.0000%
3. Shares held by other domestic investors	9,496	0.0005%	0	0	0	325	325	9,821	0.0005%
Including: Shares held by domestic legal person	0	0.0000%	0	0	0	0	0	0	0.0000%
Shares held by domestic natural person	9,496	0.0005%	0	0	0	325	325	9,821	0.0005%
4. Shares held by foreign investors	1,148,648,648	59.7518%	0	0	0	0	0	1,148,648,648	59.7518%
Including: Shares held by foreign legal person	1,148,648,648	59.7518%	0	0	0	0	0	1,148,648,648	59.7518%
Shares held by foreign natural person	0	0.0000%	0	0	0	0	0	0	0.0000%
II. Unrestricted shares	773,706,980	40.2477%	0	0	0	-325	-325	773,706,655	40.2476%
1. RMB ordinary shares	593,820,070	30.8901%	0	0	0	0	0	593,820,070	30.8901%
2. Domestically listed foreign shares	179,886,910	9.3576%	0	0	0	-325	-325	179,886,585	9.3576%
3. Overseas listed foreign shares	0	0.0000%	0	0	0	0	0	0	0.0000%
4. Other	0	0.0000%	0	0	0	0	0	0	0.0000%
III. Total shares	1,922,365,124	100.00%	0	0	0	0	0	1,922,365,124	100.00%

Reasons for share changes:

During the reporting period, changes in restricted shares held by the then senior management.

Approval of the share changes:

Applicable Not applicable

Transfer of share ownership:

Applicable Not applicable

Effects of the share changes on the basic and diluted earnings per share, equity per share attributable to the Company's ordinary shareholders and other financial indicators of the prior year and the prior accounting period, respectively:

Applicable Not applicable

Other information that the Company considers necessary or is required by the securities regulator to be disclosed:

Applicable Not applicable

2. Changes in Restricted Shares

Unit: share

Name of shareholders	Number of restricted shares at the period-begin	Number of increased restricted shares	Number of released restricted shares	Number of restricted shares at the period-end	Reason for restriction	Date of restriction release
China Merchants Port Investment Development Company Limited	1,148,648,648	0	0	1,148,648,648	According to relevant laws and regulations and the shareholder commitment	June 2022
Zheng Shaoping	9,496	325	0	9,821	According to the Articles of Association and the relevant laws and regulations	November 2023
Total	1,148,658,144	325	0	1,148,658,469	--	--

II Issuance and Listing of Securities

1. Securities (Exclusive of Preferred Shares) Issued in the Reporting Period

Applicable Not applicable

2. Changes to Total Shares, Shareholder Structure and Asset and Liability Structures

Applicable Not applicable

3. Existing Staff-Held Shares

Applicable Not applicable

III Shareholders and Actual Controller

1. Shareholders and Their Shareholdings at the Period-End

Unit: share

Number of ordinary shareholders at the period-end	31,102 (19,769 A-shareholders and 11,333 B-shareholders)	Number of ordinary shareholders at the month-end prior to the disclosure of this Report	31,367 (19,854 A-shareholders and 11,513 B-shareholders)	Number of preferred shareholders with resumed voting rights at the period-end (if any)	0	Number of preferred shareholders with resumed voting rights at the month-end prior to the disclosure of this Report (if any)	0
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held at the period-end	Increase/decrease in the Reporting Period	Restricted shares held	Unrestricted shares held	Shares in pledge or frozen
China Merchants Port Investment Development Company Limited	Foreign legal person	59.75%	1,148,648,648	0	1,148,648,648	0	0
CHINA MERCHANTS GANGTONG DEVELOPMENT (SHENZHEN) CO., LTD.	State-owned legal person	19.29%	370,878,000	0	0	370,878,000	0
SHENZHEN INFRASTRUCTURE INVESTMENT FUND-SHENZHEN INFRASTRUCTURE INVESTMENT FUND PARTNERSHIP (LIMITED PARTNERSHIP)	Fund and wealth management products	3.37%	64,850,182	0	0	64,850,182	0
CHINA-AFRICA DEVELOPMENT FUND	State-owned legal person	3.33%	64,102,564	0	0	64,102,564	0
BROADFORD GLOBAL LIMITED	State-owned legal person	2.88%	55,314,208	0	0	55,314,208	0
HONG KONG SECURITIES CLEARING COMPANY LTD.	Foreign legal person	0.31%	6,045,069	3,337,168	0	6,045,069	Unknown
ZHU HUI	Domestic natural person	0.15%	2,958,003	2,958,003	0	2,958,003	Unknown
CHINA MERCHANTS SECURITIES (HK) CO., LTD.	State-owned legal person	0.13%	2,563,555	-42,800	0	2,563,555	Unknown

JIN XING	Domestic natural person	0.12%	2,245,196	2,245,196	0	2,245,196	Unknown
ARROWSTREET EMERGING MARKET ALPHA EXTENSION TRUST FUND	Foreign legal person	0.11%	2,192,691	1,273,101	0	2,192,691	Unknown
Strategic investors or general legal person becoming top-ten ordinary shareholders due to placing of new shares (if any)	N/A						
Related or acting-in-concert parties among the shareholders above	China Merchants Gangtong Development (Shenzhen) Co., Ltd. is a majority-owned subsidiary of Broadford Global Limited, and Broadford Global Limited is the controlling shareholder of China Merchants Port Investment Development Company Limited. The Company does not know whether the other unrestricted shareholders are related parties or not.						
Above shareholders involved in entrusting/being entrusted and giving up voting rights	None						
Special account for share repurchases (if any) among the top 10 shareholders (see note 10)	None						
Top 10 unrestricted shareholders							
Name of shareholder	Unrestricted shares held at the period-end	Shares by type					
		Type	Shares				
CHINA MERCHANTS GANGTONG DEVELOPMENT (SHENZHEN) CO., LTD.	370,878,000	RMB ordinary share	370,878,000				
SHENZHEN INFRASTRUCTURE INVESTMENT FUND-SHENZHEN INFRASTRUCTURE INVESTMENT FUND PARTNERSHIP (LIMITED PARTNERSHIP)	64,850,182	RMB ordinary share	64,850,182				
CHINA-AFRICA DEVELOPMENT FUND	64,102,564	RMB ordinary share	64,102,564				
BROADFORD GLOBAL LIMITED	55,314,208	Domestically listed foreign share	55,314,208				
HONG KONG SECURITIES CLEARING COMPANY LTD.	6,045,069	RMB ordinary share	6,045,069				
ZHU HUI	2,958,003	RMB ordinary share	2,958,003				
CHINA MERCHANTS SECURITIES (HK) CO., LTD.	2,563,555	Domestically listed foreign share	2,563,555				
JIN XING	2,245,196	Domestically listed foreign share	2,245,196				
ARROWSTREET EMERGING MARKET ALPHA EXTENSION TRUST FUND	2,192,691	Domestically listed foreign share	2,192,691				

MAI SHUQING	2,129,247	RMB ordinary share	2,129,247
Related or acting-in-concert parties among top 10 unrestricted public shareholders, as well as between top 10 unrestricted public shareholders and top 10 shareholders	China Merchants Gangtong Development (Shenzhen) Co., Ltd. is a majority-owned subsidiary of Broadford Global Limited. The Company does not know whether the other unrestricted shareholders are related parties or not.		
Top 10 ordinary shareholders involved in securities margin trading (if any)	N/A		

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

Yes No

No such cases in the Reporting Period.

2. Controlling Shareholder

Nature of the controlling shareholder: Controlled by a central state-owned legal person

Type of the controlling shareholder: legal person

Name of controlling shareholder	Legal representative/person in charge	Date of establishment	Unified social credit code	Principal activity
BROADFORD GLOBAL LIMITED	Li Jianhui, Sun Ligan, Zheng Peihui	27 November 2017	68550019-000-11-21-9	Port services, bonded logistic and cold chain services, property development and investment
Shareholdings of the controlling shareholder in other listed companies at home or abroad in this Reporting Period	N/A			

Change of the controlling shareholder in the Reporting Period:

Applicable Not applicable

No such cases in the Reporting Period.

3. Actual Controller and Its Acting-in-Concert Parties

Nature of the actual controller: Central institution for state-owned assets management

Type of the actual controller: legal person

Name of actual controller	Legal representative/person in charge	Date of establishment	Unified social credit code	Principal activity
China Merchants Group	Miao Jianmin	14 October 1986	10000522-0	Lease and agency of water/land passenger-cargo transportation, water/land conveyance and facilities; investment and management of port and storage business; salvage, refloatation and tugboat; industrial production; construction, repairing, checking and marketing of shipping, offshore petroleum drilling equipment; repairing and

				checking of drilling platform and drilling container; overall contracting of water/land construction projects and the related offshore petroleum development projects, and their construction organization and logistic services; procurement, supply and sale of water/land communication and transportation equipment; export and import business of transportation; investment and management of finance, insurance, trust, securities, futures business; investment and management of tourism, hotels, catering services and relevant service; real estate development, management and consultancy of property; investment and management of petroleum and chemical industry; investment and operation of infrastructure of communication; overseas assets management. Development and management of Shenzhen Shekou Industrial Zone and Fujian Zhangzhou Development Zone. (The market body shall independently choose business items and carry out business activities according to law. For items requiring approval according to law, the market body must obtain approval from related authorities before carrying out the business activities. The market body shall not engage in business activities that are banned and restricted in the national and municipal industrial policies.)
Shareholdings of the actual controller in other listed companies at home or abroad in this Reporting Period	<p>China Merchants Group holds:</p> <p>74.35% shares of China Merchants Land Limited;</p> <p>69.15% shares of Liaoning Port Co., Ltd.;</p> <p>68.72% shares of China Merchants Expressway Network & Technology Holdings Co., Ltd.;</p> <p>65.69% shares of China Merchants Port Holdings Company Limited;</p> <p>63.57% shares of China Merchants Shekou Industrial Zone Holdings Co., Ltd.;</p> <p>57.64% shares of Sinotrans Limited;</p> <p>54.26% shares of China Merchants Energy Shipping Co., Ltd.;</p> <p>51.16% shares of China Merchants Property Operation & Service Co., Ltd.;</p> <p>44.17% shares of China Merchants Securities Co. Ltd.;</p> <p>35.50% shares of China Merchants Commercial Real Estate Investment Trust;</p> <p>32.00% shares of Bosera China Merchants Shekou Industrial Park Closed-end Infrastructure Securities Investment Fund;</p> <p>29.97% shares of China Merchants Bank Co., Ltd.;</p> <p>29.94% shares of Anhui Expressway Company Limited;</p> <p>27.97% shares of Nanjing Tanker Corporation;</p> <p>27.59% shares of China Merchants China Direct Investments Limited;</p> <p>26.64% shares of Shanghai International Port (Group) Co., Ltd.;</p> <p>24.88% shares of Sichuan Expressway Company Limited;</p> <p>24.49% shares of China International Marine Containers (Group) Ltd.;</p> <p>19.08% shares of Jinzhou Port Co., Ltd.;</p> <p>17.75% shares of Fujian Expressway Development Co., Ltd.;</p> <p>16.52% shares of Heilongjiang Transport Development Co., Ltd.;</p> <p>16.32% shares of Hubei Chutian Smart Communication Co., Ltd.;</p> <p>16.29% shares of Shandong Hi-speed Co., Ltd.;</p> <p>15.43% shares of Henan Zhongyuan Expressway Co., Ltd.;</p> <p>14.04% shares of Jilin Expressway Co., Ltd.;</p> <p>13.86% shares of Guangxi Wuzhou Communications Co., Ltd.;</p> <p>12.36% shares of China Great Wall Securities Co., Ltd.;</p> <p>11.69% shares of Jiangsu Expressway Company Limited;</p>			

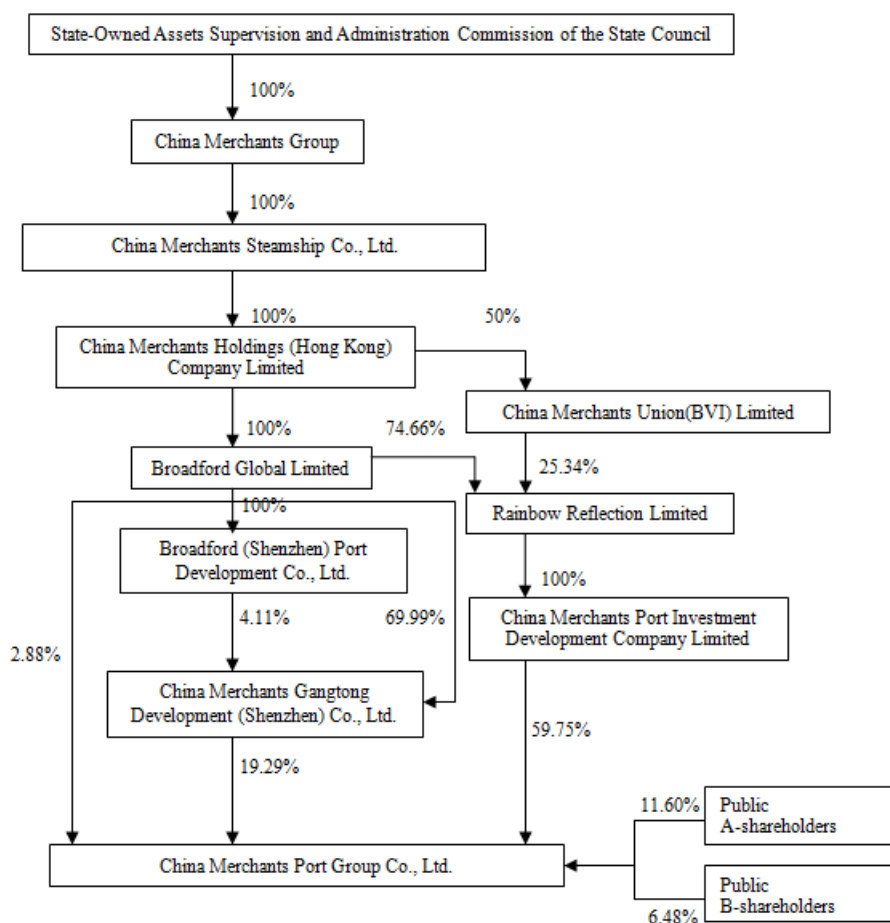
9.59% shares of Shanxi Road&Bridge Co.,Ltd.; 8.70% shares of Qilu Expressway Company Limited; 8.12% shares of Shenzhen Expressway Co., Ltd; 8.04% shares of Xiandai Investment Co., Ltd; 6.03% shares of S.F. Holding Co., Ltd.; 6.00% shares of Pangang Group Vanadium Titanium & Resources Co., Ltd.; 5.33% shares of Ningbo Zhoushan Port Company Limited; 2.43% shares of Linklogis Inc.; 2.36% shares of Qingdao Port International Co., Ltd; 2.10% shares of International Business Settlement Holdings Limited; 1.66% shares of Zhejiang Expressway Co., Ltd.; 1.20% shares of Oriental Times Media Co., Ltd; 1.02% shares of Sinotrans & CSC Phoenix Co., Ltd.; 0.62% shares of JD Logistics, Inc.; 0.53% shares of China Shipbuilding Industry Company Limited; 0.16% shares of CMMB Vision Holdings Limited; 0.11% shares of Haitong Securities Co., Ltd.; 0.10% shares of Sinopec Engineering (Group) Co., Ltd.; 0.02% shares of Bank of Tianjin Co., Ltd.; 0.01% shares of Bank of China Co., Ltd.

Change of the actual controller during the Reporting Period:

Applicable Not applicable

No such cases in the Reporting Period.

Ownership and control relations between the actual controller and the Company:



Indicate by tick mark whether the actual controller controls the Company via trust or other ways of

asset management.

Applicable Not applicable

4. Number of Accumulative Pledged Shares held by the Company's Controlling Shareholder or the Largest Shareholder as well as Its Acting-in-Concert Parties Accounts for 80% of all shares of the Company held by Them

Applicable Not applicable

5. Other 10% or Greater Corporate Shareholders

Name of corporate shareholders	Legal representative/person in charge	Date of establishment	Registered capital	Business scope or management activities
China Merchants Port Investment Development Company Limited	Li Jianhui, Sun Ligan, Zheng Peihui	15 November 2013	HKD28,287,989,241	Investment management of equities and others

China Merchants Gangtong Development (Shenzhen) Co., Ltd.	Li Jianhui	16 January 2018	RMB13,495,525,700	Provision of management services for ports (without involving special administrative measures on the access of foreign investment); port information inquiries, economic information consultation, economic information consultation, corporate management consultation, business information consultation, brand management consultation and logistics information consultation (excluding restricted items in each case); technical development and sales of ship machinery and equipment; technical services in respect of port loading and unloading equipment; supporting businesses in respect of the design, sales, import and export of loading and unloading tools, mechanical and electrical products and non-ferrous metal products (excluding precious metals) (Commodities that involve state trading, quota, license and special administrative regulations shall be operated through the application pursuant to related state regulations); technical development and technical services in respect of modern logistics information systems; supply chain management and related supporting services; design of logistics plans; planning of corporate image; planning of cultural exchange activities (without involving special administrative measures on the access of foreign investment); marketing planning; and planning of brand image. (In each case, any item forbidden by laws, administrative regulations and the State Council shall be excluded and restricted items shall be operated upon the attainment of the permission), licensed business item: none
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6. Limitations on Shareholding Decrease by the Company's Controlling Shareholder, Actual Controller, Reorganizer and Other Commitment Makers

Applicable Not applicable

IV Specific Implementation of Share Repurchases in the Reporting Period

Progress on any share repurchases:

Applicable Not applicable

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

Applicable Not applicable

Part VIII Preference Shares

Applicable Not applicable

No preference shares in the Reporting Period.

Part IX Bonds

I Enterprise Bonds

Applicable Not applicable

No enterprise bonds in the Reporting Period.

II Corporate Bonds

1. Basic Information of the Corporate Bonds

Unit: RMB

Name	Abbr.	Code	Date of issuance	Value date	Maturity	Bonds balance	Interest rate	Way of redemption	Trading place
2020 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for qualified investors) (Phase I)	20 CMPort 01	149170	7 July 2020	8 July 2020	8 July 2023	2,000,000,000.00	3.36%	Simple interest is adopted and calculated by year. No compound interest is calculated. Interests are paid once every year and principals paid in lump sum at maturity. In the last installment, the interests are paid together with principal repayment.	Shenzhen Stock Exchange
Appropriate arrangement of the investors (if any)	The Company's bonds are publicly issued to eligible investors who comply with the Measures for Issuance and Trading of Corporate Bonds and have opened an eligible A-share securities account with Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. (CSDC).								
Applicable trading mechanism	Bilateral listing transactions through the centralized bidding system of Shenzhen Stock Exchange and the comprehensive agreement transactions platform								
Risk of termination of listing transactions (if any) and countermeasures	None								

Overdue bonds

Applicable Not applicable

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

Applicable Not applicable

3. Intermediary

Bond	Intermediary	Office address	Signature accountant	Contact person of intermediary	Contact number
2020 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for qualified investors) (Phase I)	CITIC Securities Co., Ltd.	18F CITIC Securities Tower, No.8 Zhongxin 3rd Road, Futian District, Shenzhen	Not applicable	Chen Tianya and Feng Yuan	0755-23835062

Indicate by tick mark whether above intermediary changed in the Reporting Period

Yes No

4. List of the Usage of the Raised Funds

Unit: RMB

Bonds	Total amount	Amount spent	Unused amount	Operation of special account for raised funds (if any)	Rectification of raised funds for violation operation (if any)	Whether is consistent with the usage, using plan and other agreements stipulated in the raising specification
2020 Public Offering of Corporate Bonds of China Merchants Port Group Co., Ltd. (for qualified investors) (Phase I)	2,000,000,000.00	2,000,000,000.00	0.00	None	None	Yes

The raised funds were used for project construction

Applicable Not applicable

The Company changed the usage of above funds raised from bonds during the Reporting Period.

Applicable Not applicable

5. Adjustment of Credit Rating Results during the Reporting Period

Applicable Not applicable

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

Applicable Not applicable

III Debt Financing Instruments of Non-financial Enterprises

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

Unit: RMB

Name	Abbr.	Code	Date of issuance	Value date	Maturity	Bonds balance	Interest rate	Way of redemption	Trading place
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase III 2020)	20 CMPort SCP003	012002045.IB	3 June 2020	5 June 2020	2 March 2021	0	1.99%	Principals and interest paid in lump sum at maturity	Inter bank bond market
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase IV 2020)	20 CMPort SCP004	012003945.IB	12 November 2020	13 November 2020	12 May 2021	0	2.5%	Principals and interest paid in lump sum at maturity	Inter bank bond market
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase I 2021)	21 CMPort SCP001	012100333.IB	21 January 2021	22 January 2021	22 April 2021	0	2.3%	Principals and interest paid in lump sum at maturity	Inter bank bond market
Super-short-term Commercial	21 CMPort SCP002	012101135.IB	19 March 2021	22 March 2021	18 September 2021	0	2.73%	Principals and interest	Inter bank bond

Papers of China Merchants Port Group Co., Ltd. (Phase II 2021)									paid in lump sum at maturity	market
Medium-term Notes of China Merchants Port Group Co., Ltd. (Phase I 2021)	21 CMPort MTN001	102100703.IB	14 April 2021	16 April 2021	16 April 2024	2,000,000,000.00	3.52%	Interests paid once every year and principals paid in lump sum on the redemption date		Inter bank bond market
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase III 2021)	21 CMPort SCP003	012102083.IB	4 June 2021	7 June 2021	4 December 2021	0	2.55%	Principals and interest paid in lump sum at maturity		Inter bank bond market
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase IV 2021)	21 CMPort SCP004	012102633.IB	19 July 2021	20 July 2021	18 October 2021	0	2.3%	Principals and interest paid in lump sum at maturity		Inter bank bond market
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase V 2021)	21 CMPort SCP005	012103568.IB	26 September 2021	27 September 2021	27 December 2021	0	2.3%	Principals and interest paid in lump sum at maturity		Inter bank bond market
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase VI 2021)	21 CMPort SCP006	012103993.IB	1 November 2021	2 November 2021	27 December 2021	0	2.3%	Principals and interest paid in lump sum at maturity		Inter bank bond market
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase VII 2021)	21 CMPort SCP007	012105379.IB	10 December 2021 to 13 December 2021	14 December 2021	14 March 2021	0	2.45%	Principals and interest paid in lump sum at maturity		Inter bank bond market

Co., Ltd. (Phase VII 2021)			ember 2021					maturit y	
Appropriate arrangement of the investors (if any)	Not applicable								
Applicable trading mechanism	Inquiry								
Risk of termination of listing transactions (if any) and countermeasures	None								

Matured bonds unredeemed

Applicable Not applicable

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

Applicable Not applicable

3. Intermediary

Bond	Intermediary	Office address	Signature accountant	Contact person of intermediary	Contact number
Medium-term Notes of China Merchants Port Group Co., Ltd. (Phase I 2021)	Lead Underwriter: China Merchants Bank Co., Ltd.	China Merchants Bank Shenzhen Branch Building, No. 2016 Shennan Avenue, Shenzhen	Uninvolved	Luo Yingying, Gan Yawen	0755-88023712
	Joint lead underwriter: CITIC Securities Co., Ltd.	22nd Floor, CITIC Securities Building, No. 48 Liangmaqiao Road, Chaoyang District, Beijing		Wang Hongfeng, Chen Tianya, Feng Yuan, Qiu Chengfei	0755-2383 5888
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing		Liu Yongzhao, Chen Shanshan	010-8519 1300

	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing		Lu Jingyi	010-66428877-533
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase I 2021)	Lead Underwriter: China Merchants Bank Co., Ltd.	China Merchants Bank Shenzhen Branch Building, No. 2016 Shennan Avenue, Shenzhen	Uninvolved	Luo Yingying, Gan Yawen	0755-88023712
	Co-lead underwriter: Shanghai Pudong Development Bank Co., Ltd.	No. 12, Zhongshan East Road, Shanghai		Lin Jie	021-61616388
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing		Liu Yongzhao, Chen Shanshan	010-8519 1300
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing		Lu Jingyi	010-66428877-533
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase II 2021)	Lead Underwriter: Bank of China Limited	No. 1 Fuxingmen Inner Street, Xicheng District, Beijing, China	Uninvolved	Xie Zhijian	010-66592416
	Joint lead underwriter: China CITIC Bank Corporation Limited	Building 1, Yard 10, Guanghua Road, Chaoyang District, Beijing		Song Yu	010-66635905
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongche		Liu Yongzhao, Chen Shanshan	010-8519 1300

		ng District, Beijing			
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing		Lu Jingyi	010-66428877-533
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase III 2021)	Lead Underwriter: Bank of China Limited	No. 1 Fuxingmen Inner Street, Xicheng District, Beijing, China	Uninvolved	Xie Zhijian	010-66592416
	Joint lead underwriter: Industrial Bank Co., Ltd.	15th Floor, Xingye Building, No. 20 Chaoyangmen North Street, Chaoyang District, Beijing		Yang Jingtian	010-89926629
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing		Liu Yongzhao, Chen Shanshan	010-8519 1300
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing		Lu Jingyi	010-66428877-533
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase IV 2021)	Lead Underwriter: China Construction Bank Corporation	Building 1, Dean An Xingrong Center, No. 1 Naoshikou Street, Xicheng District, Beijing	Uninvolved	Zhou Peng, Xie Yuqian	010-67596478 , 0755-81683042
	Co-lead underwriter: Agricultural Bank of China Co., Ltd.	No. 69, Jianguomen Inner Street, Dongcheng District, Beijing		An Liwei	010-85109045
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources		Liu Yongzhao, Chen Shanshan	010-8519 1300

		Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing			
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing		Lu Jingyi	010-66428877-533
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase V 2021)	Lead Underwriter: China Merchants Bank Co., Ltd.	China Merchants Bank Shenzhen Branch Building, No. 2016 Shennan Avenue, Shenzhen	Uninvolved	Luo Yingying, Gan Yawen	0755-88023712
	Joint lead underwriter: Industrial Bank Co., Ltd.	15th Floor, Xingye Building, No. 20 Chaoyangmen North Street, Chaoyang District, Beijing		Yang Jingtian	010-89926629
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing		Liu Yongzhao, Chen Shanshan	010-8519 1300
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing		Lu Jingyi	010-66428877-533
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase VI 2021)	Lead Underwriter: China Merchants Bank Co., Ltd.	China Merchants Bank Shenzhen Branch Building, No. 2016 Shennan Avenue, Shenzhen	Uninvolved	Luo Yingying, Gan Yawen	0755-88023712
	Joint lead underwriter: China CITIC	Building 1, Yard 10, Guanghua		Song Yu	010-66635905

	Bank Corporation Limited	Road, Chaoyang District, Beijing			
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing		Liu Yongzhao, Chen Shanshan	010-8519 1300
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing		Lu Jingyi	010-66428877-533
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase VII 2021)	Lead Underwriter: Agricultural Bank of China Co., Ltd.	No. 69, Jianguomen Inner Street, Dongcheng District, Beijing	Uninvolved	Luo Yingying, Gan Yawen	0755-88023712
	Joint lead underwriter: Bank of China Limited	No. 1 Fuxingmen Inner Street, Xicheng District, Beijing, China		An Liwei	010-85109045
	Law firm: Beijing Junhe Law Firm	20th Floor, China Resources Building, No. 8 Jianguomen North Street, Dongcheng District, Beijing		Liu Yongzhao, Chen Shanshan	010-8519 1300
	Credit rating agency: China Chengxin International Credit Rating Co., Ltd.	Room 60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing		Lu Jingyi	010-66428877-533

Indicate by tick mark whether above intermediary changed in the Reporting Period

Yes No

4. List of the Usage of the Raised Funds

Unit: RMB

Bonds	Total amount	Amount spent	Unused amount	Operation of special account for raised funds (if any)	Rectification of raised funds for violation operation (if any)	Whether is consistent with the usage, using plan and other agreements stipulated in the raising specification
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase III 2020)	1,000,000,000.00	1,000,000,000.00	0.00	None	None	Yes
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase IV 2020)	1,200,000,000.00	1,200,000,000.00	0.00	None	None	Yes
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase I 2021)	800,000,000.00	800,000,000.00	0.00	None	None	Yes
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase II 2021)	1,000,000,000.00	1,000,000,000.00	0.00	None	None	Yes
Medium-term Notes of China Merchants Port Group Co., Ltd. (Phase I 2021)	2,000,000,000.00	2,000,000,000.00	0.00	None	None	Yes

Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase III 2021)	1,000,000,000.00	1,000,000,000.00	0.00	None	None	Yes
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase IV 2021)	1,000,000,000.00	1,000,000,000.00	0.00	None	None	Yes
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase V 2021)	1,000,000,000.00	1,000,000,000.00	0.00	None	None	Yes
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase VI 2021)	1,000,000,000.00	1,000,000,000.00	0.00	None	None	Yes
Super-short-term Commercial Papers of China Merchants Port Group Co., Ltd. (Phase VII 2021)	2,000,000,000.00	2,000,000,000.00	0.00	None	None	Yes

The raised funds were used for project construction

Applicable Not applicable

The Company changed the usage of above funds raised from bonds during the Reporting Period.

Applicable Not applicable

5. Adjustment of Credit Rating Results during the Reporting Period

Applicable Not applicable

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

Applicable Not applicable

IV Convertible Corporate Bonds

Applicable Not applicable

No such cases in the Reporting Period.

V Losses of Scope of Consolidated Financial Statements during the Reporting Period Exceeding 10% of Net Assets up the Period-end of Last Year

Applicable Not applicable

VI Matured Interest-bearing Debt excluding Bonds up the Period-end

Applicable Not applicable

VII Whether there was any Violation of Rules and Regulations during the Reporting Period

Yes No

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

Unit: RMB'0,000

Item	31 December 2021	31 December 2020	Increase/decrease
Current ratio	75.96%	83.48%	-9.01%
Debt/asset ratio	36.91%	37.29%	-0.38%
Quick ratio	75.32%	82.54%	-8.75%
	2021	2020	Increase/decrease
Net profit after deducting non-recurring profit or loss	235,570.03	127,135.20	85.29%
Debt/EBITDA ratio	21.65%	18.74%	2.91%
Interest cover (times)	4.62	3.39	36.28%

Cash-to-interest cover (times)	5.02	4.16	20.67%
EBITDA-to-interest cover (times)	7.16	5.85	22.39%
Loan repayment rate	100.00%	100.00%	-
Interest coverage	100.00%	100.00%	-

Part X Financial Statements

I Independent Auditor's Report

Type of the independent auditor's opinion	Standard and unqualified auditor's report
Date of signing this report	30 March 2022
Name of the independent auditor	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Reference number of Audit Report	De Shi Bao (Shen) Zi (22) No. [P02569]
Name of the certified public accountants	Xu Xiangzhao, Pi Dehan

II Financial Statements

See attached.

For and on behalf of the Board

Wang Xiufeng

Legal representative of

China Merchants Port Group Co., Ltd.

Dated 31 March 2022

CHINA MERCHANTS PORT GROUP CO., LTD.

FINANCIAL STATEMENTS AND AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

CHINA MERCHANTS PORT GROUP CO., LTD.

FINANCIAL STATEMENTS AND AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

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AUDITOR'S REPORT

De Shi Bao (Shen) Zi (22) No. P02569
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To all the shareholders of China Merchants Port Group Co., Ltd.,

I. Audit Opinion

We have audited the accompanying financial statements of China Merchants Port Group Co., Ltd. (hereinafter referred to as "the Company"), which comprise the consolidated and company balance sheets as at 31 December 2021, 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 present fairly, in all material respects, the consolidated and company's financial position as of 31 December 2021, 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 the Auditing Standards for the Chinese Certified Public Accountants. 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 the Auditing Standards for the Chinese Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the standards. 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, and 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 investment in associates and joint ventures

As disclosed in Notes (VIII) 13 to the consolidated financial statements, on 31 December 2021, the book value of China Merchants Port Group's long-term equity investment in associates amounted to RMB 61,813,448,065.88, accounting for 55.67% of the total shareholder's equity. In 2021, the investment income from associates recognized by the equity method amounts to RMB 6,048,315,587.10, accounting for 79.01% of the consolidated net profit. Since the amount of investment income recognized by China Merchants Port Group for associates this 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 investment in associates as a merger key audit matters of financial statements.

AUDITOR'S REPORT - continued

De Shi Bao (Shen) Zi (22) No. P02569
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III. Key Audit Matters - continued

1. Subsequent measurement of long-term equity investment in associates and joint ventures - continued

Principal audit procedures we performed for key audit matters are as follows:

- (1) Understood the certified public accountants of major associates/joint ventures and evaluated their independence and professional competence;
- (2) Identified and assessed the risk of material misstatement in the financial statements of the major associates/joint ventures from the perspective of auditing the consolidated financial statements of the Company by reading the financial statements of the major associates/joint ventures and discussing with the management the financial performance of the major associates/joint ventures 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/joint ventures 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 associates/joint ventures were consistent with the Company's. If not, checked whether the financial statements of the associates/joint ventures have been adjusted according to the accounting policies and accounting period of the Company, and recognized the amount of investment income under equity method on that basis.

2. Goodwill impairment

As disclosed in Notes (VIII) 22 to the consolidated financial statements, as at 31 December 2021, the goodwill in the consolidated financial statements of the Company was RMB 6,024,160,942.07. The management of the Company used 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 included key assumptions, such as income growth rate, gross profit margin, discount rate, etc. We identified the 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.

AUDITOR'S REPORT - continued

De Shi Bao (Shen) Zi (22) No. P02569
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III. Key Audit Matters - continued

2. Goodwill impairment - continued

Principal audit procedures we performed for key audit matters are as follows:

- (1) Assessed reasonability of division of asset group and combination of asset group management made by management;
- (2) Referred to industry practice to assess whether the management's approach in cash flows forecast is appropriate and whether the assumptions used are 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 appropriateness.
- (5) Understood the basis for management to determine the growth rate of the business in the subsequent forecast period and assessed its appropriateness;
- (6) Assessed the appropriateness of the discount rate adopted by the management in combination with market risk-free interest rates, risk factors, etc.;
- (7) Use the work of internal evaluation experts to evaluate the appropriateness of management's assessment method of 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 the cash flow 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) Reviewed whether the method used to assess the fair value less costs of disposal was appropriate.
- (10) Assess the adequacy and appropriateness of the disclosure of the goodwill impairment test.

IV. Other Information

The Company is responsible for the other information. The other information comprises the information included in the 2021 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 (22) No. P02569
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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 the preparation of financial statements that 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 Auditing Standards for the Chinese Certified Public Accountants 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 be expected to influence the economic decisions taken based on these financial statements by reasonable users.

As part of an audit in accordance with Auditing Standards for the Chinese Certified Public Accountants, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

AUDITOR'S REPORT - continued

De Shi Bao (Shen) Zi (22) No. P02569
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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 directors' 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 cause 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 over audit scope, time arrangement and significant audit findings, including any significant deficiencies of internal control that we identified through 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 (22) No. P02569
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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)

Xu Xiangzhao

Chinese Certified Public Accountant

Pi Dehan

30 March 2022

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.

AT 31 DECEMBER 2021

Consolidated Balance Sheet

RMB

Item	Notes	Closing balance	Opening balance (Restated)
Current Assets:			
Cash and bank balances	(VIII)1	12,772,349,406.77	11,918,423,758.71
Held-for-trading financial assets	(VIII)2	6,921,831,502.55	850,165,448.59
Notes receivable	(VIII)3	6,081,611.95	5,391,994.84
Accounts receivable	(VIII)4	1,320,577,577.81	1,393,349,417.02
Receivables financing	(VIII)5	238,429,402.71	217,449,966.41
Prepayments	(VIII)6	51,606,794.20	51,217,870.43
Other receivables	(VIII)7	696,276,595.87	3,561,292,313.98
Inventories	(VIII)8	194,920,136.12	214,823,976.30
Assets held for sale	(VIII)9	337,442,757.28	337,442,757.28
Non-current assets due within one year	(VIII)10	102,356,461.97	67,692,473.44
Other current assets	(VIII)11	339,684,297.41	434,074,085.16
Total current assets		22,981,556,544.64	19,051,324,062.16
Non-current Assets:			
Long-term receivables	(VIII)12	6,162,713,861.02	3,887,949,993.10
Long-term equity investments	(VIII)13	70,353,451,824.52	66,242,411,222.90
Investments in other equity instruments	(VIII)14	180,251,798.43	181,467,057.74
Other non-current financial assets	(VIII)15	809,515,244.87	910,807,452.56
Investment properties	(VIII)16	5,298,238,414.88	5,558,755,275.21
Fixed assets	(VIII)17	31,710,513,230.29	29,479,755,159.21
Construction in progress	(VIII)18	2,557,584,953.92	5,381,430,606.18
Right-of-use assets	(VIII)19	8,743,077,542.19	9,087,741,812.94
Intangible assets	(VIII)20	18,475,412,380.93	18,772,180,542.10
Development expenditure	(VIII)21	82,391,225.85	64,237,735.23
Goodwill	(VIII)22	6,024,160,942.07	6,675,939,930.13
Long-term prepaid expenses	(VIII)23	975,994,541.52	874,999,735.91
Deferred tax assets	(VIII)24	398,145,710.84	420,857,076.76
Other non-current assets	(VIII)25	1,231,092,952.69	2,138,468,683.64
Total non-current assets		153,002,544,624.02	149,677,002,283.61
TOTAL ASSETS		175,984,101,168.66	168,728,326,345.77

AT 31 DECEMBER 2021

Consolidated Balance Sheet - continued

RMB

Item	Notes	Closing balance	Opening balance (Restated)
Current liabilities:			
Short-term borrowings	(VIII)26	13,651,452,805.36	10,483,775,548.93
Notes payable	(VIII)27	1,895,987.17	7,081,772.32
Accounts payable	(VIII)28	843,820,438.51	607,972,699.59
Receipts in advance	(VIII)29	9,313,166.01	39,510,127.90
Contract liabilities	(VIII)30	196,784,525.26	157,442,109.67
Employee benefits payable	(VIII)31	820,416,415.47	726,897,125.42
Taxes payable	(VIII)32	2,162,719,251.68	2,370,258,689.99
Other payables	(VIII)33	2,140,108,341.08	2,481,217,568.40
Non-current liabilities due within one year	(VIII)34	8,268,209,284.17	3,564,587,701.07
Other current liabilities	(VIII)35	2,158,497,775.85	2,383,668,985.94
Total current liabilities		30,253,217,990.56	22,822,412,329.23
Non-current Liabilities:			
Long-term borrowings	(VIII)36	7,144,839,870.89	7,406,322,693.81
Bonds payable	(VIII)37	16,670,872,414.14	21,090,545,845.56
Including: Preferred shares			-
Perpetual bonds			-
Lease liabilities	(VIII)38	1,055,194,906.09	1,327,850,984.08
Long-term payables	(VIII)39	3,422,179,366.40	1,228,461,573.69
Long-term employee benefits payable	(VIII)40	588,681,492.63	507,714,699.46
Provisions	(VIII)41	24,247,302.42	100,406,745.66
Deferred income	(VIII)42	1,075,957,884.91	1,113,180,823.99
Deferred tax liabilities	(VIII)24	4,550,417,470.61	4,347,553,142.73
Other non-current liabilities	(VIII)43	163,065,578.53	2,982,220,894.03
Total non-current liabilities		34,695,456,286.62	40,104,257,403.01
TOTAL LIABILITIES		64,948,674,277.18	62,926,669,732.24
Shareholders' equity:			
Share capital	(VIII)44	1,922,365,124.00	1,922,365,124.00
Capital reserve	(VIII)45	23,592,702,758.70	22,839,598,324.56
Other comprehensive income	(VIII)46	-890,125,318.18	-826,697,303.06
Special reserve	(VIII)47	9,184,429.12	10,201,178.30
Surplus reserve	(VIII)48	961,182,562.00	890,690,322.28
Unappropriated profit	(VIII)49	14,205,879,106.49	12,329,120,098.70
Total shareholders' equity attributable to shareholders of the parent		39,801,188,662.13	37,165,277,744.78
Minority interests		71,234,238,229.35	68,636,378,868.75
TOTAL SHAREHOLDERS' EQUITY		111,035,426,891.48	105,801,656,613.53
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		175,984,101,168.66	168,728,326,345.77

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

Tu Xiaoping
Head of Accounting Department

CHINA MERCHANTS PORT GROUP CO., LTD.

AT 31 DECEMBER 2021

Balance Sheet of the Company

RMB

Item	Notes	Closing balance	Opening balance
Current Assets:			
Cash and bank balances		2,913,761,567.31	753,590,556.77
Held-for-trading financial assets		4,355,978,026.30	800,000,000.00
Prepayments		-	32,236.27
Other receivables	(XVIII) 1	1,256,742,971.01	1,102,712,752.04
Other current assets		3,799,849.79	2,574,148.83
Total current assets		8,530,282,414.41	2,658,909,693.91
Non-current Assets:			
Long-term receivables		8,447,395.74	8,667,950.38
Long-term equity investments	(XVIII) 2	38,632,541,293.73	37,236,798,123.55
Investments in other equity instruments		154,017,984.69	155,610,830.00
Fixed assets		1,684,450.22	748,147.75
Construction in progress		8,714,886.98	3,502,416.12
Intangible assets		53,886,017.45	56,760,723.98
Long-term prepaid expenses		1,223,180.69	1,572,660.89
Deferred tax assets		1,846,793.34	1,846,793.34
Total non-current assets		38,862,362,002.84	37,465,507,646.01
TOTAL ASSETS		47,392,644,417.25	40,124,417,339.92
Current Liabilities:			
Short-term borrowings		6,606,500,555.58	2,174,486,432.93
Employee benefits payable		36,196,999.78	27,085,844.52
Taxes payable		166,072,684.93	208,459,425.46
Other payables		1,136,030,015.25	460,457,238.16
Non-current liabilities due within one year		82,735,342.45	33,040,000.00
Other current liabilities		2,007,042,725.30	2,224,519,555.57
Total current liabilities		10,034,578,323.29	5,128,048,496.64
Non-current Liabilities:			
Bonds payable		4,000,000,000.00	2,000,000,000.00
Provisions		1,003,584.24	-
Deferred tax liabilities		44,515,821.76	43,419,526.51
Total non-current liabilities		4,045,519,406.00	2,043,419,526.51
TOTAL LIABILITIES		14,080,097,729.29	7,171,468,023.15
SHAREHOLDERS' EQUITY			
Share capital		1,922,365,124.00	1,922,365,124.00
Capital reserve		27,594,079,596.13	27,591,847,402.73
Other comprehensive income		105,412,294.52	105,536,222.50
Surplus reserve		961,182,562.00	890,690,322.28
Unappropriated profit		2,729,507,111.31	2,442,510,245.26
TOTAL SHAREHOLDERS' EQUITY		33,312,546,687.96	32,952,949,316.77
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		47,392,644,417.25	40,124,417,339.92

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2021

Consolidated Income Statement

RMB

Item	Notes	Amount incurred in the current period	Amount incurred in the prior period (Restated)
I. Operating income	(VIII)50	15,283,808,174.60	12,756,744,317.91
Less: Operating costs	(VIII)50	9,046,836,182.49	7,961,938,835.40
Taxes and surcharges	(VIII)51	191,974,244.31	151,930,002.18
Administrative expenses	(VIII)52	1,729,160,558.50	1,605,655,465.25
Research and development expenses		217,905,635.67	168,787,774.86
Financial expenses	(VIII)53	1,545,338,597.29	1,231,930,503.70
Including: Interest expense		1,909,848,615.00	1,949,912,922.21
Interest income		377,563,874.49	326,239,184.34
Add: Other income	(VIII)54	363,245,161.08	207,726,827.70
Investment income	(VIII)55	6,636,949,510.91	4,909,830,592.83
Including: Income from investments in associates and joint ventures	(VIII)55	6,290,957,480.59	3,992,772,117.69
Gains from changes in fair value (Loss is marked with "-")	(VIII)56	221,242,275.17	-411,508,773.58
Gains from impairment of credit (Loss is marked with "-")	(VIII)57	-252,953,617.50	-457,301,295.35
Gains from impairment of assets (Loss is marked with "-")	(VIII)58	-420,492,515.75	-551,370,042.53
Gains on disposal of assets (Loss is marked with "-")	(VIII)59	35,576,459.42	1,489,206,502.32
II. Operating profit		9,136,160,229.67	6,823,085,547.91
Add: Non-operating income	(VIII)60	43,467,537.50	81,715,412.68
Less: Non-operating expenses	(VIII)61	95,528,693.11	79,003,740.77
III. Gross profit		9,084,099,074.06	6,825,797,219.82
Less: Income tax expenses	(VIII)62	1,429,093,084.31	1,277,021,844.62
IV. Net profit		7,655,005,989.75	5,548,775,375.20
(I) Categorization by continuity of operation			
1. Net profit from continuing operation		7,655,005,989.75	5,548,775,375.20
2. Net profit from discontinued operation			-
(II) Categorization by attribution of ownership			
1. Net profit attributable to shareholders of the parent		2,685,829,204.07	2,073,844,409.04
2. Profit or loss attributable to minority shareholders		4,969,176,785.68	3,474,930,966.16
V. Other comprehensive income, net of tax	(VIII) 64	-711,791,683.91	-1,849,656,940.86
Other comprehensive income attributable to owners of the parent, net of tax		-61,106,763.50	-470,752,737.15
(I) Other comprehensive income that will not be reclassified to profit or loss		-316,112.17	-1,552,867.01
1. Changes from remeasurement of the defined benefit plan		-8,714,853.33	10,248,546.35
2. Other comprehensive income that cannot be reclassified to profit or loss under the equity method		9,495,957.95	-11,817,008.06
3. Fair value changes of investments in other equity instruments		-1,097,216.79	15,594.70
(II) Other comprehensive income that will be reclassified subsequently to profit or loss		-60,790,651.33	-469,199,870.14
1. Other comprehensive income that can be reclassified to profit or loss under the equity method		20,160,707.37	90,675,445.06
2. Translation differences of financial statements denominated in foreign currencies		-80,951,358.70	-559,875,315.20
Other comprehensive income attributable to minority interests, net of tax		-650,684,920.41	-1,378,904,203.71
VI. Total comprehensive income attributable to:		6,943,214,305.84	3,699,118,434.34
Shareholders of the parent		2,624,722,440.57	1,603,091,671.89
Minority shareholders		4,318,491,865.27	2,096,026,762.45
VII. Earnings per share			
(I) Basic earnings per share		1.40	1.08
(II) Diluted earnings per share		1.40	1.08

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2021

Income Statement of the Company

RMB

Item	Notes	Amount incurred in the current period	Amount incurred in the prior period
I. Operating income	(XVIII) 3	2,642,001.75	6,653,002.66
Less: Operating costs	(XVIII) 3	2,265,959.45	2,265,959.64
Taxes and surcharges		844,763.45	2,520,271.63
Administrative expenses		149,779,423.73	133,748,040.20
Financial expenses		197,780,513.57	59,313,221.11
Including: Interest expense		247,594,446.06	87,576,683.75
Interest income		58,523,130.29	38,511,845.95
Add: Other income		129,405.22	355,292.70
Investment income	(XVIII) 4	1,596,809,225.29	2,975,643,847.56
Including: Income from investments in associates and joint ventures	(XVIII) 4	226,225,111.65	57,647,049.81
Gains (losses) from changes in fair value		5,978,026.30	33,096,476.05
II. Operating profit		1,254,887,998.36	2,817,901,126.39
Add: Non-operating income		430,740.39	5,001.83
III. Gross profit		1,255,318,738.75	2,817,906,128.22
Less: Income tax expenses		168,246,527.86	214,455,979.69
IV. Net profit		1,087,072,210.89	2,603,450,148.53
V. Other comprehensive income, net of tax		-123,927.98	-58,353.75
(I) Other comprehensive income that cannot be reclassified to profit or loss		-2,225,208.98	-58,353.75
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		-1,030,575.00	-
3. Fair value changes of investments in other equity instruments		-1,194,633.98	-58,353.75
(II) Other comprehensive income that will be reclassified to profit or loss		2,101,281.00	-
1. Other comprehensive income that can be reclassified to profit or loss under the equity method		2,101,281.00	-
2. Translation differences of financial statements denominated in foreign currencies		-	-
VI. Total comprehensive income		1,086,948,282.91	2,603,391,794.78

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2021

Consolidated Cash Flow Statement

RMB

Item	Notes	Amount incurred in the current period	Amount incurred in the prior period
I. Cash Flows from Operating Activities:			
Cash receipts from sales of goods and rendering of services		15,567,101,995.95	12,878,256,705.27
Receipts of tax refunds		142,122,022.96	43,190,041.64
Other cash receipts relating to operating activities	(VIII) 65(1)	1,023,728,271.31	912,282,370.53
Sub-total of cash inflows		16,732,952,290.22	13,833,729,117.44
Cash payments for goods purchased and services received		4,395,758,133.61	3,526,421,961.61
Cash payments to and on behalf of employees		3,313,989,844.94	2,842,897,173.86
Payments of various types of taxes		1,637,763,934.22	1,073,013,338.43
Other cash payments relating to operating activities	(VIII) 65(2)	875,113,806.97	840,107,630.53
Sub-total of cash outflows		10,222,625,719.74	8,282,440,104.43
Net Cash Flows from Operating Activities	(VIII) 66(1)	6,510,326,570.48	5,551,289,013.01
II. Cash Flows from Investing Activities:			
Cash receipts from disposals and recovery of investments		17,047,342,468.86	9,137,020,345.82
Cash receipts from investments income		2,956,256,663.23	1,552,583,683.37
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		76,761,096.56	389,937,931.20
Other cash receipts relating to investing activities	(VIII) 65(3)	437,156,571.09	1,453,513,215.71
Sub-total of cash inflows		20,517,516,799.74	12,533,055,176.10
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		2,235,972,958.53	2,730,742,008.88
Cash payments to acquire investments		22,831,319,242.28	13,686,331,715.60
Other cash payments relating to investing activities	(VIII) 65(4)	22,232,300.95	3,009,770,350.62
Sub-total of cash outflows		25,089,524,501.76	19,426,844,075.10
Net Cash Flows from Investing Activities		-4,572,007,702.02	-6,893,788,899.00
III. Cash Flows from Financing Activities:			
Cash receipts from capital contributions		1,960,000.00	5,347,041,408.13
Including: Cash receipts from capital contributions from Minority shareholder of subsidiary		1,960,000.00	5,347,041,408.13
Cash receipts from borrowings		17,088,797,909.66	24,095,846,198.30
Cash receipts from issue of bonds		9,797,840,000.00	6,197,833,243.33
Other cash receipts relating to financing activities	(VIII) 65(5)	-	1,937,954,936.36
Sub-total of cash inflows		26,888,597,909.66	37,578,675,786.12
Cash repayments of borrowings		23,334,671,577.97	26,544,628,012.33
Cash payments for distribution of dividends or profits or settlement of interest expenses		4,000,078,191.43	4,326,228,539.60
Including: Payments for distribution of dividends or profits to Minority shareholder of subsidiary		1,600,821,550.56	1,586,039,122.85
Other cash payments relating to financing activities	(VIII) 65(6)	503,530,516.74	1,314,676,771.71
Sub-total of cash outflows		27,838,280,286.14	32,185,533,323.64
Net Cash Flows from Financing Activities		-949,682,376.48	5,393,142,462.48
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		-159,899,580.91	60,305,024.35
V. Net Increase in Cash and Cash Equivalents		828,736,911.07	4,110,947,600.84
Add: Opening balance of Cash and Cash Equivalents	(VIII) 66(2)	11,898,618,327.29	7,787,670,726.45
VI. Closing Balance of Cash and Cash Equivalents	(VIII) 66(2)	12,727,355,238.36	11,898,618,327.29

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2021

Cash Flow Statement of the Company

RMB

Item	Notes	Amount incurred in the current period	Amount incurred in the prior period
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		235,966,260.63	88,581,495.56
Sub-total of cash inflows		236,945,958.68	88,581,495.56
Cash payments for goods purchased and services received		40,000.00	-
Cash payments to and on behalf of employees		97,250,483.46	56,294,477.30
Payments of various types of taxes		210,087,464.31	211,434,912.21
Other cash payments relating to operating activities		258,672,489.54	61,598,017.83
Sub-total of cash outflows		566,050,437.31	329,327,407.34
Net Cash Flows from Operating Activities		-329,104,478.63	-240,745,911.78
II. Cash Flows from Investing Activities:			
Cash receipts from disposals and recovery of investments		10,580,000,000.00	2,950,000,000.00
Cash receipts from investment income		617,411,256.40	1,530,980,750.04
Other cash receipts relating to investing activities		340,000,000.00	297,303,477.07
Sub-total of cash inflows		11,537,411,256.40	4,778,284,227.11
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		7,311,253.87	1,526,872.01
Cash payments to acquire investments		14,416,331,314.09	5,567,604,695.27
Net cash payments for acquisitions of subsidiaries and other business units		-	3,006,793,109.07
Other cash payments relating to investing activities		588,583,691.07	436,450,231.63
Sub-total of cash outflows		15,012,226,259.03	9,012,374,907.98
Net Cash Flows from Investing Activities		-3,474,815,002.63	-4,234,090,680.87
III. Cash Flows from Financing Activities:			
Cash receipts from borrowings		7,600,000,000.00	2,372,563,339.18
Cash receipts from issue of bonds		9,797,840,000.00	6,197,833,243.33
Other cash receipts relating to financing activities		915,000,000.00	544,400,000.00
Sub-total of cash inflows		18,312,840,000.00	9,114,796,582.51
Cash repayments of borrowings		11,381,742,457.36	3,233,786,000.00
Cash payments for distribution of dividends or profits or settlement of interest expenses		965,552,501.17	905,286,543.64
Other cash payments relating to financing activities		1,274,938.84	437,554,375.82
Sub-total of cash outflows		12,348,569,897.37	4,576,626,919.46
Net Cash Flows from Financing Activities		5,964,270,102.63	4,538,169,663.05
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		-179,610.83	-427,725.05
V. Net Increase in Cash and Cash Equivalents		2,160,171,010.54	62,905,345.35
Add: Opening Balance of Cash and Cash Equivalents		753,590,556.77	690,685,211.42
VI. Closing Balance of Cash and Cash Equivalents		2,913,761,567.31	753,590,556.77

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2021

Consolidated Statement of Changes in Shareholders' Equity

RMB

Item	2021							
	Equity attributable to shareholders of the parent						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. Distributions 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 period	-	-	-	48,296,277.57	-	-	52,595,662.54	100,891,940.11
2. Amount utilized in the period	-	-	-	-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

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2021

Consolidated Statement of Changes in Shareholders' Equity - continued

RMB

Item	2020(Restated)							
	Equity attributable to shareholders of the parent						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	22,296,485,467.35	-355,944,565.91	12,386,734.70	630,345,307.43	11,467,166,351.85	59,017,403,192.82	94,990,207,612.24
Add: Changes in accounting policies	-	-	-	-	-	-	-	-
Corrections of prior period errors	-	-	-	-	-	-	-	-
Business combination involving enterprises under common control	-	34,528,989.07	-	-	-	4,421,264.15	62,531,504.60	101,481,757.82
Others	-	-	-	-	-	-	-	-
II. Opening balance of the year	1,922,365,124.00	22,331,014,456.42	-355,944,565.91	12,386,734.70	630,345,307.43	11,471,587,616.00	59,079,934,697.42	95,091,689,370.06
III. Changes for the year	-	508,583,868.14	-470,752,737.15	-2,185,556.40	260,345,014.85	857,532,482.70	9,556,444,171.33	10,709,967,243.47
(I) Total comprehensive income	-	-	-470,752,737.15	-	-	2,073,844,409.04	2,096,026,762.45	3,699,118,434.34
(II) Owners' contributions and reduction in capital	-	508,583,868.14	-	-	-	-	9,813,153,124.68	10,321,736,992.82
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-
2. Capital contribution from holders of other equity instruments	-	-	-	-	-	-	5,347,041,408.13	5,347,041,408.13
3. Share-based payment recognized in shareholders' equity	-	10,096,607.62	-	-	-	-	9,116,783.96	19,213,391.58
4. Others	-	498,487,260.52	-	-	-	-	4,456,994,932.59	4,955,482,193.11
(III) Profit distribution	-	-	-	-	260,345,014.85	-1,217,861,842.98	-2,342,313,102.40	-3,299,829,930.53
1. Transfer to surplus reserve	-	-	-	-	260,345,014.85	-260,345,014.85	-	-
2. Transfer to general risk reserve	-	-	-	-	-	-	-	-
3. Distributions to shareholders	-	-	-	-	-	-884,287,957.04	-2,241,431,859.76	-3,125,719,816.80
4. Others	-	-	-	-	-	-73,228,871.09	-100,881,242.64	-174,110,113.73
(IV) Transfers within shareholders' equity	-	-	-	-1,549,916.64	-	1,549,916.64	-	-
1. Capitalization of capital reserve	-	-	-	-	-	-	-	-
2. Capitalization of surplus reserve	-	-	-	-	-	-	-	-
3. Loss offset by surplus reserve	-	-	-	-	-	-	-	-
4. Others	-	-	-	-1,549,916.64	-	1,549,916.64	-	-
(V) Special reserve	-	-	-	-635,639.76	-	-	-10,422,613.40	-11,058,253.16
1. Transfer to special reserve in the period	-	-	-	57,538,524.86	-	-	49,446,114.15	106,984,639.01
2. Amount utilized in the period	-	-	-	-58,174,164.62	-	-	-59,868,727.55	-118,042,892.17
(VI) Others	-	-	-	-	-	-	-	-
IV. Closing 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

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of Changes in Shareholders' Equity of the Company

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. Distributions 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 period	-	-	-	-	-	-	-
2. Amount utilized in the period	-	-	-	-	-	-	-
(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

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of Changes in Shareholders' Equity of the Company - continued

RMB

Item	2020						
	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	27,576,242,527.73	105,594,576.25	-	630,345,307.43	983,693,068.62	31,218,240,604.03
Add: Changes in accounting policies	-	-	-	-	-	-	-
Corrections of prior period errors	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
II. Opening balance of the year	1,922,365,124.00	27,576,242,527.73	105,594,576.25	-	630,345,307.43	983,693,068.62	31,218,240,604.03
III. Changes for the year	-	15,604,875.00	-58,353.75	-	260,345,014.85	1,458,817,176.64	1,734,708,712.74
(I) Total comprehensive income	-	-	-58,353.75	-	-	2,603,450,148.53	2,603,391,794.78
(II) Owners' contributions and reduction in capital	-	15,604,875.00	-	-	-	-	15,604,875.00
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-
2. Share-based payment recognized in shareholders' equity	-	15,604,875.00	-	-	-	-	15,604,875.00
3. Others	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	260,345,014.85	-1,144,632,971.89	-884,287,957.04
1. Transfer to surplus reserve	-	-	-	-	260,345,014.85	-260,345,014.85	-
2. Transfer to general risk reserve	-	-	-	-	-	-	-
3. Distributions to shareholders	-	-	-	-	-	-884,287,957.04	-884,287,957.04
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 period	-	-	-	-	-	-	-
2. Amount utilized in the period	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-
IV. Closing 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

The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
(Unless otherwise specified, the monetary unit shall be RMB.)

(I) GENERAL INFORMATION OF THE COMPANY

China Merchants Port Group Company Limited (hereinafter referred to as the "Company") was 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 29 March 2022.

See Notes (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 period.

(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 2021, the Group had total current liabilities in excess of total current assets of RMB 7,271,661,445.92. On 31 December 2021, the Group had available and unused line of credit amounting to RMB 54,220,580,229.33, which is greater than the balance of the net current liabilities. The Group can obtain financial support from the available line of credit 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 of 31 December 2021, 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 period

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 are 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 subsidiaries choose their functional currency 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the assets in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

4. Basis of accounting and principle of measurement - continued

For financial assets which are transferred at transaction price upon initial recognition and a valuation technique that unobservable input is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals 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 acquire. 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 recognises 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 recognised and the amount originally recognised 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 Standard for Business Enterprise No. 22 - Financial Instruments: Recognition and Measurement and Accounting Standard 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 recognises 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 recognised and measured on the acquisition date.

Goodwill arising on 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 basis 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 recognised in profit or loss for the period and does not reverse 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 of the above elements of the definition of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiaries 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 statement of cash flows, 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 statement of cash flows, 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 statement of cash flows, 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 parent is treated as minority interests and presented as "minority interests" in the consolidated balance sheet under 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 "net profit" line item. The portion of comprehensive income of subsidiaries for the period attributable to minority interests is presented as "total comprehensive income attributable to minority shareholders" under the "total comprehensive income" in the consolidated income statement.

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 shareholders' equity of the subsidiary, the excess amount is still allocated against minority interests.

Acquisition of minority interests or disposals of interests in a subsidiary that do not result in the loss of control over the subsidiary are accounted for as equity transactions. The carrying amounts of the parent'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 are 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, this should be dealt with based on whether this belongs to 'package deal': if it belongs to 'package deal', transactions will be dealt as transactions to acquire control. If it does not belong to 'package deal', transactions to acquire control on acquisition date will be under accounting treatment, the fair value of acquirees' shares held before acquisition date will be revalued, and the difference between fair value and book value will be recognized in profit or loss of the current period; if acquirees' shares held before acquisition date involve in changes of other comprehensive income and other equity of owners under equity method, this 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 amortised cost) of monetary items at fair value through other comprehensive income are recognised 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 difference arising from changes in exchange rates are recognized as "exchange differences arising on translation of financial statements denominated in foreign currencies " in other comprehensive income, and in profit and 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 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 of exchange rate) and is recognized in profit and 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 on 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 and 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 on 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 a financial instrument.

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

Financial assets and financial liabilities are initially measured at fair value. For financial assets and financial liabilities at fair value through profit or loss for the period, relevant transaction costs are directly recognized in profit or loss; transaction costs relating to other categories of financial assets and financial liabilities are included in the value initially recognized. For accounts receivable and notes receivable recognized that do not contain a significant financing component or a financing component included in the contracts less than one year which are not considered by the Group, which are within the scope of *Accounting Standard for Business Enterprises No.14 - Revenue* (hereinafter referred to as "revenue standards"), transaction prices defined in the standards shall be adopted on initial recognition.

The effective interest method is a method that is used in the calculation of the amortized cost of a financial asset or a financial liability and in the allocation of the interest income or interest expense in profit or loss over the relevant period.

(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 a financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Group estimates future cash flows by considering all the contractual terms of the financial asset or financial liability (for example, prepayment, extension, call option or similar options) but shall not consider 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 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 to hold financial assets in order to collect contractual cash flows, such asset is classified into financial assets measured at amortized cost, which include cash and bank balances, notes receivable, accounts receivable, other receivables, debt investments, and long-term receivables and etc.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"): the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and 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. Financial assets at FVTOCI are presented as other debt investments.

Accounts receivable and notes receivable classified as FVTOCI at acquisition are presented as financing receivables, and those whose period within one year (inclusive) upon acquisition are presented as other current assets. Those whose period over one year upon acquisition are presented as other debt investment, those will fall due within one year (inclusive) since the balance sheet date are presented as non-current assets due within one year

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

10. Financial instruments - continued

10.1 Classification, recognition and measurement of financial assets - continued

On initial recognition, the Group may irrevocably designate non-trading equity instruments, other than contingent consideration 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 other equity instrument.

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.

- Any financial assets that does not qualify for amortized cost measurement or measurement at FVTOCI or designated at FVTOCI are classified into financial assets at FVTPL.
- Upon initial recognition, in order to eliminate or significantly reduce accounting mismatch, the Group will irrevocably designated it as financial liabilities at FVTPL.

Financial assets at FVTPL assets other than derivative financial assets are presented as "held-for-trading financial assets". Such financial assets at FVTPL which may fall due more than one year (or without fixed term) since the balance sheet date and will be held more than one year are presented as 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 book value of financial assets multiplying effective interest, except for the following circumstances:

- For purchased or originated credit-impaired financial assets with credit impairment, the Group calculates and recognizes its interest income based on amortized cost of the financial asset and the effective interest 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

Impairment losses or gains related to financial assets at FVTOCI, interest income measured using effective interest method and exchange gains or losses are recognized into profit or loss for the current period, except for the above circumstances, changes in fair value of the financial assets are included in other comprehensive income. Amounts charged to profit or loss for every period equal to the amount charged to profit or loss as it is measured at amortized costs. When the financial asset is derecognized, the cumulative gains or losses previously recognized in other comprehensive income shall be removed from other comprehensive income and recognized in profit or loss.

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 values and dividends and interests related to the financial assets are recognized in profit or loss.

10.2 Impairment of financial instruments

The Group makes accounting treatment on impairment and recognizes loss allowance for expected credit losses ("ECL") on financial assets measured at amortized cost, financial assets classified as at FVTOCI, lease receivables, contract assets, loan commitments that are not financial liabilities at FVTPL, financial liabilities not measured at FVTPL, financial guarantee contracts arising from transfer of financial assets which does not satisfy derecognition criteria or continuing involvement of transferred financial assets.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

10. Financial instruments - continued

10.2 Impairment of financial instruments - continued

The Group makes a loss allowance against amount of lifetime ECL of the contract assets, notes receivable and accounts receivable arising from transactions adopting the Revenue Standard as well as lease receivables arising from transactions adopting *ASBE No. 21- Leases*.

For other financial instrument, other than purchased or originated credit-impaired financial assets, the Group assesses changes in credit risks of the relevant financial asset since initial recognition at each balance sheet date. If the credit loss of the financial instrument has been significantly increased since initial recognition, the Group will make a loss allowance at an amount of expected credit loss during the whole life; if not, the Group will make a loss allowance for the financial instrument at an amount in the future 12-month expected credit losses. Except for the financial assets classified as at FVTOCI, increase in or reversal of credit loss allowance is included in profit or loss as loss/gain on impairment. For the financial assets classified as at FVTOCI, the Group recognizes credit loss allowance in other comprehensive income and recognizes the loss/gain on impairment in profit or loss, while the Group does not decrease the carrying amount of such financial assets in the balance sheet.

The Group has makes a loss allowance against amount of expected credit losses during the whole life in the prior accounting period. However, at the balance sheet date, the credit risk on a financial instrument has not increased significantly since initial recognition; the Group will measure the loss allowance for that financial instrument at an amount in the future 12-month expected credit losses. Reversed amount of loss allowance arising from such circumstances shall be included in profit or loss as impairment gains.

10.2.1 Significant increase of credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. For loan commitments and financial guarantee contracts, the date that 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.

(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:

- (1) Significant changes in internal price indicators of credit risk as a result of a change in credit risk.
- (2) Other changes in the rates or terms of an existing financial instrument that would be significantly different 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 income coverage).
- (3) Significant changes in external market indicators of credit risk for a particular financial instrument or similar financial instruments with the same expected life. These indicators include the credit spread, the credit swap prices for the borrower, the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost and other market information related to the borrower, such as changes in the price of a borrower's debt and equity instruments.
- (4) Significant changes in actual or expected external credit rating for the financial instruments.
- (5) An actual or expected internal credit rating downgrade for the borrower.
- (6) Adverse changes in business, financial or economic conditions that are expected to cause a significant change 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 increases in credit risk on other financial instruments of the same borrower.
- (9) Significant adverse change in the regulatory, economic, or technological environment of the debtor.
- (10) Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements, which are expected to reduce the debtor's economic incentive to make scheduled contractual payments or to otherwise have an effect on the probability of a default occurring.
- (11) Significant changes in circumstances expected to reduce the debtor's economic incentive to make scheduled contractual payments.
- (12) Expected changes in the loan documentation including an expected breach of contract that may lead to covenant waivers or amendments, interest payment holidays, interest rate step-ups, requiring additional collateral or guarantees, or other changes to the contractual framework of the financial instrument.
- (13) Significant changes in the expected performance and behaviour of the debtor.
- (14) Changes in the entity's credit management approach in relation to the financial instrument.

(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 the Group expected occurrence of one or more events which may cause adverse impact on future cash flows of a financial asset, the financial asset will become a credit-impaired financial assets. Objective evidence that a financial asset is impaired includes but not limited to the following observable events:

- (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 that financial asset because of financial difficulties of the issuer or the debtor.
- (6) Purchase or originate a financial asset with a large scale of discount, which reflects facts of credit loss incurred.

Based on the Group's management of the internal credit risk, when the information recommended internally or obtained externally indicates that the debtors of the financial instruments are unable to make the full reimbursement to the creditors including the Group (not considering any guarantee obtained by the Group), the Group then considers there occurs the event of default.

(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

Lease receivables are assessed for ECL individually by the Group. In addition, the Group uses provision matrix to calculate ECL for notes receivable, accounts receivable, other receivables, contract assets, debt investments and other debt investments based on a portfolio basis. The Group classifies financial instruments into different groups based on common risk characteristics. Common credit risk characteristics include credit risk rating, the date of initial recognition, remaining contractual maturity, industry of borrower and geographical location of the borrower etc.

The Group determines expected credit losses of relevant financial instruments using the following methods:

- For a financial asset, a credit loss shall be 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 a lease receivable, a credit loss shall be 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 ECL shall be 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 a financial guarantee contract (refer to Note IV, 10.4.1.3 for the detail of accounting policies), the expected losses is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.
- For a financial asset with credit-impaired at the balance sheet date, but not purchased or originated credit-impaired, a credit losses is the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

The factors reflected in methods of measurement of expected credit losses include an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; time value of money; reasonable and supportable information about past events, current conditions and forecasts on future economic status at balance sheet date without unnecessary additional costs or efforts.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

10. Financial instruments - continued

10.2 Impairment of financial instruments - continued

10.2.4 Write-down of financial assets

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

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 financial 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.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

10. Financial instruments - continued

10.3 Transfer of financial assets - continued

For a 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 at the derecognition date and (2) the sum of the consideration received from the transfer of the financial asset and the derecognition amount corresponding to accumulated changes in fair value initially recorded in other comprehensive income is recognized in profit or loss. For the non-tradable equity instrument designated as financial assets at FVTOCI, cumulative gain or loss that has been recognized in other comprehensive income should be removed from other comprehensive income but be recognized in retained earnings.

For a part of transfer of a financial asset that satisfies the derecognition criteria, the carrying amount of the transferred financial asset is allocated between the part that is derecognized and the part that is continuously involved, based on the respective fair values of those parts on transfer date. The difference between (1) 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; and (2) the carrying amount allocated to the part derecognized on derecognition date; is recognized in profit or loss. For the non-tradable equity instrument designated as financial assets at FVTOCI, cumulative gain or loss that has been recognized in other comprehensive income should be removed from other comprehensive income but be recognized in retained earnings.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group will continuously recognize the transferred financial asset in its entirety. Considerations received due to transfer of assets should be recognized as a financial liability upon receipts.

10.4 Classification of financial liabilities and equity instruments

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

(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

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
- 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.

Transaction financial liabilities are subsequently measured at fair value. Any gains or losses arising from changes in the fair value and any dividend or interest expenses paid on the financial liabilities are recognized in profit or loss.

The amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability shall be presented in other comprehensive income, other changes in fair values are included in profit or loss for the current period. Upon the derecognition of such liability, the accumulated amount of change in fair value that is attributable to changes in the credit risk of that liability, which is recognized in other comprehensive income, is transferred to retained earnings. Any dividend or interest income earned on the financial liabilities are recognized in profit or loss. If the impact of the change in credit risk of such financial liability dealt with in the above way 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.

(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

Financial liabilities are measured at FVTPL when the financial liabilities is arising from contingent consideration recognized by the Group as an acquirer in a business combination not involving enterprises under common control.

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.

That the Group and its counterparty modify or renegotiate the contract does not result in derecognition of a financial liability subsequently measured at amortized cost but result in 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 carrying amount of the financial liability based on the present value of renegotiated or modified contractual cash flows discounted at the financial liability's original effective interest rate. 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 standard.

(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

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.

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 of equity. Changes of fair value of equity instruments is 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, 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 re-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 to the relevant accounting standards regarding the classification of financial assets as a whole.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

10. Financial instruments - continued

10.5 Derivatives and embedded derivatives - continued

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

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

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

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.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

10. Financial instruments - continued

10.7 Compound instrument - continued

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 remain in equity instrument. The expiry or conversion of convertible bonds will not result in loss or gain.

The transaction costs incurred for issuance of the convertible bonds are allocated between the liability portion and equity instrument portion in proportion to their respective fair value. 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 amortised cost is reclassified as a financial assets 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 amortised cost is reclassified as a financial asset at fair value through other comprehensive income ("FVTOCI") by the Group, such financial asset is measured at the fair value at the date of reclassification, and the difference between the original amount and the fair value is recognized in other comprehensive income.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

10. Financial instruments - continued

10.8 Reclassification of financial instruments - continued

Where a financial asset at FVTOCI is reclassified as a financial asset at amortised cost by the Group, the accumulated gains or losses previously recognized in other comprehensive income are transferred out and the fair value is adjusted as the fair value at the date of reclassification. The adjusted fair value is recognized as the new carrying amount, as if the financial asset had been measured at amortised cost.

Where a financial asset at FVTOCI is reclassified as a financial asset at FVTPL by the Group, such financial asset continues to be accounted for 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 amortised cost by the Group, the fair value at the date of reclassification is recognized as the new account balance.

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 losses rate of notes receivable, accounts receivable, other receivables and long-term receivables. Basis for determining ratings and the expected losses rates are as follows:

Internal credit rating	Basis for determining portfolio	Average expected 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 customer may have overdue payment based on historical experience but they can make repayments.	0.10-0.30
C	The evidences indicate that the overdue credit risks of the customer are significantly increased and there is probability of default on payment.	0.30-50.00
D	The evidences indicate that the accounts receivable are impaired or the customer has significant financial difficulty. The amounts cannot be recovered in the foreseeable future.	50.00-100.00

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

12. Receivables financing

Notes receivable classified to hedging instruments for the purpose of hedging, should be listed as receivables financing within one year (including one year). If the term above one year, it should be listed as other investment on bonds. Related accounting policies refer to Note IV, 10.

13. Inventories

13.1 Categories of inventories

Inventories 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.

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

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

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

13. Inventories - continued

13.4 Inventory count system

The perpetual inventory system is maintained for stock system.

13.5 Amortization methods 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.

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 right (only the passage of time is required) to consideration from the customer is separately presented as "accounts receivable".

14.2 Determination and accounting treatments of expected credit losses ("ECL") for contract assets

Refer to Note IV,10.2 "Impairment of financial instruments" for determination and accounting treatments of expected credit losses for contract assets.

15. Assets held for sale

When the Group withdraw the book value of certain assets or disposal group mainly through disposal instead of continual application, the assets should be classified as held-for-sale assets.

Assets or disposal group classified as held-for-sale assets should meet following conditions: (1) The current status is available for immediate distribution according to similar transactions of this category of assets or disposal group; (2) The transaction is likely to occur, i.e. the Group has made its resolution over the distribution arrangements and acquired purchase commitment. Also the distribution is going to be fulfilled within a year.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

15. Assets held for sale - continued

If the holding company loses control of its subsidiary for reasons like subsidiary disposal, in regardless of whether the holding company still keeps part of equity investment, once the proposed investment disposal meets the requirements of being classified as available for sale assets in the holding company's individual statement, all assets and liabilities of the subsidiary should be classified as held-for-sale in consolidated financial statement.

The group's non-current assets and disposal group are measured at the lower of book value and the net value of fair value less costs to sell. Once the book value is higher than the net value of fair value less costs to sell, the book value should be adjusted to the net value and the excess should be recognized as impairment losses and provision for held-for-sale assets impairment should be made. A gain and a reverse in the previous provision for held-for-sale assets impairment can be recognized for any increase in fair value less costs to sell at subsequent balance sheet dates, to the extent that it is not in excess of the cumulative impairment loss that has been recognized. Asset impairment losses recognized before such assets are classified as held for sale will not be reversed.

Non-current held-for-sale assets is not subject to depreciation and amortization. The creditor interest and other expenses of disposal group classified as held-for-sale asset should still be recognized.

Once the associate or joint venture equity investment is completely or partly classified as held-for-sale assets, the classified part of the investment is not subject to equity method measurement.

If an asset or a disposal group has been classified as held for sale but the recognition criteria for non-current assets 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, amortisation or impairment that would have been recognised 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 recognition for non-current assets held for sale are no longer met, such investments are accounted for retrospectively using the equity method from the date when they classified as held for sale. The financial statements for the held-for-sale period are adjusted accordingly.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

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.

16.2 Determination of initial investment cost

For a long-term equity investment acquired through a business combination involving enterprises under common control, the investment cost of the long-term equity investment is the attributable share of the carrying amount of the shareholders' equity of the acquiree at the date of combination. The difference between the initial investment cost and the carrying amount of cash paid, non-cash assets transferred and liabilities assumed shall be adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess shall be 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 shall be the share of party being absorbed of the owners' equity in the consolidated financial statements of the ultimate controlling party at the date of combination. The aggregate face value of the shares issued shall be accounted for as share capital. The difference between the initial investment cost and the aggregate face value of the shares issued shall be adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess shall be adjusted to retained earnings. Where equity interests in an acquiree are acquired in stages through multiple transactions ultimately constituting a business combination involving entities 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 book value of owners' equity of the acquired entity in the ultimate controlling party's consolidated financial statements 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 available-for-sale financial assets is not subject to accounting treatment temporarily.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

16. Long-term equity investments - continued

16.2 Determination of initial investment cost - continued

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 absorbing party's or purchaser's 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 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 Standard 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. Additional or withdrawing investment would affect the cost of long-term equity investment. 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 associate and joint venture investment completely or partly classified as available for sale, and 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 parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

(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, 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.

Under the equity method, the Group recognizes its share of the other comprehensive income and net profit or loss of the investee for the period as other comprehensive income and investment income or loss respectively for the period, and the carrying amount of the long-term equity investment is adjusted accordingly. The carrying amount of the investment shall be reduced by the portion of any profit distributions or cash dividends declared by the investee that is distributed to the investing enterprise. The investing enterprise shall adjust the carrying amount of the long-term equity investment for other changes in owners' equity of the investee (other than net profits or losses, other comprehensive income and profit distribution), and include the corresponding adjustment 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 individually identifiable assets at the acquisition date after making appropriate adjustments. Where the accounting policies and accounting period adopted by the investee are different from those of the investing enterprise, the investing enterprise shall adjust the financial statements of the investee to conform to its own accounting policies and accounting period, and recognize other comprehensive income and investment income or losses based on the adjusted financial statements. Unrealized profits or losses resulting from the Group's transactions and assets invested or sold that are not recognized as business transactions with its associates and joint ventures are recognized as investment income or loss to the extent that those attributable to the Group's, equity interest are eliminated. 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. Except that 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.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

16. Long-term equity investments - continued

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.

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 for 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 changes in other 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 for 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; changes in other 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.

The Group loses control on investee due to disposal of part of shares, during preparing separate financial statement, remaining shares after disposal can make joint control or significant influence on investee, are accounted under equity method, and adjusted as they are accounted under equity method since the acquisition date; If remaining shares after disposal cannot make joint control or significant influence on investee, they are accounted according to recognition and measurement of financial instruments, and the difference between fair value on date of losing control and book value is recognized in profit or loss of current period. Before the Group obtained controls over the investee, other comprehensive income recognized due to equity method or recognition and measurement of financial instruments, is accounted on the basis of related assets and liabilities, and recognized in profit or loss; changes of owners' equity except for net profit or loss, other comprehensive income and profit distribution are recognized in profit or loss of current period. Remaining shares after disposal are accounted under equity method, other comprehensive income and other owners' equity are carried forward as proportion; remaining shares after disposal are accounted due to recognition and measurement of financial instruments other comprehensive income and other owners' equity are all carried forward

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

16. Long-term equity investments - continued

16.4 Disposal of long-term equity investments - continued

For the Group loses joint control or significant influence on investee after part disposal of shares, remaining shares after disposal are accounted according to recognition and measurement of financial instruments, the difference between fair value at the date of losing joint control or significant influence and book value is recognized in profit or loss of current period. Other comprehensive income recognized under equity method, is accounted on the basis of related assets or liabilities when stop using equity method, change of owners' equity except for net profit or loss, other comprehensive income and profit distribution is recognized in investment income of current period.

The Group loses control on subsidiaries through step by step transactions of disposal, if transactions are "package deal", all transactions are seemed as one transaction of disposal investment on subsidiaries, difference between amount of disposal and book value of long-term equity investment, is recognized as other comprehensive income, and recognized in income for the period when losing control.

17. Investment properties

Investment property is property held by the Group to earn rentals or for capital appreciation or both. It includes a land use right that is leased out; a land use right held for transfer upon capital appreciation; 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 an investment property will flow to the Group and the subsequent expenditures can be measured reliably, other subsequent expenditures are recognized in profit or loss in 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 withdraw 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 2021

(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 and 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 in 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	Estimated useful lives	Estimated residual value (%)	Annual depreciation rate (%)
Port and terminal facilities	5-50 years	5.00	1.90-19.00
Buildings and structures	10-50 years	5.00	1.90-9.50
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 account for any change as a change in an accounting estimate.

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.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

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 in the period in which they are incurred.

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 port operation 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 through 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 uncertain useful life will not be amortized.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

21. Intangible assets - continued

21.1 Intangible assets - continued

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 recognised as an expense in the period in which it is incurred.

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

- (1) it is technically feasible to complete the intangible asset so that it will be available for use or sale.
- (2) the Group has the intention to complete the intangible asset and use or sell it.
- (3) the Group can demonstrate the ways in which the intangible asset will generate economic benefits, including the evidence of the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.
- (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 recognises all of them in profit or loss for the period. The costs of intangible assets generated by the internal research only include the total expenditure incurred for the period from the time point of capitalization to the 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.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

22. Impairment of non-financial assets other than goodwill

The Group assesses at the balance sheet date whether there is any indication that the long-term equity investments, investment properties measured at cost method, construction in progress, fixed assets, 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 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 asset is recognized, it shall not be reversed in any subsequent period.

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 relevant ASBEs; 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 asset; 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.

Except for impairment loss of assets related to contract costs, the above impairment loss is recognized, it cannot be reversed in the subsequent accounting periods. 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 asset, the original provision for impairment of the asset is reversed and recognized in profit or loss for the period, provided that the carrying amount of the asset after the reversal does not exceed the carrying amount of the asset at the date of reversal assuming no provision for impairment was made.

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

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. A contract asset and a contract liability relating to the same contract are accounted for and 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 the full payments to within the 12 months after the annual reporting period during which relevant services are provided by the employees is ended, 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, the work injury insurance and the maternity 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 the 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 it 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 the 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 been retired or terminated the labor relationship with the enterprises for the services rendered by the employees, except the short-term salaries 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 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 plan refers to the post-employment benefits 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 when employees render services to the Group, the amounts payable calculated based on the defined contribution plan are recognized as liabilities and included to the profit or loss for the period or relevant costs of assets.

For defined benefit plans, the Group calculates defined benefit plan obligations using projected unit credit method and the service cost resulting from employee service in the current period is recorded in profit or loss or the cost 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 plan (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 of current period or costs of related assets. Remeasurement of the net defined benefit liability (asset) (including actuarial gains and losses, the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset), and any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)) are recognized in other comprehensive income.

The deficit or surplus resulting from the present value of the defined benefit plan obligation 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 the 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 the 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 cost of the 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 at 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 to the 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 with contingencies, it is probable that the Group will be required to settle that obligation causing an outflow of economic benefits, and a reliable estimate can be made of the amount of the obligation.

(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 balance sheet date, taking into account the risks, uncertainties and time value of money surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows where the effect of the time value of money is material.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable should not exceed the carrying amount of provisions.

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 such performance obligation when a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. A performance obligation represents the commitment that a good and service that is distinct shall be transferred by the Group to the customer. Transaction price refers to the consideration that the Group is expected to charge due to the transfer of goods or services to the customer, but it does not include payments received on behalf of third parties and amounts that the Group expects to return to the customer.

It is a performance obligation satisfied during a period of time if one of the following conditions is met in accordance with New revenue standards: (i) the customer obtains and consumes economic benefits at the same time of the Company's performance; (ii) the customer is able to control goods in progress during the Company's performance; (iii) goods or services generated during the Company's performance have irreplaceable utilization, and the Company is entitled to collect amounts of cumulative performance part which have been done up to now. Otherwise, the Company will recognize revenue at the point in time when the customer obtains control over relative 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 asset refers to the Company's right to consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditioned on something other than the passage of time. Accounting policies relating to contract asset are specified in Note IV, 10. The Company'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 Company's obligation to transfer goods or services to a customer for which the Company has received consideration from the customer.

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

If the contract includes two or more performance obligations, at contract inception, the Group allocates the transaction price to single performance obligation according to relative proportion of the stand-alone selling prices of the goods or services promised by single performance obligation. However, where there is conclusive evidence that the contract discount or variable consideration is only related to one or more (not all) performance obligations in the contract, the Group shall allocate the contract discount or variable consideration to relevant one or more performance obligations. The stand-alone selling price is the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group shall consider all information that is reasonably available to the Group and maximize the use of observable inputs and apply estimates methods consistently in similar circumstances.

For contracts that contain variable consideration (e.g. sales discount), the Group estimates the amount of consideration using either the expected value or the most likely amount. The transaction price that includes variable consideration is only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty is subsequently resolved. At the end of each reporting period, the Group reevaluates the variable consideration included in the transaction price.

For non-cash consideration from customer, the Group recognizes the transaction price based on the fair value of the non-cash consideration. Where the fair value of the non-cash consideration cannot be reasonably estimated, the Group recognizes the transaction price indirectly by reference to the stand-alone price of the promised goods or services promised transferred to the customer.

If the contract includes significant financing component, the Group determines the transaction price based on the amount payable under the assumption that the customer pays that amount payable in cash when "control" of the goods or services is obtained by the customer. The difference between the transaction price and the contract consideration shall be amortized within the contract period using effective interest rate. If the Group expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less, the Group needs not to consider the significant financing component.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

27. Revenue recognition - continued

The Group determines whether it is a principal or an agent at the time of the transaction based on whether it owns the "control" of the goods or services before the transfer of such goods or services to the customer. The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer, and the revenue shall be recognized based on the total consideration received or receivable; otherwise, the Group is an agent, and the revenue shall be recognized based on the amount of commission or handling fee that is expected to be charged, and such amount is determined based on the net amount of the total consideration received or receivable after deducting the prices payable to other related parties or according to the established commission amount or proportion.

Where payment is received in advance, the advance payment received shall be recorded as a liability and recognized as revenue when the relevant performance obligation is satisfied. The above amount will be recognized as revenue proportionately in accordance with the model of contractual rights exercised by the customer if (1) the Group's advance payment does not need to be returned, (2) the customer may waive all or part of its contractual rights, and (3) the Group expects to be entitled to the amount related to the contractual rights waived by the customer. Otherwise, the balance of the liabilities is recognized as revenue by the Group only when the possibility of the customer requesting the satisfaction of the remaining performance obligations is extremely remote.

28. Contract costs

28.1 Costs of obtaining a contract

If the incremental costs (costs that will not occur if no contract obtained) incurred for obtaining the contract are expected to be recovered, the Group recognizes it as an asset amortized on a basis that is consistent with the transfer to the customer of the goods or services to which the asset relates and recognized in profit or loss for the period. If the amortization period of the asset does not exceed one year, it is recognized in profit or loss for the period in which it occurs. Other expenses incurred by the Group for obtaining the contract are recognized in profit or loss for the period in which it occurs, except as expressly borne by the customer.

28.2 Costs to fulfil a contract

If the costs incurred in fulfilling a contract are not within the scope of other standard other than the revenue standard, the Group shall recognized an asset from the costs incurred to fulfil a contract 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 generate or enhance resources of the entity 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 transfer to the customer 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

29. Types and accounting treatments of 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, scrapped or damaged prior to the end of its useful life, the related undistributed deferred income is transferred to the profit or loss of the disposal period.

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 over the periods 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 should be distinguished for accounting treatment; if it is difficult to distinguish, it as a whole should be classified as government grants related to income.

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 is 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.

(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

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.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse 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 in equity, in which case they are recognized in other comprehensive income or in 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.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

30. Deferred tax assets/ deferred tax liabilities - continued

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.

31. Leases

Lease is a contract that conveys the right to use an asset for a period of time in exchange for consideration.

For contracts that are signed or modified after the date of initial application, at inception/modification of the contracts, the Group assesses whether the contract is, or contains, a lease. Unless the terms and conditions of the contract are changed, the Group does not reassess whether a contract is, or contains, a lease.

31.1 The Group as Lessee

31.1.1 Separating components of a lease

If a contract contains a lease component and one or more non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease components and the aggregate stand-alone price of the non-lease components.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases - continued

31.1 The Group as Lessee - continued

31.1.2 Right-of-use assets

Except for short-term leases and leases for which the underlying asset is of low value, at the commencement date of the lease, the Group recognizes a right-of-use assets. The commencement date of the lease is the date on which a lessor makes an underlying asset available for use by the Group. The Group measures the right-of-use assets at cost. The cost of the right-of-use assets comprises:

- 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 lessee 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 is depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the right-of-use assets is 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.

31.1.3 Lease liabilities

Except for short-term leases and leases for which the underlying asset is of low value, at the commencement date of the lease, the Group measures the lease liabilities at the present value of the lease payments that are not paid at that date. If the interest rate implicit in the lease cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases - continued

31.1 The Group as Lessee - continued

31.1.3 Lease liabilities - continued

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

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

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

Interest on the lease liabilities in each period during the lease term is calculated by a constant periodic rate of interest on the remaining balance of the lease liabilities and recognized in the current profit and loss or the cost of the relevant assets.

After the commencement date, if one of the following occurs, the lease liability is remeasured by the Group with the adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is further reduction in the measurement of the lease liability, the remaining remeasurement should be recognized in profit or loss.

- 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;
- 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 is applied to 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 for which the underlying asset is of low value

The Group elects not to recognise right-of-use assets or lease liabilities for short-term leases and leases for which the underlying asset is of low value, i.e. port and terminal facilities, buildings, machinery and equipment, furniture and fixture and other equipment, motor vehicles and cargo ships, other short-term leases and leases for which the underlying asset is of low value. A short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less. A lease for which the underlying asset is of low value is that, the value of the underlying asset is less than RMB50,000 when it is new. For short-term leases and leases for which the underlying asset is of low value, the Group recognises the lease payments associated with those leases as an expense or cost of relevant asset on a straight-line basis over 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 liability by discounting the revised payments using a revised discount rate.

For lease modifications that decrease the scope of the lease or narrow the term of the lease, the Group should decrease the carrying amount of the right-of-use asset with any gain or loss relating to the partial or full termination of the lease should be recognized in profit or loss. For remeasurement of lease liabilities from all other lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

31.2 The Group as Lessor

31.2.1 Separating components of a lease

Where the contract contains both the lease and non-lease parts, the Group shall apportion the contract consideration in accordance with the provisions of the revenue standard on the apportionment of the transaction price, based on the separate prices of the lease part and the non-lease part.

(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 recognises lease payments from operating leases as income on a straight-line basis. The Group capitalises initial direct costs incurred in obtaining an operating lease and recognises those costs as an expense over the lease term on the same basis as the lease income.

Variable lease receipts relating to an operating lease not included in the lease receipts are recognized in profit or loss by the Group when 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 investment in the lease with finance lease assets derecognized. The net investment in the lease is the sum of any unguaranteed residual value and lease payments receivable from the commencement date, discounted at the interest rate implicit in the lease.

The amount of the lease payments receivable refers to the amount that the Group should collect from the lessee for the purpose of transferring the leased assets during the lease term, including:

- 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.
- the lessee exercises the amount to be paid for the termination of the lease option, provided that the lease term reflects the lessee's exercise of the option to terminate the lease.
- the residual value of the guarantee provided by the lessee, the party concerned with the lessee and the independent third party with the financial ability to perform the guarantee obligation.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases - continued

31.2 The Group as Lessor - continued

31.2.2 Classification of leases - continued

31.2.2.2 The Group as lessor under finance leases - continued

Variable payments receivable not included in the net investment in the lease are recognized in profit or loss when they arise.

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

31.2.3 Subleases

As a lessor of the sublease, the Group accounts for the original lease contract and the sublease contract as two separate contracts. 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.

The Group should account for a modification to a finance lease as a separate lease if both:

- 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 should account for the modification as follows:

- If the lease would have been classified as an operating lease had the modification been effect at the inception 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 asset as the net investment in the lease before the effective date of the lease modification.
- If the lease would have been classified as a finance lease if the modification had been in effect at the inception date, the Group should apply the requirements of contract modification and renegotiation under the *ASBE No. 22 Financial Instruments: Recognition and Measurement*.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

31. Leases - continued

31.2 The Group as Lessor - continued

31.2.5 Sale and leaseback transactions

31.2.5.1 The Group as the seller-lessee

The Group applies the requirements of the revenue standard to determine whether the transfer of an asset is accounted for as a sale of that asset. If the transfer of an asset does not constitute a sale, the Group should continue to recognize the transferred assets and should recognize a financial liability equal to the transfer proceeds applying *ASBE No. 22 Financial Instruments: Recognition and Measurement*. If the transfer of an asset is a sale, the Group should measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use, and recognize only the amount of any gain or loss that relates to the rights transferred to the lessor.

31.2.5.2 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 recognizes a financial liability equal to the transfer proceeds in accordance with the *ASBE 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 ASBEs and accounts for the lease of the asset.

32. Exchange of Non-Monetary Assets

Where a non-monetary assets transaction satisfies the following conditions at the same time, it should be calculated based on fair value. The transaction is commercial in nature and the fair value of the assets received or surrendered can be measured reliably. The fair value of the assets surrendered and relevant payable taxes shall be regarded as the transaction cost of the assets received. For assets surrendered, the difference between the fair value and the carrying value of the asset surrendered shall be recorded into the profit or loss of the current period. If any exact evidence showing that the fair value of the assets received is more reliable, the cost of assets received and surrendered shall be calculated as a different way. For assets received, its cost shall be calculated based on fair value of assets received and relevant payable taxes. For the assets surrendered, the difference between the fair value of the assets received and the carrying value of the asset surrendered shall be recorded into the profit or loss of the current period.

Where a non-monetary assets transaction does not meet the conditions as prescribed, the carrying value and relevant payable taxes of the assets surrendered shall be the cost of the assets received and no profit or loss is recognized.

(IV) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

33. Discontinued Operation

Discontinued operation refers to the separately identifiable components that have been disposed of or classified as held for sale and meet one of the following conditions:

- (1) The component represents an independent main business or a major business area.
- (2) This component is a part of a related plan that intends to dispose an independent main business or a separate main operating area.
- (3) This component is a subsidiary acquired exclusively for resale.

Profits or losses from discontinued operations are presented separately in the income statement from continuing operations. Profits and losses from operations or disposals (e.g. impairment losses and reversals of discontinued operations) are presented under discontinued operations. For discontinued operations presented in the current period, the information previously under continuing operations is presented under discontinued operations by the Group in the financial statements for the comparable accounting period.

34. Safety Production Cost

According to the *Administrative Rules on Provision and Use of Enterprise Safety Production Cost* jointly issued by the Ministry of Finance and the State Administration of Work Safety on 14 February 2012 (filed as Cai Qi [2012] No. 16), 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, as well as the special reserve. 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 the 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 vest immediately, with a corresponding increase in capital reserves.

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

In the application of accounting policies as set out in Note (IV), the Company 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 experiences of the Company's management as well as other factors that are considered to be relevant. Actual results may differ from these estimates.

The Company 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 current period; changes which not only affect the current but the future periods should be recognized in current and future periods. At the balance sheet date, key assumptions and uncertainties that are likely to lead to significant adjustments to the book values of assets and liabilities in the future are:

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 plan of subsidiaries, associates and the joint ventures subject to the related law. For retained earnings which are not allocated by the investment company, since the profits will be used to invest the company's daily operation and future development, no deferred tax liabilities are recognized. If the actually distributed profits in the future are more or less than those expected, corresponding deferred tax liabilities will be recognized or reversed at the earlier of profits distribution date and the declaration date, in the profit and loss of the current period.

Deferred tax assets are recognized based on the deductible temporary difference and the corresponding tax rate, to the extent that it has become probable that future taxable profit will be available for the deductible temporary difference. If in the future the actual taxable income does not coincide with the amount currently expected, the deferred tax assets resulting will be recognized or reversed in the period when actually incurred, in profit or loss.

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

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

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

(VI) SIGNIFICANT CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Significant changes in accounting policies

1.1 Interpretation No.14 of the Accounting Standards for Business Enterprises

The Ministry of Finance issued the Interpretation No. 14 of the Accounting Standards for Business Enterprises (hereinafter referred to as the "Interpretation No.14") on 26 January 2021, which stipulates the accounting treatment for the changes in the basis for determining the contractual cash flows as a result of contracts on PPP projects the benchmark interest rate reform. The Interpretation is effective from the date of issue.

Accounting Treatment for Public-Private-Partnership (PPP) Project Contracts

"Contracts on PPP projects" can be defined as the contracts concluded by and between the social capital and the government for collaborating in PPP projects in accordance with laws and regulations, which shall concurrently meet the following features: (1) The social capital uses the PPP project assets to provide public products and services on behalf of the government during the operation period as agreed in the contract; (2) The social capital receives compensation for the rendering of public products and services during the period as agreed in the contract. Contracts on PPP projects shall concurrently meet the following conditions: (1) The government controls or regulates the types, objects and prices of public products and services required to be provided by the social capital in using the PPP project assets; (2) When a contract on PPP project is terminated, the government controls the significant residual equity of the PPP project assets by ownership, usufruct or other forms.

In accordance with the Interpretation No. 14, the Group accounts for the new PPP projects for the period from 1 January 2021 to the effective date of the Interpretation No. 14 in accordance with the provisions of Interpretation No. 14. For contracts on PPP projects that commenced before 31 December 2020 and have not been completed by the effective date of the Interpretation No. 14, retroactive adjustments should be made. The Group assessed that the application of the provisions does not have a material impact on the Group's financial statements.

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

1. Significant changes in accounting policies - continued

1.1 Interpretation No.14 of the Accounting Standards for Business Enterprises - continued

Accounting treatment of changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform

For changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform, if and only if the basis for determining the contractual cash flows of a financial asset or liability for which the interest income or expense is determined by using the effective interest rate method changes as a direct consequence of the interest rate benchmark reform, and the new basis for determining the contractual cash flows is economically equivalent to the previous basis, the effective interest rate is updated based on the revised future cash flows only resulted from the benchmark interest rate reform by reference to the accounting treatment of floating rate changes and makes accounting treatments on this basis subsequently.

In addition to the above changes, for other changes made to financial assets or financial liabilities for which interest income or expense is determined by using the effective interest rate method, the changes required by the interest rate benchmark reform in accordance with the above requirements are accounted for firstly, and then assesses whether the such other changes result in derecognition of the financial assets or financial liabilities in accordance with the requirements of ASBE No.22 - "Recognition and Measurement of Financial Instruments".

According to the Interpretation No.14, the new businesses related to the benchmark interest rate reform starting from 1 January 2021 to the effective date of the Interpretation No. 14 should be treated in accordance with the provisions of Interpretation No. 14. Businesses related to the benchmark interest rate reform occurring before 31 December, 2020 shall be retroactively adjusted, except where retroactive adjustment is not practicable. The Group assessed that the adoption of such provisions does not have a material impact on the Group's financial statements.

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

The Ministry of Finance issued the Interpretation No.15 of the Accounting Standards for Business Enterprises (hereinafter referred to as the "Interpretation No.15") on 30 December 2021, which stipulates the presentation related to centralized management of funds. The Interpretation No. 15 shall go into effect on the date of issue. The Group maintains consistency with the provisions of Interpretation No. 15 for the presentation related to centralized management of funds before 30 December 2020, and therefore, the Group considers that the adoption of such provisions does not have a material impact on the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS
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(VII) TAXES

1. Major taxes and tax rates

Taxes	Tax basis	Tax rate
Enterprise income tax	Taxable income	15%-34% (Note 1)
	Dividend income tax	5%,10%,25% (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, real estate lease, etc.	5%
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 2.4-12 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 are 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 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 28% and 34%.

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 of 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%.

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.

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

(VII) TAXES - continued

1. Major taxes and tax rates - continued

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

Note 4: The social contribution tax is the tax paid by the overseas subsidiary of the Group, TCP Participações S.A.(hereinafter referred to as "TCP"), 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 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 the Group's some domestic subsidiaries 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	Closing balance	Opening balance (Restated)
Cash	501,446.73	575,797.26
RMB	20,504.26	37,045.02
USD	105,169.96	146,078.94
HKD	23,918.14	24,653.41
BRL	5,600.44	5,997.01
Others	346,253.93	362,022.88
Bank deposit (Note1)	12,367,010,853.19	11,547,077,133.15
RMB	8,311,399,392.65	7,585,560,643.67
USD	1,481,370,545.88	817,495,062.65
EUR	708,753,319.34	770,193,517.95
BRL	273,845,734.48	273,701,827.77
HKD	1,567,048,304.98	2,076,664,153.73
AUD	3,805,872.65	557,797.36
Others	20,787,683.21	22,904,130.02
Other cash and bank balances (Note 2)	404,837,106.85	370,770,828.30
RMB	404,810,610.86	370,726,535.43
HKD	26,495.99	44,292.87
Total	12,772,349,406.77	11,918,423,758.71
Including: The total amount of funds deposited overseas	4,261,299,895.41	5,313,591,920.43

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

1. Cash and bank balances - continued

Note 1: The balance of interest receivable in bank deposits was RMB 13,906,450.61, and the bank deposits of the Group deposited overseas and restricted for remittance to China at the end of the year totalled nil.

Note 2: The balance of the securities margin account totalled RMB 23,749,389.05 in other cash and bank balances at the end of the year, the principal of the time certificate of deposit in other cash and bank balances that can be readily withdrawn on demand at the end of the year totalled RMB 350,000,000.00, the interest of the time certificate of deposit totalled RMB 18,257,505.47, the restricted deposit totalled RMB 12,818,212.33, and the frozen funds of ETC card business totalled RMB 12,000.00.

2. Held-for-trading financial assets

Item	Closing balance	Opening balance
Financial assets at FVTPL	6,921,831,502.55	850,165,448.59
Including: Debt investment instruments	-	-
Equity investment instruments	157,196.79	165,448.59
Structural deposits	6,921,674,305.76	850,000,000.00
Total	6,921,831,502.55	850,165,448.59

3. Notes receivable

(1) Category of notes receivable

Category	Closing balance	Opening balance (Restated)
Bank acceptance	6,081,611.95	2,245,000.16
Commercial acceptance	-	3,146,994.68
Total	6,081,611.95	5,391,994.84
Less: Provision for credit losses (Note)	-	-
Carrying amount	6,081,611.95	5,391,994.84

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

(2) As at 31 December 2021, there are no notes receivable pledged.

(3) As at 31 December 2021, there are no notes reclassified to accounts receivable due to the drawers' inability to settle the note.

(4) The Group has no notes receivable written off in 2021.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued

4. Accounts receivable

(1) Accounts receivable disclosed by aging

Aging	Closing balance		
	Accounts receivable	Provision for credit loss	Proportion (%)
Within 1 year	1,322,013,727.29	24,895,951.15	1.88
More than 1 year but not exceeding 2 years	31,413,062.01	14,678,423.40	46.73
More than 2 years but not exceeding 3 years	13,345,543.00	7,436,597.03	55.72
More than 3 years	40,455,237.18	39,639,020.09	97.98
Total	1,407,227,569.48	86,649,991.67	

(2) Disclosure of accounts receivable by categories

Credit rating	Expected credit loss rate (%)	Closing balance			Opening balance (Restated)		
		Carrying amount	Provision for credit loss	Book value	Carrying amount	Provision for credit loss	Book value
A	0.00-0.10	768,959,184.29	195,963.28	768,763,221.01	680,599,675.12	658,001.13	679,941,673.99
B	0.10-0.30	436,073,607.05	1,088,792.71	434,984,814.34	520,087,318.71	639,654.91	519,447,663.80
C	0.30-50.00	146,604,738.15	32,286,595.88	114,318,142.27	207,630,761.65	23,911,382.65	183,719,379.00
D	50.00-100.00	55,590,039.99	53,078,639.80	2,511,400.19	60,465,077.73	50,224,377.50	10,240,700.23
Total		1,407,227,569.48	86,649,991.67	1,320,577,577.81	1,468,782,833.21	75,433,416.19	1,393,349,417.02

(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 2021 (Restated)	25,209,038.69	50,224,377.50	75,433,416.19
Carrying amount of accounts receivable at 1 January 2021			
-- Transferred to credit-impaired accounts receivables	-	-	-
-- Reversed to not credit-impaired accounts receivable	-	-	-
Provision for the year	9,124,422.59	5,507,719.66	14,632,142.25
Reversal for the year	-133,502.86	-823,698.12	-957,200.98
Transfer-out from derecognition of financial assets (including direct write-down)	-	-2,018,967.31	-2,018,967.31
Other changes	-628,606.55	189,208.07	-439,398.48
At 31 December 2021	33,571,351.87	53,078,639.80	86,649,991.67

(4) Accounts receivable written off in the year

Item	Nature	Write-offs	Reasons for write-off	Performance performed	Arising from related party transactions?
Entity 1	Handling charges	1,109,799.16	The company is in bankruptcy and liquidation	Yes	No
Entity 2	Handling charges	610,541.77	The company was dissolved	Yes	No
Entity 3	Handling charges	159,580.12	The company was dissolved	Yes	No
Entity 4	Handling charges	124,998.00	The company was dissolved	Yes	No
Entity 5	Stowage	14,048.26	The company has been liquidated and deregistered	Yes	Yes
Total		2,018,967.31			

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

4. Accounts receivable - continued

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

Name of entity	Closing balance	Aging	Proportion of the amount to the total accounts receivable (%)	Closing balance of provision for credit loss
Client 1	203,845,734.90	Within 1 year, more than 1 year but not exceeding 2 years, more than 2 years but not exceeding 3 years, more than 3 years	14.49	203,845.73
Client 2	92,424,169.37	Within 1 year, more than 1 year but not exceeding 2 years	6.57	29,501,794.87
Client 3	65,068,263.10	Within 1 year, more than 1 year but not exceeding 2 years	4.62	224.00
Client 4	54,244,407.04	Within 1 year	3.85	-
Client 5	41,612,049.62	Within 1 year	2.96	-
Total	457,194,624.03		32.49	29,705,864.60

5. Receivables financing

(1) Classification of receivables financing

Items	Closing balance	Opening balance
Bank acceptance measured by fair value	238,429,402.71	217,449,966.41

(2) On 31 December 2021, the Group has no pledged receivables financing.

(3) On 31 December 2021, The Group has endorsed or discounted and has not yet matured the financing of receivables on the balance sheet date.

Item	Closing balance		Opening balance (Restated)	
	Derecognized	Recognized	Derecognized	Recognized
Bank acceptance measured by fair value	153,044,339.75	-	129,866,604.18	-

6. Prepayments

(1) Aging analysis of prepayment

Aging	Closing balance			Opening balance (Restated)		
	Amount	Proportion (%)	Provision for impairment	Amount	Proportion (%)	Impairment provision
Within 1 year	51,121,689.93	99.06	-	50,438,796.50	98.48	-
More than 1 year but not exceeding 2 years	351,693.15	0.68	-	585,435.07	1.14	-
More than 2 years but not exceeding 3 years	109,329.76	0.21	-	-	-	-
More than 3 years	24,081.36	0.05	-	193,638.86	0.38	-
Total	51,606,794.20	100.00	-	51,217,870.43	100.00	-

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

6. Prepayments - continued

- (2) As at 31 December 2021, 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 December 2021	Aging	Proportion of the closing balance to the total prepayments (%)	Why unsettled
Entity 1	Non-related party	12,347,416.16	Within 1 year	23.93	Unsettled advance premium
Entity 2	Non-related party	2,801,656.00	Within 1 year	5.43	Unsettled advance consulting fee
Entity 3	Non-related party	2,113,207.54	Within 1 year	4.09	Unsettled prepaid communication expenses
Entity 4	Non-related party	1,632,676.43	Within 1 year	3.16	Unsettled advance labour expenses
Entity 5	Non-related party	1,453,982.28	Within 1 year	2.82	Unsettled prepayment for purchase of materials
Total		20,348,938.41		39.43	

7. Other receivables

7.1 Summary of other receivables

Item	Closing balance	Opening balance (Restated)
Dividend receivable	264,626,493.85	258,137,208.69
Other receivables	431,650,102.02	3,303,155,105.29
Total	696,276,595.87	3,561,292,313.98

7.2 Dividend receivable

(1) Presentation of dividend receivable

Name of investee	Closing balance	Opening balance
China Nanshan Development (Group) Incorporation ("Nanshan Group")	185,070,000.00	210,831,000.00
Zhanjiang Merchants Port City Investment Co., Ltd. ("Merchants Port City")	41,847,044.77	-
Tin-Can Island Container Terminal Ltd	19,076,909.00	33,289,037.77
COSCO Logistics (Zhanjiang) Co., Ltd.	18,403,959.77	13,378,666.52
Others	493,472.09	896,900.00
Total	264,891,385.63	258,395,604.29
Less: Provision for credit loss	264,891.78	258,395.60
Book value	264,626,493.85	258,137,208.69

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

7. Other receivables - continued

7.2 Dividend receivable - continued

(2) Significant dividend receivable aged more than 1 year

Name of investee	Closing balance	Opening balance	Aging	Why unrecovered
Nanshan Group	74,028,000.00	140,554,000.00	More than 1 year but not exceeding 2 years	Undergoing relevant formalities, expected to be recovered by the end of 2022

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

Item	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in 12 months	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	
At 1 January 2021	258,395.60	-	-	258,395.60
Carrying amount of dividends receivable at 1 January 2021				
-- Transfer to Stage 2	-	-	-	-
-- Transfer to Stage 3	-	-	-	-
-- Reverse to Stage 2	-	-	-	-
-- Reverse to Stage 1	-	-	-	-
Provision for the year	6,496.18	-	-	6,496.18
Reversal for the year	-	-	-	-
Transfer-out on derecognition of financial assets(including direct write-down)	-	-	-	-
Other changes	-	-	-	-
At 31 December 2021	264,891.78	-	-	264,891.78

7.3 Other receivables

(1) Other receivables disclosed by aging

Aging	Closing balance		
	Other receivables	Provision for credit loss	Proportion (%)
Within 1 year	328,141,878.41	5,068,631.24	1.54
More than 1 year but not exceeding 2 years	38,177,531.87	9,689,121.55	25.38
More than 2 years but not exceeding 3 years	465,330,513.59	463,694,669.80	99.65
More than 3 years	358,564,468.35	280,111,867.61	78.12
Total	1,190,214,392.22	758,564,290.20	

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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	Closing balance	Opening balance (Restated)
Operation compensation (Note 1)	618,500,035.62	687,057,815.03
Temporary payments	260,222,250.12	159,559,495.82
Land compensation (Note 2)	89,630,000.00	2,742,032,000.00
Deposits	25,492,288.59	24,819,304.63
Dedicated grants(Note 3)	24,800,000.00	-
Compensation for profit or loss on transition	6,347,258.89	38,312,376.24
Others	165,222,559.00	173,665,086.98
Total	1,190,214,392.22	3,825,446,078.70
Less: Provision for credit loss	758,564,290.20	522,290,973.41
Book value	431,650,102.02	3,303,155,105.29

Note 1: As of 31 December 2021, it is the operation compensation amounting to RMB 618,500,035.62 that the subsidiaries of the Company should collect from the holding companies of minority shareholders. The aforesaid amount has been overdue. Therefore, the Group made a corresponding provision for credit impairment losses of RMB 190,775,500.00. As of 31 December 2021, these amount has been fully provided for credit losses.

Note 2: On 9 October 2021, Zhanjiang Port (Group) Co., Ltd.,(hereinafter referred to as the "Zhanjiang Port "), subsidiary of the Company, entered into the Agreement on Recovery of State-owned Land Use Rights with the People's Government of Xiashan District, Zhanjiang Municipal. Pursuant to the Agreement, Zhanjiang Port shall return the land located in the Zhanjiang Comprehensive Bonded Zone on the east of the Gangshu Avenue of approximately 195.68 mu, which is amounting to RMB 89,630,000.00. The aforementioned land was then returned before 31 December 2021. The net book value of the land was RMB63,458,203.57, and the compensation gain recognized netting of transaction costs was RMB26,126,981.43. As at 31 December 2021, the total land compensation not recovered amounted to RMB89,630,000.00.

Note 3: This represents the special subsidy of RMB35,000,000.00 for public lighterage branch line obtained by the Company's subsidiary Shantou CMPort Group Co., Ltd. ("Shantou Port") in 2021 according to the Notice of Shantou Transportation Bureau and Bureau of Commerce of Shantou Municipality on Continuation of the Policy of Subsidy for Heavy Container Imports by Voyage and Special Subsidy for Shantou Public Lighterage Branch Line. As of 31 December 2021, RMB24,800,000.00 is not yet received. This special subsidy is closely related with the business of Shantou Port, and is taken as a component of the consideration for provision of public lighterage branch line business.

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

7. Other receivables - continued

7.3 Other receivables - continued

(3) Provision for credit loss on 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 impairments 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 on other receivables - continued

As at 31 December 2021, 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 (%)	Closing balance				Opening balance (Restated)			
		Expected credit loss in 12 months	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	Total	Expected credit loss in 12 months	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	Total
A	0.00-0.10	431,741,133.45	-	-	431,741,133.45	3,102,785,902.96	-	-	3,102,785,902.96
B	0.10-0.30	-	-	-	-	-	-	-	-
C	0.30-50.00	-	-	-	-	-	-	-	-
D	50.00-100.00	-	-	758,473,258.77	758,473,258.77	-	-	722,660,175.74	722,660,175.74
Account balance		431,741,133.45	-	758,473,258.77	1,190,214,392.22	3,102,785,902.96	-	722,660,175.74	3,825,446,078.70
Provision for credit loss		106,031.43	-	758,458,258.77	758,564,290.20	308,222.19	-	521,982,751.22	522,290,973.41
Book value		431,635,102.02	-	15,000.00	431,650,102.02	3,102,477,680.77	-	200,677,424.52	3,303,155,105.29

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	Carrying amount	Provision for credit loss	ECL rate(%)	Reasons for provision
Entity 1	618,500,035.62	618,500,035.62	100.00	Expected to be unrecoverable(Note)
Entity 2	103,643,609.29	103,643,609.29	100.00	Expected to be unrecoverable
Entity 3	14,000,000.00	14,000,000.00	100.00	Expected to be unrecoverable
Total	736,143,644.91	736,143,644.91	--	--

Note: Refer to Note (VIII), 7.3(2)Note 1 for details.

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

7. Other receivables - continued

7.3 Other receivables - continued

(4) Changes in provision, reversal and write-off for credit loss of other receivables

Credit loss allowance	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in 12 months	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	
At 1 January 2021(Restated)	308,222.19	-	521,982,751.22	522,290,973.41
Carrying amount of other receivables at 1 January 2021				
-- Transfer to Stage 2	-	-	-	-
-- Transfer to Stage 3	-161,287.99	-	161,287.99	-
-- Reverse to Stage 2	-	-	-	-
-- Reverse to Stage 1	293,405.18	-	-293,405.18	-
Provision for the year	104,464.47	-	239,995,475.12	240,099,939.59
Reversal for the year	-438,772.42	-	-6,000.00	-444,772.42
Resold for the year	-	-	-	-
Write-off for the year	-	-	-	-
Other changes	-	-	-3,381,850.38	-3,381,850.38
At 31 December 2021	106,031.43	-	758,458,258.77	758,564,290.20

(5) Changes in the carrying amount of other receivables

Carrying amount	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in 12 months	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	
At 1 January 2021	3,102,785,902.96	-	722,660,175.74	3,825,446,078.70
Carrying amount of other receivables at 1 January 2021	--	--	--	--
-- Transfer to Stage 2	-	-	-	-
-- Transfer to Stage 3	-43,728,163.84	-	43,728,163.84	-
-- Reverse to Stage 2	-	-	-	-
-- Reverse to Stage 1	355,828.50	-	-355,828.50	-
Increase for the year	75,755,789.07	-	5,668,098.06	81,423,887.13
Derecognition for the year	-	-	-	-
Other changes	-2,703,428,223.24	-	-13,227,350.37	-2,716,655,573.61
At 31 December 2021	431,741,133.45	-	758,473,258.77	1,190,214,392.22

(6) In 2021, the Group has no other receivables written off.

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

7. Other receivables - continued

7.3 Other receivables - continued

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

Name of entity	Nature	Closing balance	Aging	Proportion of the amount to the other receivable (%)	Provision for credit loss at the end of the year
Entity 1	Operation compensation	618,500,035.62	More than 2 years but not exceeding 3 years, more than 3 years	51.97	618,500,035.62
Entity 2	Temporary payments	103,643,609.29	Within 3 year, more than 3 years	8.71	103,643,609.29
Entity 4	Land compensation	89,630,000.00	Within 1 year	7.53	-
Entity 5	Temporary payments	77,858,169.40	Within 1 year, more than 1 year but not exceeding 2 years	6.54	-
Entity 6	Temporary payments	32,953,940.00	More than 3 years	2.77	-
Total		922,585,754.31		77.52	722,143,644.91

8. Inventories

(1) Categories of inventories

Item	Closing balance			Opening Balance (Restated)		
	Carrying amount	Provision for decline in value of inventories	Book value	Carrying amount	Provision for decline in value of inventories	Book value
Raw materials	174,693,225.25	730,054.35	173,963,170.90	168,411,323.61	884,061.15	167,527,262.46
Finished goods	6,576,244.72	-	6,576,244.72	34,780,194.84	-	34,780,194.84
Others	14,380,720.50	-	14,380,720.50	12,516,519.00	-	12,516,519.00
Total	195,650,190.47	730,054.35	194,920,136.12	215,708,037.45	884,061.15	214,823,976.30

(2) Provision for decline in value of inventories

Item	1 January 2021	Provision	Decrease		31 December 2021
			Reversal	Write-off	
Raw materials	884,061.15	-	-	154,006.80	730,054.35

(3) As at 31 December 2021, the Group has no capitalized borrowing cost in the balance of inventories.

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

9. Assets held for sale

Item	Carrying amount at closing balance	Fair value at closing balance	Estimated disposal expenses	Schedule
Long-term assets held for sale(Note)	337,442,757.28	1,380,876,000.00	31,475,777.36	Expected to be vacated and relocated in 2022
Less: Provision for impairment of assets held for sale	-			
Carrying amount	337,442,757.28			

Note: Refer to Note (VIII).12(1) for details.

10. Non-current assets due within one year

Item	Closing balance	Opening balance (Restated)
Long-term receivables due within one year	102,458,920.89	67,760,233.67
Less: Provision for credit loss	102,458.92	67,760.23
Carrying amount	102,356,461.97	67,692,473.44

11. Other current assets

(1) Categories of other current assets

Item	Closing balance	Opening balance
Structural deposits	-	102,749,431.10
Including: Principal	-	100,000,000.00
Interest receivable	-	2,749,431.10
Prepaid taxes	64,390,050.80	47,556,756.97
Input tax to be deducted and to be certified	254,909,235.38	237,493,882.42
Others	20,385,011.23	46,274,014.67
Total	339,684,297.41	434,074,085.16
Less: Provision for credit loss	-	-
Book value	339,684,297.41	434,074,085.16

12. Long-term receivables

(1) Details of long-term receivables

Item	Closing balance			Opening balance			Range of discount rate at the end of year
	Account balance	Provision for credit loss	Book value	Account balance	Provision for credit loss	Book value	
Advances to shareholders (Note1)	3,566,614,937.93	3,566,614.94	3,563,048,322.99	3,663,271,923.98	3,663,271.92	3,659,608,652.06	4.75%-8.00%
Land compensation receivable (Note 2)	2,692,032,000.00	-	2,692,032,000.00	-	-	-	-
Financing lease deposits	10,000,000.00	10,000.00	9,990,000.00	10,000,000.00	10,000.00	9,990,000.00	-
Receivables for cooperation	-	-	-	286,330,144.62	286,330.14	286,043,814.48	-
Total	6,268,646,937.93	3,576,614.94	6,265,070,322.99	3,959,602,068.60	3,959,602.06	3,955,642,466.54	-
Less: Long-term receivables due within 1 year	102,458,920.89	102,458.92	102,356,461.97	67,760,233.67	67,760.23	67,692,473.44	-
Long-term receivables due over 1 year	6,166,188,017.04	3,474,156.02	6,162,713,861.02	3,891,841,834.93	3,891,841.83	3,887,949,993.10	-

(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 Company's receivable of aggregate principal and interest from Terminal Link SAS, equivalent to RMB 2,722,198,784.01.

On 25 November 2019, the subsidiary of the Company, China Merchants Port Holdings Company ("CMPort") has signed the shareholders' agreement with the associate Terminal Link SAS and its shareholder CMA CGM S.A. According to this agreement, CMPort intends to subscribe for mandatory convertible bonds of USD468 million and grant a loan facility of USD500 million to Terminal Link SAS in order to support Terminal Link SAS' acquisition plan of 10 target terminals. On 26 March 2020, the Company subscribed mandatory convertible bonds, equivalent to RMB2,746,841,398.03. Meanwhile, Direct Achieve Investments Limited, 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 has been transferred in 2020. As at 31 December 2021, 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, Queshi, 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 2021. As at 31 December 2021, the land compensation totalling RMB200,000,000.00 has not yet been recovered.

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

12. Long-term receivables - continued

(1) Details of long-term receivables - continued

Note 2: - continued

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. As at 31 December 2021, the land compensation totalling RMB1,334,000,000.00 has not yet been recovered, and the remaining 328.78 mu of land and attached buildings have not been transferred. The intangible assets of the remaining 328.78 mu of land and attached buildings of RMB212,552,105.91, fixed assets of RMB113,712,788.00 and investment properties of RMB11,177,863.37 are 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", as the final plan has not yet been approved and announced, Shantou Land Reserve Center delayed the transfer of the above 328.78 mu of land originally planned to be completed in 2021 to 2022.

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

Item	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in 12 months	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	
At 1 January 2021	3,959,602.06	-	-	3,959,602.06
Carrying amount of other current assets at 1 January 2021				
-- Transfer to Stage 2	-	-	-	-
-- Transfer to Stage 3	-	-	-	-
-- Reverse to Stage 2	-	-	-	-
-- Reverse to Stage 1	-	-	-	-
Provision for the year	34,698.70	-	-	34,698.70
Reversal for the year	-417,685.82	-	-	-417,685.82
Transfer-out on derecognition of financial assets(including direct write-down)	-	-	-	-
Other changes	-	-	-	-
At 31 December 2021	3,576,614.94	-	-	3,576,614.94

(3) As at 31 December 2021, there are no long-term receivables derecognized due to the transfer of financial assets.

(4) There are no assets and liabilities arising from the transfer or continuing involvement of long-term receivables at 31 December 2021.

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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	1 January 2021 (restated)	Changes for the year								31 December 2021	Including: Closing balance of provision for impairment		
			Increase	Decrease	Investment profit under equity method	Reconciling items from other comprehensiv e income	Other equity movements	Cash dividends or profits announced of issuance	Others	Provision for impairment			Effect of translation of financial statements denominated in foreign currencies	
I. Joint ventures														
Euro-Asia Océangate S.à r.l.	Equity method	2,533,296,561.96	-	-	57,559,118.21	-	-	-159,489,460.08	-	-	-59,827,233.35	2,371,538,986.74	-	
Port of Newcastle	Equity method	2,149,048,944.67	-	-	12,868,828.80	4,375,404.14	-	-30,408,519.30	-	-	-176,201,036.95	1,959,683,621.36	-	
Qingdao Qianwan United Container Terminal Co., Ltd.	Equity method	1,507,359,082.53	-	-	83,154,378.77	-	-	-100,000,000.00	-	-	-	1,490,513,461.30	-	
Yantai Port Group Laizhou Port Co., Ltd. (formerly known as "China Overseas Harbour Affairs (Laizhou) Co., Ltd.")	Equity method	782,832,086.50	-	-	33,327,096.27	-	-	-24,643,441.33	-	-	-	791,515,741.44	-	
Others	Equity method	1,893,790,530.18	1,021,291.12	-	55,732,471.44	-	-	-21,350,308.29	1,003,584.24	-	-3,445,620.89	1,926,751,947.80	-	
Subtotal		8,866,327,205.84	1,021,291.12	-	242,641,893.49	4,375,404.14	-	-335,891,729.00	1,003,584.24	-	-239,473,891.19	8,540,003,758.64	-	
II. Associates														
Shanghai International Port (Group) Co., Ltd. (hereinafter referred to as the "Shanghai Port Group")	Equity method	25,361,783,181.41	-	-	4,190,349,799.99	152,749,411.32	-68,880,822.92	-793,927,959.22	-	-	1,733,773.11	28,843,807,383.69	-	
Nanshan Group	Equity method	5,390,946,895.65	-	-	685,312,588.00	10,912,249.63	352,921,807.12	-111,042,000.00	-	-	-	6,329,051,540.40	-	
Terminal Link SAS	Equity method	6,803,553,044.91	2,108,106.13	-	476,262,839.86	-137,113,127.55	-230,782.28	-1,389,503,418.41	-	-	282,916,394.46	6,037,993,057.12	-	
Liaoning Port Co., Ltd. (formerly known as "Dalian Port (PDA) Company Limited") ("Liaoning Port") (Note)	Equity method	3,455,964,513.62	-	-	177,413,349.12	-1,739,501.18	133,473,710.98	-76,829,166.42	265,572,515.61	-	18,545,210.30	3,972,400,632.03	337,700,959.79	
Shenzhen China Merchants Qianhai Industrial Development Co., Ltd.	Equity method	7,176,706,008.55	-	-	130,229,025.57	-	-	-	-	-	-	7,306,935,034.12	-	
Ningbo Zhoushan Port Company Limited ("Ningbo Zhoushan")	Equity method	3,098,292,286.95	206,523,799.86	-	229,363,153.19	3,863,547.99	5,473,715.31	-68,675,568.77	-	-	-	3,474,840,934.53	-	
China Merchants Northeast Asia Development & Investment Co., Ltd.	Equity method	1,007,786,285.71	-	-	8,262,246.98	-	-	-	-	-	-	1,016,048,532.69	-	
Others	Equity method	5,081,051,800.26	776,647.76	-158,496,285.36	151,122,584.39	31,811,339.48	28,775,127.82	-181,330,149.23	-	-2,147,208.07	-119,192,905.75	4,832,370,951.30	2,135,644.39	
Subtotal		57,376,084,017.06	209,408,553.75	-158,496,285.36	6,048,315,587.10	60,483,919.69	451,532,756.03	-2,621,308,262.05	265,572,515.61	-2,147,208.07	184,002,472.12	61,813,448,065.88	339,836,604.18	
Total		66,242,411,222.90	210,429,844.87	-158,496,285.36	6,290,957,480.59	64,859,323.83	451,532,756.03	-2,957,199,991.05	266,576,099.85	-2,147,208.07	-55,471,419.07	70,353,451,824.52	339,836,604.18	

Note : Other equity movements refer to Note (VIII) 45 for details.

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

13. Long-term equity investments - continued

(2) Changes in provisions for impairment losses of long-term equity investments

Item	1/1/2021	Effect of consolidation scope change	Increase	Decrease		Effect of translation of foreign currency statements	31/12/2021
				Amount	Reason		
Liaoning Port	621,818,684.80	-	-	265,572,515.61	Refer to Note(VIII)45	-18,545,209.40	337,700,959.79
HOA THUONG CORPORATION	-	-	2,147,208.07	-	N/A	-11,563.68	2,135,644.39
Total	621,818,684.80	-	2,147,208.07	265,572,515.61	--	-18,556,773.08	339,836,604.18

14. Investments in other equity instruments

(1) Details of investments in other equity instruments

Investees	Closing balance	Opening balance
China Ocean Shipping Agency (Shenzhen) Co., Ltd.	144,998,784.69	144,424,830.00
Others	35,253,013.74	37,042,227.74
Total	180,251,798.43	181,467,057.74

(2) Details of non-trading equity instruments

Item	Dividends income recognized for the year	Accumulated gains/losses	Amounts transferred to retained earnings from other comprehensive income	Why designated as FVTOIC	Why transferred to retained earnings from other comprehensive income
China Ocean Shipping Agency (Shenzhen) Co., Ltd.	6,949,500.00	131,488,784.69	-	The intention of holding is neither for sale nor profits in short-term	N/A
Others	460,262.66	7,410,582.00	-	The intention of holding is neither for sale nor profits in short-term	N/A
Total	7,409,762.66	138,899,366.69	-		

15. Other non-current financial assets

Item	Closing balance	Opening balance
Financial assets at FVTPL	809,515,244.87	910,807,452.56
Including: Investments in equity instruments	809,515,244.87	910,807,452.56
Including: Qingdao Port International Co., Ltd.	782,723,863.52	886,385,139.77
Others	26,791,381.35	24,422,312.79

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

16. Investment properties

(1) Investment properties measured under cost method

Item	Land use rights	Buildings and structures	Total
I. Total original carrying amount			
1. Balance at 1 January 2021	105,727,492.82	6,278,220,271.05	6,383,947,763.87
2. Increase for the year	8,907,053.85	14,936,216.21	23,843,270.06
(1) Purchase	-	1,301,544.00	1,301,544.00
(2) Transferred from fixed assets	-	13,634,672.21	13,634,672.21
(3) Transferred from intangible assets	8,907,053.85	-	8,907,053.85
3. Decrease for the year	-	111,653,314.50	111,653,314.50
(1) Disposal	-	1,868,892.31	1,868,892.31
(2) Transfer to fixed assets	-	109,784,422.19	109,784,422.19
4. Balance at 31 December 2021	114,634,546.67	6,181,503,172.76	6,296,137,719.43
II. Accumulated depreciation and amortization			
1. Balance at 1 January 2021	33,534,616.24	791,657,872.42	825,192,488.66
2. Increase for the year	3,913,726.53	189,673,663.97	193,587,390.50
(1) Provision for the year	2,282,104.06	187,357,639.74	189,639,743.80
(2) Transferred from fixed assets	-	2,316,024.23	2,316,024.23
(3) Transferred from intangible assets	1,631,622.47	-	1,631,622.47
3. Decrease for the year	-	20,880,574.61	20,880,574.61
(1) Disposal	-	1,775,447.69	1,775,447.69
(2) Transfer to fixed assets	-	19,105,126.92	19,105,126.92
4. Balance at 31 December 2021	37,448,342.77	960,450,961.78	997,899,304.55
III. Impairment provision			
1. Balance at 1 January 2021	-	-	-
2. Increase for the year	-	-	-
3. Decrease for the year	-	-	-
4. Balance at 31 December 2021	-	-	-
IV. Book value			
1. At 31 December 2021	77,186,203.90	5,221,052,210.98	5,298,238,414.88
2. At 1 January 2021	72,192,876.58	5,486,562,398.63	5,558,755,275.21

(2) Investment properties without ownership certificates

Item	Closing balance	Opening balance	Reasons for certificate of title not completed	Expected time of completion
Buildings, structures, and land use rights	17,610,186.51	19,256,400.05	Some houses and buildings 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	Closing balance	Opening balance (restated)
Fixed assets	31,710,355,613.32	29,478,004,411.21
Disposal of fixed assets	157,616.97	1,750,748.00
Total	31,710,513,230.29	29,479,755,159.21

17.2 Fixed assets

(1) Details of fixed assets

Item	Port and terminal facilities	Buildings and structures	Machinery and equipment, furniture and fixture and other equipment	Motor vehicles and cargo ships	Total
I. Total original carrying amount					
1. Balance at 1 January 2021(restated)	29,858,213,065.80	1,847,328,245.18	15,259,298,893.86	2,133,169,183.60	49,098,009,388.44
2. Increase for the year	2,597,697,997.28	169,178,346.91	1,627,272,788.24	91,847,711.39	4,485,996,843.82
(1) Purchase	28,913,704.71	1,657,155.23	249,775,005.43	10,618,654.29	290,964,519.66
(2) Transfer from development expenditure	231,671.58	-	7,725,001.98	-	7,956,673.56
(3) Transfer from construction in progress	2,568,552,620.99	57,736,769.49	1,369,772,780.83	81,229,057.10	4,077,291,228.41
(4) Transfer from investment properties	-	109,784,422.19	-	-	109,784,422.19
(5) Effect of changes in the scope of consolidation	-	-	-	-	-
3. Decrease for the year	106,048,643.07	20,384,736.21	239,086,033.64	31,951,977.37	397,471,390.29
(1) Disposal or retirement	98,938,297.47	6,750,064.00	239,086,033.64	31,951,977.37	376,726,372.48
(2) Transfer to construction in progress	3,206,649.81	-	-	-	3,206,649.81
(3) Transfer to investment properties	-	13,634,672.21	-	-	13,634,672.21
(4) Adjustments to the amount carried forward	3,903,695.79	-	-	-	3,903,695.79
4. Reclassification	4,634,191.17	-14,125,996.90	9,491,805.73	-	-
5. Effect of changes in foreign exchange	-217,233,587.45	-4,510,309.88	-199,637,336.47	-17,911,473.16	-439,292,706.96
6. Balance at 31 December 2021	32,137,263,023.73	1,977,485,549.10	16,457,340,117.72	2,175,153,444.46	52,747,242,135.01
II. Accumulated depreciation					
1. Balance at 1 January 2021(restated)	8,832,870,876.12	468,211,667.37	9,319,665,495.98	941,729,519.54	19,562,477,559.01
2. Increase for the year	939,489,240.41	94,689,351.03	761,159,730.21	101,209,197.82	1,896,547,519.47
(1) Provision	939,489,240.41	75,584,224.11	761,159,730.21	101,209,197.82	1,877,442,392.55
(2) Transfer from investment properties	-	19,105,126.92	-	-	19,105,126.92
(3) Effect of changes in the scope of consolidation	-	-	-	-	-
3. Decrease for the year	82,743,017.62	8,728,635.03	217,932,477.76	29,750,768.67	339,154,899.08
(1) Disposal or retirement	82,337,575.64	6,412,610.80	217,932,477.76	29,750,768.67	336,433,432.87
(2) Transfer to construction in progress	405,441.98	-	-	-	405,441.98
(3) Transfer to investment properties	-	2,316,024.23	-	-	2,316,024.23
4. Reclassification	6,643,252.93	-6,877,372.10	234,119.17	-	-
5. Effect of changes in foreign exchange	-45,495,621.18	-1,080,004.31	-88,954,302.21	-4,979,822.72	-140,509,750.42
6. Balance at 31 December 2021	9,650,764,730.66	546,215,006.96	9,774,172,565.39	1,008,208,125.97	20,979,360,428.98
III. Impairment provision					
1. Balance at 1 January 2021	57,419,468.96	63,906.47	44,042.79	-	57,527,418.22
2. Increase for the year	-	-	-	-	-
3. Disposal or retirement for the year	-	-	-	-	-
4. Reclassified amount for the year	-	-	-	-	-
5. Other decreases	-	-	1,325.51	-	1,325.51
6. Balance at 31 December 2021	57,419,468.96	63,906.47	42,717.28	-	57,526,092.71
IV. Book value					
1. Balance at 31 December 2021	22,429,078,824.11	1,431,206,635.67	6,683,124,835.05	1,166,945,318.49	31,710,355,613.32
2. Balance at 1 January 2021(restated)	20,967,922,720.72	1,379,052,671.34	5,939,589,355.09	1,191,439,664.06	29,478,004,411.21

(2) The Group has no fixed assets that are temporarily idle as at 31 December 2021.

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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	Book value at 31 December 2021	Book value at 31 December 2020
Buildings and structures	174,489,188.90	296,325,159.35
Port and terminal facilities	38,957,300.62	79,578,478.13
Machinery and equipment, furniture and fixture and other equipment	4,770,103.50	8,646,797.33
Total	218,216,593.02	384,550,434.81

(4) Fixed assets without ownership certificates

Item	Book value at 31 December 2021	Book value at 31 December 2020	Remarks
Buildings, structures, port and terminal facilities	2,086,360,399.74	1,751,680,587.08	This is mainly due to the fact that certain buildings and structures have not yet obtained the land use rights of the land for such fixed assets and the approval procedures have not yet been completed.

(5) Other issues

Item	Amount	Remark
Cost of fixed assets fully depreciated but still in use at the end of the year	4,067,219,016.28	
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	376,726,372.48	
Net value of fixed assets disposed and retired in the year	40,291,614.10	
Loss on disposal or retirement of fixed assets in the year	18,305,792.81	

(6) As at 31 December 2021, the Group's fixed assets with restricted ownership refer to Note (VIII) 63 for details.

17.3 Disposal of fixed assets

Item	Closing balance	Opening balance
Machinery and equipment, furniture and fixture and other equipment	78,950.02	1,216,187.48
Motor vehicles and cargo ships	78,666.95	17,000.05
Port and terminal facilities	-	517,560.47
Total	157,616.97	1,750,748.00

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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	Closing balance	Opening balance
Construction in progress	2,543,631,289.59	5,366,181,331.72
Materials for construction of fixed assets	13,953,664.33	15,249,274.46
Total	2,557,584,953.92	5,381,430,606.18

(2) Details of construction in progress

Item	Closing balance			Opening balance		
	Carrying amount	Provision for impairment	Book value	Carrying amount	Provision for impairment	Book value
Port and terminal facilities	2,177,670,930.47	-	2,177,670,930.47	4,662,213,617.98	-	4,662,213,617.98
Berths and yards	15,718,097.89	-	15,718,097.89	336,353,712.35	-	336,353,712.35
Infrastructure	220,531,192.85	-	220,531,192.85	197,699,601.64	-	197,699,601.64
Ship under construction	-	-	-	58,674,526.32	-	58,674,526.32
Others	129,711,068.38	-	129,711,068.38	111,239,873.43	-	111,239,873.43
Total	2,543,631,289.59	-	2,543,631,289.59	5,366,181,331.72	-	5,366,181,331.72

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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	1 January 2021	Increase for the year	Transfer to fixed assets	Other decreases for the year	Effect of changes in foreign exchange	31 December 2021	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	2,575,891,749.20	986,965,991.96	30,225,598.52	5,829,386.34	112,313,625.52	-22,673,579.91	876,374,998.71	57.68	57.68	847,663.37	327,390.66	2.75	Own funds and loans
General cargo terminal project at Donghai Island Port Area of Zhanjiang Port	905,348,400.00	366,583,393.31	33,093,195.93	-	-	-	399,676,589.24	44.15	44.15	44,364,372.49	12,879,488.70	4.22	Own funds and loans
Phase I expansion project for the container terminal at Baoman Port Area, Zhanjiang Port	2,342,775,800.00	156,012,479.92	25,002,275.68	-	398,668.68	-	180,616,086.92	7.73	7.73	953,620.60	-11,119.86	4.22	Own funds and loans
Reconstruction project for Yard 16# of the bulk cargo terminal, Zhanjiang Port	190,000,000.00	68,846,809.70	110,039,628.07	-	-	-	178,886,437.77	94.15	94.15	2,899,307.26	2,600,508.04	4.22	Own funds and loans
Phase I project for the stuffing and destuffing service area of Baoman Port Area, Zhanjiang Port	606,521,505.83	137,075,214.56	5,270,101.53	-	9,146,779.70	-	133,198,536.39	23.47	23.47	16,689,500.56	-	-	Own funds and loans
Back land Reclamation Project on Haidagan Bulk Yard and Supporting Facilities and Liquid Bulk Berth	59,300,000.00	58,274,286.20	837,110.40	-	-	-	59,111,396.60	99.68	99.68	-	-	-	Own funds
Logistic Centre Project of Baoman Port Area, Zhanjiang Port	608,535,600.00	55,668,801.93	-	-	-	-	55,668,801.93	9.15	9.15	-	-	-	Own funds
Hydraulic structure engineering for the reconstruction project of Berth 1# - 4#, Haixing Terminal	2,467,361,016.88	1,544,226,816.60	632,110,920.11	2,086,947,310.05	33,836,256.04	-	55,554,170.62	88.21	88.21	66,037,883.84	25,219,359.80	3.87	Own funds and loans
Berth 3# project of Houshi Port area of Xiamen Port	1,000,000,000.00	19,237,391.30	33,996,281.66	-	-	-	53,233,672.96	98.80	98.80	-	-	-	Own funds and loans
28# Warehouse Relocation Project	67,670,000.00	41,299,327.20	6,178,297.33	-	-	-	47,477,624.53	70.16	70.16	-	-	-	Own funds
Total	10,823,404,071.91	3,434,190,512.68	876,753,409.23	2,092,776,696.39	155,695,329.94	-22,673,579.91	2,039,798,315.67			131,792,348.12	41,015,627.34		

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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	Closing balance			Opening balance(restated)		
	Carrying amount	Provision for impairment	Book value	Carrying amount	Provision for impairment	Book value
Materials for construction of fixed assets	13,953,664.33	-	13,953,664.33	15,249,274.46	-	15,249,274.46

19. Right-of-use assets

(1) Details of right-of-use assets

Item	Port and terminal facilities	Buildings and structures	Machinery and equipment, furniture and fixture and other equipment	Land use rights	Motor vehicles, cargo ships and others	Total
I. Cost						
1. Balance at 1 January 2021(restated)	6,772,369,651.12	161,394,715.13	466,008,746.03	2,654,899,114.51	14,863,949.59	10,069,536,176.38
2. Increase for the year	152,243,356.00	15,605,749.60	3,337,541.05	261,663.67	1,689,609.47	173,137,919.79
(1) Purchase	152,243,356.00	15,605,749.60	3,337,541.05	261,663.67	1,689,609.47	173,137,919.79
3. Decrease for the year	175,632,891.39	4,347,735.56	7,460,829.68	16,634,314.87	7,244,123.48	211,319,894.98
(1) Termination of lease	175,632,891.39	4,347,735.56	7,460,829.68	16,634,314.87	7,244,123.48	211,319,894.98
4. Effect of changes in foreign exchange	-141,451,125.79	-3,208,031.94	-510,995.73	-63,637,363.39	-	-208,807,516.85
5. Balance at 31 December 2021	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
II. Accumulated depreciation						
1. Balance at 1 January 2021(restated)	588,760,107.94	30,621,557.69	109,303,923.22	242,317,665.43	10,791,109.16	981,794,363.44
2. Increase for the year	239,697,224.28	18,304,628.95	28,402,668.30	40,834,819.42	2,363,800.88	329,603,141.83
(1) Provision	239,697,224.28	18,304,628.95	28,402,668.30	40,834,819.42	2,363,800.88	329,603,141.83
3. Decrease for the year	175,622,826.43	4,325,539.34	7,460,829.68	16,634,314.87	7,244,123.48	211,287,633.80
(1) Termination of lease	175,622,826.43	4,325,539.34	7,460,829.68	16,634,314.87	7,244,123.48	211,287,633.80
4. Effect of changes in foreign exchange	-13,786,566.06	-513,859.90	-343,717.54	-5,996,585.82	-	-20,640,729.32
5. Balance at 31 December 2021	639,047,939.73	44,086,787.40	129,902,044.30	260,521,584.16	5,910,786.56	1,079,469,142.15
III. Impairment provision						
1. Balance at 1 January 2021	-	-	-	-	-	-
2. Increase for the year	-	-	-	-	-	-
3. Decrease for the year	-	-	-	-	-	-
4. Balance at 31 December 2021	-	-	-	-	-	-
IV. Book value						
1. Book value at 31 December 2021	5,968,481,050.21	125,357,909.83	331,472,417.37	2,314,367,515.76	3,398,649.02	8,743,077,542.19
2. Book value at 1 January 2021(restated)	6,183,609,543.18	130,773,157.44	356,704,822.81	2,412,581,449.08	4,072,840.43	9,087,741,812.94

(2) Amount recognized in profit or loss

Category	Amount incurred in the year
Depreciation expenses of right-of-use assets (Note 1)	329,603,141.83
Interest expenses on lease liabilities (Note 2)	79,937,678.42
Expenses for short-term leases	57,066,803.15
Expenses for leases of low value assets	1,059.70
Variable lease payments not included in the measurement of lease liabilities (Note 3)	-
Revenue from sublease of right-of-use assets	21,274,985.98

Note 1: In 2021, no depreciation expenses of right-of-use assets is capitalized.

Note 2: In 2021, no interest expenses of lease liabilities are capitalized.

Note 3: In 2021, no variable lease payments were included in the measurement of lease liabilities.

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued**19. Right-of-use assets - continued**

- (3) The total cash outflows in relation to leases for the current year amount to RMB 435,267,676.74.
- (4) The lease terms of the lease assets of the Group are as follows:

Category	Lease term
Port and terminal facilities	1-99 years
Buildings and structures	3 months-5 years
Machinery and equipment, furniture and fixture and other equipment	1-6 years
Motor vehicles and cargo ships	5 years
Others	35 years

20. Intangible assets

- (1) Details of intangible assets

Items	Land use rights	Terminal management rights	Others	Total
I. Total original carrying amount				
1. Balance at 1 January 2021(restated)	13,925,403,678.69	8,996,212,561.23	1,123,714,042.87	24,045,330,282.79
2. Increase for the year	809,185,563.97	23,673,686.37	266,870,311.55	1,099,729,561.89
(1) Purchase	324,710.39	23,673,686.37	94,887,589.91	118,885,986.67
(2) Effect of changes in the scope of consolidation	-	-	-	-
(3) Other increase(Note 1)	808,860,853.58	-	171,982,721.64	980,843,575.22
3. Decrease for the year	94,747,493.09	-	40,590,156.23	135,337,649.32
(1) Disposal	85,840,439.24	-	1,870,786.22	87,711,225.46
(2) Transfer to investment properties	8,907,053.85	-	-	8,907,053.85
(3) Other decrease	-	-	38,719,370.01	38,719,370.01
4. Effect of changes in foreign exchange	-8,794,482.57	-780,862,955.02	-46,265,516.67	-835,922,954.26
5. Balance at 31 December 2021	14,631,047,267.00	8,239,023,292.58	1,303,728,681.52	24,173,799,241.10
II. Accumulated amortization				
1. Balance at 1 January 2021(restated)	3,399,466,693.48	1,444,000,560.60	429,682,486.61	5,273,149,740.69
2. Increase for the year	330,762,067.27	228,027,157.06	62,473,826.09	621,263,050.42
(1) Provision	325,611,018.07	228,027,157.06	62,469,243.88	616,107,419.01
(2) Effect of changes in the scope of consolidation	-	-	-	-
(3) Other increase	5,151,049.20	-	4,582.21	5,155,631.41
3. Decrease for the year	18,117,752.79	-	8,761,767.63	26,879,520.42
(1) Disposal	16,486,130.32	-	3,510,718.43	19,996,848.75
(2) Transfer to investment properties	1,631,622.47	-	-	1,631,622.47
(3) Other decrease	-	-	5,251,049.20	5,251,049.20
4. Effect of changes in foreign exchange	-205,360.82	-152,691,783.78	-16,249,265.92	-169,146,410.52
5. Balance at 31 December 2021	3,711,905,647.14	1,519,335,933.88	467,145,279.15	5,698,386,860.17
III. Impairment provision				
1. Balance at 1 January 2021	-	-	-	-
2. Increase for the year	-	-	-	-
3. Decrease for the year	-	-	-	-
4. Balance at 31 December 2021	-	-	-	-
IV. Book value				
1. Book value at 31 December 2021	10,919,141,619.86	6,719,687,358.70	836,583,402.37	18,475,412,380.93
2. Book value at 1 January 2021(restated)	10,525,936,985.21	7,552,212,000.63	694,031,556.26	18,772,180,542.10

Note 1: It is the lands located in Dachanwan Port Area Phase II acquired by the Company's subsidiaries Ansuje Terminal Services (Shenzhen) Co., Ltd. ("ASJ"). Refer to Note (VIII) 25 for details.

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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 on 31 December 2021:

Item	Book value at this year end	Book value at last year end
Land use rights (Note)	1,882,080,080.20	1,051,555,795.12

Note: At 31 December 2021, 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 1,049,946.00 m², and the land use rights for Dachanwan Port area Phase II obtained by ASJ, of which the costs are RMB 1,400,288,984.00 and RMB 914,968,043.27 respectively.

The Group 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, as Nanshan Group has not yet obtained the land use rights in respect of the lands within Chiwan watershed, including aforementioned capital investment and land lease to the Group, therefore the Group can not obtain the ownership certificate for relevant land and buildings on such land. The Company's management understood that the 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 expenses

Item	1/1/2021	Increase in the current year	Decrease in the current year				Effect of translation of foreign currency statements	31.12/2021
			Transfer to intangible assets	Transfer to construction in progress	Transfer to fixed assets	Transfer to profit or loss for the year		
CTOS upgrading	-	62,596,122.69	-	-	-	62,596,122.69	-	-
R&D project of port public information platform	-	12,735,903.00	-	-	-	12,735,903.00	-	-
Development of intelligent gate system	-	11,621,699.80	-	-	-	11,621,699.80	-	-
"China Merchants Chip" ICT integrated R&D for the smart container terminal	-	9,812,731.04	-	-	-	9,812,731.04	-	-
R&D of Anqiao auxiliary production monitoring	-	9,022,425.42	-	-	-	9,022,425.42	-	-
Customized development of block chain clearance project	-	8,055,519.62	-	-	-	8,055,519.62	-	-
Development and application of automatic control systems for heavy oil, diesel, gasoline, and methanol processes	19,689,935.13	6,129,035.71	-	-	-	-	-	25,818,970.84
Automatic intelligent bucket wheel stacker and transformation technology service procurement project	-	6,043,141.79	-	6,043,141.79	-	-	-	-
R&D of RTG remote automatic catch and release box system	-	5,939,534.80	-	-	-	5,939,534.80	-	-
Multifunctional Port BTOS Cloud Edge Fusion Platform Phase I R&D Project	-	5,361,073.70	-	-	-	5,361,073.70	-	-
R&D of crane remote monitoring and management system	-	4,316,460.46	-	-	-	4,316,460.46	-	-
Development of intelligent stock management system	-	2,296,416.10	-	-	-	2,296,416.10	-	-
Key technical research for the device used to load crude oil to a train	20,656,125.15	1,218,823.23	-	-	-	-	-	21,874,948.38
Others	23,891,674.95	106,830,819.22	160,214.95	1,760,549.99	7,956,673.56	86,147,749.04	-	34,697,306.63
Total	64,237,735.23	251,979,706.58	160,214.95	7,803,691.78	7,956,673.56	217,905,635.67	-	82,391,225.85

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

22. Goodwill

(1) Carrying amount of goodwill

Investee	1/1/2021	Increase	Decrease	Amount of changes in foreign exchange	31/12/2021
TCP	2,562,567,253.74	-	-	-233,433,680.38	2,329,133,573.36
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	7,228,257,666.78	-	-	-233,433,680.38	6,994,823,986.40

(2) Provisions for goodwill impairments

Investee	1/1/2021	Increase	Decrease	Effect of changes in foreign exchange	31/12/2021
Zhanjiang Port	-	418,345,307.68	-	-	418,345,307.68
Shantou Port	552,317,736.65	-	-	-	552,317,736.65
Total	552,317,736.65	418,345,307.68	-	-	970,663,044.33

(3) Information of assets group or portfolio of assets group to which the goodwill belongs

The Group takes the ability to independently generate cash inflows, manage the way of production and operation activities (mainly by geographic areas) and unified decision on the use and disposal of the assets as the criteria to determine assets group or portfolio of assets group, and performs impairment test of goodwill for the assets group or portfolio of assets group as determined. As at 31 December 2021, the assets group or portfolio of assets group 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.; CMPort; Shantou Port; Zhanjiang port; Shenzhen Mawan Project, including Shenzhen Mawan Port Waterway Co., Ltd., 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 assets group and portfolio of assets group (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 assets group and portfolio of assets group 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 27 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 assets group and portfolio of assets group 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 forecasted period adopted in 2021 are around 10.75%-17.45% and 2.24%-3.00% 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.

(5) Effect of impairment test of goodwill

During the year, the Group assessed the recoverable amount of the asset group or set of asset groups which including the goodwill and determined that the provision for impairment of the goodwill of Zhanjiang Port was RMB418,345,307.68.

23. Long-term prepaid expenses

Item	1/1/2021 (restated)	Effect of changes in the scope of consolidation	Increase for the year	Amortization in the year	Other changes	31/12/2021	Reasons for other decreases
Tonggu channel widening project (note 1)	491,846,986.99	-	-	18,635,856.00	-	473,211,130.99	
West public channel widening project, West port area (note 2)	249,214,515.10	-	9,985,504.85	6,440,250.17	-	252,759,769.78	
Relocation project of Nanhai Rescue Bureau	39,768,848.30	-	-	1,107,368.40	-	38,661,479.90	
Expenditures for the improvement of leased fixed assets	17,479,223.03	-	4,745,234.37	1,437,932.36	-	20,786,525.04	
Dredging project	-	-	79,544,232.97	2,952,365.74	-	76,591,867.23	
Others	76,690,162.49	-	60,198,056.01	22,904,449.92	-	113,983,768.58	
Total	874,999,735.91	-	154,473,028.20	53,478,222.59	-	975,994,541.52	

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

23. Long-term prepaid expenses - continued

Note 1: This represent the Group's actual expenses on the Shenzhen Western Port Area Tonggu Channel 210-270 Meters Widening Project. According to relevant resolutions of Shenzhen Municipal Government, the expenses incurred for the 210-240M widening project are born by the enterprise and government on 60% to 40% principle, and the expenses incurred for the 240-270M widening project are born by the enterprise and government on 50% to 50% principle. 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 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 represent the Group's actual expenses on the Shenzhen Western Port Area Public Channel Widening Project, of which the widening of 240-270 meters in the first section was completed on 1 June 2019 and the widening of 240-270 meters in the second and third sections was completed on 5 November 2020. According to relevant resolutions of Shenzhen Municipal Government, the expenses incurred for the project are born by the enterprise and government on 50% to 50% principle. 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	Closing balance		Opening balance (restated)	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Unrealized profit	769,833,723.80	187,934,375.63	782,881,449.78	191,015,511.36
Depreciation of fixed assets	174,310,058.63	38,498,510.97	121,474,197.24	30,363,658.82
Deductible losses	243,923,028.71	77,871,713.03	375,133,696.59	121,834,055.80
Provision for credit loss	134,107,345.89	22,607,019.97	44,693,047.44	11,118,047.81
Accrued and unpaid wages	133,228,573.09	32,069,398.58	85,390,402.74	20,498,335.20
Provisions	23,243,718.18	7,902,864.18	83,415,919.34	22,408,962.33
Deferred income	37,320,614.70	8,908,126.11	40,760,480.40	9,289,713.04
Amortization of computer software	9,375,355.92	2,343,838.98	11,007,022.11	2,751,755.53
Organization costs	5,967,432.36	1,491,858.09	8,436,714.76	2,109,178.68
Provision for impairment losses of assets	3,858,354.37	964,588.59	884,061.15	221,015.29
Others	69,133,036.30	17,553,416.71	36,412,379.66	9,246,842.90
Total	1,604,301,241.95	398,145,710.84	1,590,489,371.21	420,857,076.76

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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	Closing balance		Opening balance (restated)	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Withholding dividend income tax	32,834,363,823.45	2,276,809,099.05	28,188,540,389.01	1,925,457,143.90
Fair value adjustment of assets acquired by business combination	7,922,514,263.15	1,794,717,729.81	8,566,522,113.13	1,925,197,755.69
Depreciation of fixed assets	855,120,746.48	226,223,855.58	826,231,081.71	217,461,491.73
Changes in fair value of other non-current financial assets	478,483,648.29	99,590,902.64	572,236,171.97	120,501,451.06
Changes in fair value of investments in other equity instruments	138,988,784.68	34,747,196.17	140,581,630.00	35,145,407.50
Others (Note)	1,101,926,283.77	118,328,687.36	1,140,966,796.27	123,789,892.85
Total	43,331,397,549.82	4,550,417,470.61	39,435,078,182.09	4,347,553,142.73

Note: This mainly represents the taxable temporary differences arising from the fair value measurement of equity held by the Company's subsidiaries in Ningbo Zhoushan and the corresponding deferred tax liabilities.

(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 this year	Offset amount of deferred tax assets and liabilities at the end of last year	Balance of deferred tax assets or liabilities after offsetting at the end of last year (restated)
Deferred tax assets	-	398,145,710.84	-	420,857,076.76
Deferred tax liabilities	-	4,550,417,470.61	-	4,347,553,142.73

(4) Details of unrecognized deferred tax assets

Item	Closing balance	Opening balance (restated)
Deductible temporary differences	944,129,558.25	428,574,636.02
Deductible losses	2,197,937,158.38	2,536,136,831.19
Total	3,142,066,716.63	2,964,711,467.21

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 is recognized.

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

24. Deferred income tax - continued

- (5) Deductible losses for unrecognized deferred tax assets will be expired in the following years:

Year	Closing balance	Opening balance (restated)
2021	-	244,394,853.17
2022	418,419,582.20	615,440,669.35
2023	568,545,269.63	753,395,413.47
2024	501,044,247.06	507,211,725.15
2025	385,310,677.29	392,332,675.29
2026	300,322,682.88	1,411,580.00
Deductible losses due after 2027	24,294,699.32	21,949,914.76
Total	2,197,937,158.38	2,536,136,831.19

25. Other non-current assets

Item	Closing balance	Opening balance
Dachanwan port area Phase II land replacement payment (Note 1)	-	916,884,222.49
Advances for the channel project (Note 2)	965,997,076.71	940,472,488.75
Prepayments for land use rights	132,334,704.86	132,334,704.86
Prepayments for fixed assets	66,519,391.16	32,623,333.85
Prepayments for terminal franchise	28,084,523.57	31,113,113.10
Others	38,157,256.39	85,040,820.59
Subtotal	1,231,092,952.69	2,138,468,683.64
Less: Impairment provision	-	-
Total	1,231,092,952.69	2,138,468,683.64

Note 1: It is the lands located in Shenzhen Qianhaiwan Logistics Park which has been returned to government in 2019 by the Company's subsidiaries Antongjie Terminal Services (Shenzhen) Co., Ltd. ("ATJ") and ASJ. Qianhai Administration replaces 55% land and corresponding shoreline (with a land area of approximately 531,300 square meters) included in the total areas of T102-0166 and T102-0167 held by ATJ and ASJ to Dachanwan Port Area Phase II.

In November 2021, ASJ signed a grant contract of land use right with the Planning and Natural Resources Bureau of Shenzhen Municipality Bao'an Administration (hereinafter referred to as "Planning and Resources Bureau") for Dachanwan Port Area Phase II, clarifying that the land area of Dachanwan Port Area Phase II is approximately 523,000 square meters with the period ready to use from 1 January 2015 to 31 December 2064. From the date of signing the contract, the land shall be deemed to be delivered by the Planning and Resources Bureau to ASJ. Based on the relevant provisions of the above contract, ASJ transferred other non-current assets of RMB916,884,222.49 to intangible assets for accounting treatment in the current period.

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

25. Other non-current assets - continued

Note 2: 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 included the advances of channel project that should be repaid by Zhanjiang SASAC in other non-current assets.

26. Short-term borrowings

(1) Classification of short-term borrowings

Item	Closing balance	Opening balance
Credit loan	12,450,169,472.03	8,976,788,882.26
Guaranteed loan (Note)	1,201,283,333.33	1,506,986,666.67
Total	13,651,452,805.36	10,483,775,548.93

Note: The Company provided guarantee for the loan.

(2) At 31 December 2021, the Group has no short-term borrowings that were overdue.

27. Notes payable

Category	Closing balance	Opening balance
Bank acceptance	-	1,600,100.00
Commercial acceptance	1,895,987.17	5,481,672.32
Total	1,895,987.17	7,081,772.32

28. Accounts payable

Item	Closing balance	Opening balance (restated)
Service fee	279,969,574.04	146,212,519.71
Construction fee	189,852,525.62	117,439,992.70
Material purchase	147,895,793.90	144,294,086.08
Equipment payments	34,478,229.18	20,712,191.08
Rental fee	6,226,422.72	7,494,989.48
Others	185,397,893.05	171,818,920.54
Total	843,820,438.51	607,972,699.59

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued**28. Accounts payable - continued**

(1) Details of accounts payable are as follows:

Aging	Closing balance		Opening balance (restated)	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year(inclusive)	751,095,352.31	89.01	552,340,561.28	90.84
More than 1 year but not exceeding 2 years (inclusive)	58,151,929.86	6.89	23,931,179.43	3.94
More than 2 years but not exceeding 3 years (inclusive)	8,515,047.38	1.01	4,247,892.21	0.70
More than 3 years	26,058,108.96	3.09	27,453,066.67	4.52
Total	843,820,438.51	100.00	607,972,699.59	100.00

(2) Significant accounts payable aged more than one year

Name of entity	Closing balance	Aging	Reason for outstanding or carry-forward
Urban Planning, Land and Resources Commission of Shenzhen Municipality Nanshan Administration	21,642,795.50	More than 3 years	The government planning project has not been completed, and the ownership certificate is not handled

29. Receipts in advance

Item	Closing balance	Opening balance
Rental fee received in advance	6,724,007.73	2,715,835.65
Management fee received in advance	2,163,886.70	10,350,161.96
Equity transfer fee received in advance	-	20,492,849.00
Ship transfer fee received in advance	-	3,450,560.00
Others	425,271.58	2,500,721.29
Total	9,313,166.01	39,510,127.90

(1) Summary of receipts in advance

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year(inclusive)	9,283,472.35	99.68	39,324,346.50	99.53
More than 1 year but not exceeding 2 years (inclusive)	13,943.66	0.15	88,614.98	0.22
More than 2 years but not exceeding 3 years (inclusive)	-	-	73,979.82	0.19
More than 3 years	15,750.00	0.17	23,186.60	0.06
Total	9,313,166.01	100.00	39,510,127.90	100.00

(2) There is no significant receipts in advance aged more than one year at the end of the year.

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

30. Contract liabilities

(1) Summary of contract liabilities

Item	Closing balance	Opening balance (restated)
Port charges received in advance	122,718,356.71	78,789,466.29
Service fee received in advance	47,772,567.97	49,782,911.22
Warehousing fee received in advance	15,698,102.34	18,460,680.90
Others	10,595,498.24	10,409,051.26
Total	196,784,525.26	157,442,109.67
Less: Contract liabilities recognised in other non-current liabilities	-	-
Net amount	196,784,525.26	157,442,109.67

(2) There was no significant change in the book value of contract liabilities during the year.

(3) There is no significant contract liabilities aged more than one year at the end of the year.

(4) Qualitative and quantitative analysis of contract liabilities

The contract liability mainly represents the amount received by the Group to provide port services to customers. The payment is collected according to the contractual payment time. The Group recognizes contract revenue based on the progress of the contract. The contract liabilities will be recognized as income after the Group fulfils its performance obligations.

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

An amount of RMB110,874,321.28 included in the book value of contract liabilities at the beginning of 2021 has been recognized as revenue in the current year, including contract liabilities arising from settled but unfinished construction resulting from the contract of receipt of port charges in advance amounting to RMB 78,457,768.90, contract liabilities arising from settled but unfinished construction resulting from the contract of receipt of service fee in advance amounting to RMB 20,788,635.77, contract liabilities arising from settled but unfinished construction resulting from warehousing fee received in advance amounting to RMB 10,227,216.33, and contract liabilities arising from settled but unfinished construction resulting from other contracts amounting to RMB1,400,700.28.

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

31. Employee benefits payable

(1) Employee benefits payable

Item	1/1/2021 (restated)	Effect of changes in the scope of consolidation	Increase in the current year	Decrease in the current year	31/12/2021
1. Short-term benefits	721,298,746.97	-	3,131,465,175.59	3,043,850,608.07	808,913,314.49
2. Post-employment benefits - defined contribution plan	6,217,684.84	-	309,865,408.84	309,957,194.10	6,125,899.58
3. Termination benefits	-	-	13,464,366.62	7,564,366.62	5,900,000.00
4. Other benefits due within a year	-	-	3,692,457.98	3,692,457.98	-
5. Others	-619,306.39	-	6,784,819.68	6,688,311.89	-522,798.60
Total	726,897,125.42	-	3,465,272,228.71	3,371,752,938.66	820,416,415.47

(2) Short-term benefits

Item	1/1/2021 (restated)	Effect of changes in the scope of consolidation	Increase in the current year	Decrease in the current year	31/12/2021
I. Wages and salaries, bonuses, allowances and subsidies	688,968,854.26	-	2,577,057,681.94	2,482,425,761.16	783,600,775.04
II. Staff welfare	-	-	146,948,953.57	146,948,953.57	-
III. Social insurance charges	16,094,126.74	-	160,388,934.58	167,424,890.08	9,058,171.24
Including: Medical insurance	14,865,150.41	-	139,326,638.36	146,512,932.69	7,678,856.08
Work injury insurance	6,258.14	-	12,725,217.54	12,684,226.73	47,248.95
Others	1,222,718.19	-	8,337,078.68	8,227,730.66	1,332,066.21
IV. Housing funds	-490,321.89	-	183,746,103.16	183,330,528.51	-74,747.24
V. Labor union and employee education funds	16,726,087.86	-	47,745,014.36	48,058,238.80	16,412,863.42
VI. Other short-term benefits	-	-	15,578,487.98	15,662,235.95	-83,747.97
Total	721,298,746.97	-	3,131,465,175.59	3,043,850,608.07	808,913,314.49

(3) Defined benefit plans

Item	1/1/2021 (restated)	Effect of changes in the scope of consolidation	Increase in the current year	Decrease in the current year	31/12/2021
I. Basic pension	6,112,958.64	-	233,373,793.05	233,691,260.29	5,795,491.40
II. Unemployment insurance	64,028.24	-	3,921,845.03	3,942,673.03	43,200.24
III. Enterprise annuity	40,697.96	-	72,569,770.76	72,323,260.78	287,207.94
Total	6,217,684.84	-	309,865,408.84	309,957,194.10	6,125,899.58

The Company and its subsidiaries participates in the social security contributions and the 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 a corporate annuity system, and accrues and pays the corporate annuity according to the corporate annuity system of the Company and its subsidiaries located in Mainland China. In addition to above contributions, the Group has no further payment obligations. The corresponding expenses are included in profit and loss or the cost of related assets when incurred.

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

32. Taxes payable

Item	Closing balance	Opening balance (restated)
Enterprise income tax	2,098,884,089.24	2,320,197,283.53
VAT	19,025,631.30	13,239,447.16
Other taxes	44,809,531.14	36,821,959.30
Total	2,162,719,251.68	2,370,258,689.99

33. Other payables

(1) Summary of other payables

Item	Closing balance	Opening balance (restated)
Dividends payable	48,803,019.31	70,388,849.49
Other payables	2,091,305,321.77	2,410,828,718.91
Total	2,140,108,341.08	2,481,217,568.40

(2) Dividends payable

Item	Closing balance	Opening balance (restated)
Ordinary share dividends	48,803,019.31	70,388,849.49
Including: 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)	18,349,264.69	12,160,517.31
Dalian Port Jifa Logistics Co., Ltd. ("Jifa Logistics"),	4,945,967.80	3,972,477.39
Dalian City Investment Holding Group Co., Ltd.	3,527,787.23	-
Qingdao Qingbao Investment Holding Co., Ltd.	1,979,999.59	-
Sri Lanka Ports Authority	-	34,255,854.79

Note: On 31 December 2021, the dividends payable over one year include RMB 20,000,000.00 due to China Merchants Zhangzhou Development Zone Co., Ltd. and RMB 10,000,000.00 due to Dalian Port Container, which are dividends not yet received by the investors.

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

33. Other payables - continued

(3) Other payables

(a) Disclosure of other payables by nature

Item	Closing balance	Opening balance (restated)
Amount payable for construction and quality warranty	821,093,777.44	1,044,821,435.49
Deposits	446,198,541.16	360,604,022.08
Prepaid expenses	198,863,463.79	229,820,205.45
Customer discount (Note)	102,393,978.35	119,368,121.44
Port construction and security fee	59,026,576.51	55,085,280.96
Balance of land use rights transfer	11,295,700.00	11,295,700.00
Others	452,433,284.52	589,833,953.49
Total	2,091,305,321.77	2,410,828,718.91

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

(b) Significant other payables with aging over 1 year

Company name	Amount payable	Aging	Why/not paid
Transport Commission of Shenzhen Municipality	53,104,140.85	More than 1 year but not exceeding 2 years and more than 3 years	To be paid upon confirmation by both parties
Shanghai Zhenhua Heavy Industries Co., Ltd.	32,612,813.26	More than 3 years	To be paid upon confirmation by both parties
Shantou Transportation Bureau	31,358,355.47	More than 3 years	To be paid upon confirmation by both parties
China First Metallurgical Group Co., Ltd.	28,760,291.25	More than 1 year but not exceeding 2 years and more than 3 years	The contracted settlement condition has not been reached
Guangdong JIAYE Reserve Logistics Co., Ltd.	25,000,000.00	More than 2 years but not exceeding 3 years and more than 3 years	The contracted settlement condition has not been reached
Qingdao Maritime Bureau	20,713,982.12	More than 3 years	To be paid upon confirmation by both parties
Zhanjiang Transportation Bureau	15,222,571.10	More than 1 year but not exceeding 2 years	To be paid upon confirmation by both parties
Shenzhen Bulk Cement Office	12,238,226.14	More than 1 year but not exceeding 2 years, more than 3 years	To be paid upon confirmation by both parties
CCCC-FHDI Engineering Co.,Ltd.	11,644,486.59	More than 2 years but not exceeding 3 years	The contracted settlement condition has not been reached
Wuxi Huadong Heavy Machinery Co., Ltd.	10,090,410.68	More than 1 year but not exceeding 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	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
Guangdong Hengtai Guotong Industrial Co., Ltd.	10,000,000.00	More than 3 years	To be paid upon confirmation by both parties
Shenzhen Penglilong Industrial Co., Ltd.	8,156,000.00	More than 1 year but not exceeding 2 years, more than 2 years but not exceeding 3 years and more than 3 years	To be paid upon confirmation by both parties
Shenzhen Aohua Zhongmao Industry Co., Ltd.	6,157,000.00	More than 1 year but not exceeding 2 years and more than 3 years	To be paid upon confirmation by both parties
Harman Technology (Shenzhen) Co., Ltd.	5,917,392.48	More than 1 year but not exceeding 2 years and more than 3 years	The contracted settlement condition has not been reached
Total	291,055,038.94		

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

34. Non-current liabilities due within one year

Item	Closing balance	Opening balance (restated)
Long-term loans due within one year(Note VIII 36)	1,187,781,073.61	2,074,906,728.26
Including: Credit loan	399,437,084.19	749,046,479.86
Guaranteed loan	158,812,554.95	739,805,701.02
Mortgage and pledged loan	629,531,434.47	586,054,547.38
Bonds payable due within one year(Note VIII 37)	6,554,177,357.66	1,042,773,072.37
Lease liabilities due within one year(Note VIII 38)	298,117,295.41	322,950,258.37
Long-term payable due within one year(Note VIII 39)	139,696,643.49	3,562,994.44
Long-term employee benefits payable due within one year(Note VIII 40)	64,306,914.00	36,811,951.00
Other non-current liabilities due within one year(Note VIII 43)	24,130,000.00	83,582,696.63
Total	8,268,209,284.17	3,564,587,701.07

35. Other current liabilities

Item	Closing balance	Opening balance
Short-term bonds payable	2,002,416,438.36	2,215,478,001.40
Accrued professional agency fee	128,664,439.94	138,158,158.51
Others	27,416,897.55	30,032,826.03
Total	2,158,497,775.85	2,383,668,985.94

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

35. Other current liabilities - continued

Changes of short-term bonds payable:

Name of bond	Face value	Date of issue	Term of the bond	Amount of issue	1/1/2021	Amount issued in the current year	Interest accrued based on par value	Amortization of premiums or discounts	Repayment in the current year	31/12/2021
1.99% RMB 1 billion Super & Short-term Commercial Paper	1,000,000,000.00	2020-6-3	270 days	1,000,000,000.00	1,011,418,032.80	-	3,302,515.17	-	1,014,720,547.97	-
2.50% RMB 1.2 billion Super & Short-term Commercial Paper	1,200,000,000.00	2020-11-12	180 days	1,200,000,000.00	1,204,059,968.60	-	10,734,551.95	-	1,214,794,520.55	-
2.30% RMB 0.8 billion Super & Short-term Commercial Paper	800,000,000.00	2021-1-21	90 days	800,000,000.00	-	800,000,000.00	4,536,986.30	-	804,536,986.30	-
2.73% RMB 1 billion Super & Short-term Commercial Paper	1,000,000,000.00	2021-3-19	180 days	1,000,000,000.00	-	1,000,000,000.00	13,463,013.70	-	1,013,463,013.70	-
2.55% RMB 1 billion Super & Short-term Commercial Paper	1,000,000,000.00	2021-6-4	180 days	1,000,000,000.00	-	1,000,000,000.00	12,575,342.47	-	1,012,575,342.47	-
2.30% RMB 1 billion Super & Short-term Commercial Paper	1,000,000,000.00	2021-7-19	90 days	1,000,000,000.00	-	1,000,000,000.00	5,671,232.88	-	1,005,671,232.88	-
2.30% RMB 1 billion Super & Short-term Commercial Paper	1,000,000,000.00	2021-9-26	90 days	1,000,000,000.00	-	1,000,000,000.00	5,671,232.88	-	1,005,671,232.88	-
2.30% RMB 1 billion Super & Short-term Commercial Paper	1,000,000,000.00	2021-11-1	45 days	1,000,000,000.00	-	1,000,000,000.00	2,835,616.44	-	1,002,835,616.44	-
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	-	2,000,000,000.00	2,416,438.36	-	-	2,002,416,438.36
Total	10,000,000,000.00			10,000,000,000.00	2,215,478,001.40	7,800,000,000.00	61,206,930.15	-	8,074,268,493.19	2,002,416,438.36

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued**36. Long-term borrowings****(1) Classification of long-term borrowings**

Item	Closing balance	Opening balance	Range of year-end interest rate(%)
Credit borrowings	5,366,543,524.76	5,258,127,800.87	1.20%-4.79%
Guaranteed borrowings (Note 1)	1,076,679,935.08	1,629,960,889.64	1.20%-4.75%
Mortgage and pledged borrowings (Note 2)	1,889,397,484.66	2,593,140,731.56	2.51%-5.78%
Total	8,332,620,944.50	9,481,229,422.07	1.20%-5.78%
Less: Long-term borrowings due within one year	1,187,781,073.61	2,074,906,728.26	— —
Including: Credit borrowings	399,437,084.19	749,046,479.86	— —
Guaranteed borrowings	158,812,554.95	739,805,701.02	— —
Mortgage and pledged borrowings	629,531,434.47	586,054,547.38	— —
Long-term borrowings due after one year	7,144,839,870.89	7,406,322,693.81	— —

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

Note 2: As at 31 December 2021, the Group obtained the long-term loan of RMB1,889,397,484.66 (31 December 2020: RMB 2,593,140,731.56) with its entire equity in Colombo International Container Terminals Limited (hereinafter referred to as "CICT"), and the entire equity in Thesar Maritime Limited, (hereinafter referred to as "TML"), and the land with property right, fixed assets and construction in progress held by Guangdong Yide Port Co., Ltd. (hereinafter referred to as "Yide Port"), the land with property right of Shenzhen Haixing Harbor Development Co., Ltd. (hereinafter referred to as "Shenzhen Haixing"), as well as the sea area use rights of Dongguan Shenchiwan Port Affairs Co., Ltd.(hereinafter referred to as "Shenchiwan Port Affairs"), mortgaged as collaterals.

Details of mortgage and pledged borrowings are as follows:

Company name	Closing balance	Opening balance	Collateral and pledge
China Development Bank Corporation	747,186,761.93	1,027,981,472.96	The Group's entire equity in CICT
International Finance Corporation	230,966,536.60	364,480,624.59	
African Development Bank	106,074,913.93	167,372,490.13	
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.	87,410,830.23	137,905,387.30	
The OpecFund For International Development	74,876,376.58	118,146,703.89	The Group's entire equity in TML
Societe de Promotion et de Participation pour la Cooperation Economique S.A.	74,932,105.74	118,218,277.06	
Deutsche Investitions-und Entwicklungsgesellschaft MBH	62,397,008.21	98,452,963.64	
Bank of China Qianhai Shekou Branch	241,370,822.03	241,370,822.05	Land use rights of Shenzhen Haixing
China Construction Bank Shunde Branch	264,182,129.41	210,178,757.55	Land use rights, fixed assets and construction in progress of Yide Port
China Merchants Bank Dongguan Branch	-	109,033,232.39	Sea area use rights of Shenchiwan Port Affairs
Total	1,889,397,484.66	2,593,140,731.56	

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	Closing balance	Opening balance
4.375%, USD 900 million corporate bond	5,814,296,318.30	5,948,107,858.02
5.000%, USD 600 million corporate bond	3,859,622,116.07	3,950,488,734.13
4.750%, USD 500 million corporate bond	3,236,350,690.37	3,314,305,348.22
5.000%, USD 500 million corporate bond	3,207,848,098.69	3,280,606,167.04
4.890% RMB 2.5 billion corporate bond	2,585,407,534.25	2,585,407,534.25
3.360% RMB 2 billion corporate bond	2,032,587,397.26	2,033,040,000.00
IPCA + 7.8164% BRL300 million (2020: BRL428 million) corporate bond	438,789,671.67	620,162,618.74
4.980% RMB 400 million corporate bond	-	401,200,657.53
3.520% RMB 2 billion corporate bond	2,050,147,945.19	-
Total	23,225,049,771.80	22,133,318,917.93
Less: Bonds payable due within one year	6,554,177,357.66	1,042,773,072.37
Bonds payable due after one year	16,670,872,414.14	21,090,545,845.56

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

37. Bonds payable - continued

(2) Changes of bonds payable

Name of bonds	Face value	Date of issue	Term of the bond	Amount of issue	1/1/2021	Amount issued in the current year	Interest accrued based on par value	Amortization of premiums or discounts	Repayment in the current year	Effect of changes in foreign exchange	31/12/2021
4.375%, USD 900 million corporate bond	USD 900,000,000.00	2018-8-6	5 years	USD 900,000,000.00	5,948,107,858.02	-	126,386,325.16	10,139,641.03	126,674,159.06	-143,663,346.85	5,814,296,318.30
5.000%, USD 600 million corporate bond	USD 600,000,000.00	2018-8-6	10 years	USD 600,000,000.00	3,950,488,734.13	-	96,294,343.13	4,715,401.10	96,513,645.00	-95,362,717.29	3,859,622,116.07
4.750%, USD 500 million corporate bond	USD 500,000,000.00	2015-8-3	10 years	USD 500,000,000.00	3,314,305,348.22	-	153,231,176.19	2,213,804.54	153,231,176.25	-80,168,462.33	3,236,350,690.37
5.000%, USD 500 million corporate bond	USD 500,000,000.00	2012-5-4	10 years	USD 500,000,000.00	3,280,606,167.04	-	161,295,975.00	6,649,208.29	161,295,975.00	-79,407,276.64	3,207,848,098.69
4.890% RMB 2.5 billion corporate bond	RMB 2,500,000,000.00	2017-4-21	5 years	RMB 2,500,000,000.00	2,585,407,534.25	-	122,250,000.00	-	122,250,000.00	-	2,585,407,534.25
3.360% RMB2 billion corporate bond	RMB 2,000,000,000.00	2020-7-7	3 years	RMB 2,000,000,000.00	2,033,040,000.00	-	66,747,397.26	-	67,200,000.00	-	2,032,587,397.26
IPCA + 7.8164% BRL300 million (2020: BRL428 million) corporate bond	BRL 299,632,900.00 (2020: BRL 428,047,000.00)	2016-11-7	6 years	BRL 299,632,900.00 (2020: BRL 428,047,000.00)	620,162,618.74	-	116,956,935.89	-	234,465,763.73	-63,864,119.23	438,789,671.67
4.980% RMB 400 million corporate bond	RMB 400,000,000.00	2018-12-10	3 years	RMB 400,000,000.00	401,200,657.53	-	18,719,342.47	-	419,920,000.00	-	-
3.520% RMB 200 million corporate bond	RMB 2,000,000,000.00	2021-4-14	3 years	RMB 2,000,000,000.00	-	2,000,000,000.00	50,147,945.19	-	-	-	2,050,147,945.19
Total					22,133,318,917.93	2,000,000,000.00	912,029,440.29	23,718,054.96	1,381,550,719.04	-462,465,922.34	23,225,049,771.80
Less: Bonds payable due within one year					1,042,773,072.37						6,554,177,357.66
Bonds payable due after one year					21,090,545,845.56						16,670,872,414.14

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

38. Lease liabilities

(1) Lease liabilities

Category	Closing balance	Opening balance (restated)
Lease payment	2,060,643,997.13	2,452,804,794.89
Unrecognized financing cost	-707,331,795.63	-802,003,552.44
Total	1,353,312,201.50	1,650,801,242.45
Less: Lease liabilities due within one year	298,117,295.41	322,950,258.37
Lease liabilities due after one year	1,055,194,906.09	1,327,850,984.08

(2) Maturity of lease liabilities

Item	Closing balance
Minimum lease payments under non-cancellable leases:	
1 st year subsequent to the balance sheet date	363,975,463.99
2 nd year subsequent to the balance sheet date	293,893,731.27
3 rd year subsequent to the balance sheet date	138,864,681.32
Subsequent periods	1,263,910,120.55
Total	2,060,643,997.13

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	Closing balance	Opening balance
Long-term payables	3,540,616,228.99	1,192,028,415.01
Special payables	21,259,780.90	39,996,153.12
Total	3,561,876,009.89	1,232,024,568.13
Less: Long-term payables due within one year	139,696,643.49	3,562,994.44
Long-term payables due after one year	3,422,179,366.40	1,228,461,573.69

(2) Long-term payables

Item	Closing balance	Opening balance
Terminal management rights (Note 1)	3,125,647,576.58	749,658,074.16
Payable to Minority shareholder of subsidiary (Note 2)	411,858,969.58	437,238,325.33
Others	3,109,682.83	5,132,015.52
Total	3,540,616,228.99	1,192,028,415.01
Less: Long-term payables due within one year	139,696,643.49	3,562,994.44
Long-term payables due after one year	3,400,919,585.50	1,188,465,420.57

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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: As at 12 August 2011, the Group reached a 35-year building, operation and transfer agreement through the subsidiary CICT and the Sri Lanka Port Authority on the building, operation, management and development of the Colombo Port South Container Terminal (hereinafter referred to as for "BOT"). The above-mentioned terminal operating rights purchase amount is determined by discounting the amount to be paid in the future using the prevailing market interest rate according to the BOT agreement. As of December 31, 2021, the amount payable for the purchase of terminal operation rights is RMB 795,271,962.21.

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 the "APPA"). The agreement provides for an initial term of 25 years for the concessions. In April 2016, TCP and APPA entered into the 10th Supplemental Agreement, which extends the period 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 concessions of the Ports of Paranaguá and Antonina. Pursuant to which, the base figure for the calculation of royalties for the Ports of Paranaguá and Antonina was adjusted from the Brazil IGP-M Inflation Index("IGP-M index") to the Extended National Consumer Price Index("IPCA index") of the Brazilian Institute of Geography and Statistics("IBGE"). In November 2021, TCP will readjust the royalties using the IPCA index. As of December 31, 2021, the amount of royalty payable was RMB 2,330,375,614.37.

Note 2: It is an unsecured loan from minority shareholder of TML, a subsidiary of the Company, with an annual interest rate of 4.65%.

(3) Special payables

Item	1/1/2021	Increase in the current year	Effect of changes in the scope of consolidation	Decrease in the current year	31/12/2021	Reason
Refunds of port construction fee	34,271,558.30	-	-	21,596,055.78	12,675,502.52	Note 1
Employee housing fund	3,852,825.60	833,853.37	-	-	4,686,678.97	Note 2
Innovation workshop for model workers	1,871,769.22	2,075,000.00	-	49,169.81	3,897,599.41	
Total	39,996,153.12	2,908,853.37	-	21,645,225.59	21,259,780.90	

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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.

Note 2: This represent the repairing fund for public areas and public facilities and equipment established after the Group's selling 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	Closing balance	Opening balance
Post-employment benefits - net liabilities of defined benefits plan	463,858,274.44	429,830,989.42
Termination benefits	71,467,335.47	40,939,305.56
Others (Note)	117,662,796.72	73,756,355.48
Total	652,988,406.63	544,526,650.46
Less: Long-term employee benefits payable due within one year	64,306,914.00	36,811,951.00
Long-term employee benefits payable due after one year	588,681,492.63	507,714,699.46

Note: It's the employee setting cost of the Company's subsidiary Shantou Port in connection with land acquisition and reservation.

(2) Changes of defined benefits plan

Present value of defined benefits plan obligation:

Item	2021	2020
I. Opening balance	429,830,989.42	454,383,940.25
II. Defined benefits cost included in profit or loss for the period	26,633,751.24	35,512,520.40
1. Current service cost	11,482,700.68	19,803,282.73
2. Past service cost	-	-
3. Interest adjustment	15,151,050.56	15,709,237.67
III. Defined benefits cost included in other comprehensive income	31,841,388.55	-35,245,220.38
1. Actuarial gains	32,665,927.62	-35,016,155.14
2. Effect of exchange rate changes	-824,539.07	-229,065.24
IV. Other changes	-24,447,854.77	-24,820,250.85
1. Benefits paid	-24,447,854.77	-24,820,250.85
2. Changes in the scope of consolidation	-	-
V. Closing balance	463,858,274.44	429,830,989.42

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

40. Long-term employee benefits payable - continued

(2) Changes of defined benefits plan - 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 its above-mentioned retirement benefit plan obligations in an actuarial manner based on the expected cumulative welfare unit method. The Group recognizes the Group's 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	Opening balance	Increase for the year	Decrease for the year	Effect of changes in foreign exchange	Closing balance	Reason
Estimated expenses on land acquisition and reservation for Shangtou Port	66,138,336.08	-	66,138,336.08	-	-	
Pending litigation	17,277,583.26	7,900,029.99	-	-1,933,895.07	23,243,718.18	Note
Sales discount	16,990,826.32	209,482,403.12	226,473,229.44	-	-	
Other	-	1,003,584.24	-	-	1,003,584.24	
Total	100,406,745.66	218,386,017.35	292,611,565.52	-1,933,895.07	24,247,302.42	

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	1/1/2021 (restated)	Increase in the current year	Decrease in the current year	31/12/2021
Government grants	1,112,272,684.13	7,403,600.00	44,110,161.98	1,075,566,122.15
Unrealized sale-and-leaseback income	908,139.86	-	516,377.10	391,762.76
Total	1,113,180,823.99	7,403,600.00	44,626,539.08	1,075,957,884.91

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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:

Liabilities	1/1/2021 (restated)	New subsidies	Recognized in other income	31/12/2021	Related to assets /related to income
Refund from marine reclamation land	355,820,652.47	-	19,349,167.92	336,471,484.55	Related to assets
Tonggu channel widening project(Note)	269,372,073.24	-	7,057,783.56	262,314,289.68	Related to assets
Special subsidies for facilities and equipment	240,227,572.98	-	6,887,816.80	233,339,756.18	Related to assets
Western port area western public channel widening project (Note)	214,101,151.86	-	5,439,716.28	208,661,435.58	Related to assets
Government subsidies for intelligent system	14,803,742.19	1,604,600.00	2,936,668.73	13,471,673.46	Related to assets
Refund of land transfer charges	6,568,666.65	-	267,200.04	6,301,466.61	Related to assets
Green low carbon port project	561,560.02	-	421,170.00	140,390.02	Related to assets
Others	10,817,264.72	5,799,000.00	1,750,638.65	14,865,626.07	Related to assets
Total	1,112,272,684.13	7,403,600.00	44,110,161.98	1,075,566,122.15	

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

43. Other non-current liabilities

Item	Closing balance	Opening balance
Actuarial cost for the calculation of pension benefits difference for the public security bureau staff (Note 1)	176,939,999.96	162,810,000.00
Berth priority call right (Note 2)	9,595,454.89	14,597,949.13
TCP operating right liabilities(Note 3)	-	2,888,395,641.53
Others	660,123.68	
Total	187,195,578.53	3,065,803,590.66
Less: Other non-current liabilities due within one year	24,130,000.00	83,582,696.63
Including: TCP operating right liabilities	-	67,272,696.63
Actuarial cost for the calculation of pension benefits difference for the public security bureau staff (Note 2)	24,130,000.00	16,310,000.00
Other non-current liabilities due after one year	163,065,578.53	2,982,220,894.03

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

Note 2: This represents the berth priority call right as agreed in the contract entered into with the clients 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 within 20 years using straight-line method. In 2021, the amount included in operating income is RMB 5,002,494.24.

Note 3: Refer to Note (VIII) 39 for details.

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

44. Share capital

Item	Opening balance	Changes for the year					Closing balance
		New issue of share (note)	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	-	-	-	-	-	593,820,070.00
2. Foreign capital shares listed domestically	179,886,910.00	-	-	-	-325.00	-325.00	179,886,585.00
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

Item	Opening balance	Changes for the year					Closing balance
		New issue of share (note)	Bonus issue	Capitalization of surplus reserve	Others	Sub-total	
2020							
I. Restricted tradable shares							
1. State-owned shares	-	-	-	-	-	-	-
2. State-owned legal person shares	128,952,746.00	-	-	-	-128,952,746.00	-128,952,746.00	-
3. Other domestic shares	169,602.00	-	-	-	-160,106.00	-160,106.00	9,496.00
4. Foreign shares	1,148,648,648.00	-	-	-	-	-	1,148,648,648.00
Total restricted tradable shares	1,277,770,996.00	-	-	-	-129,112,852.00	-129,112,852.00	1,148,658,144.00
II. Non-restricted tradable shares							
1. Ordinary shares denominated in RMB	464,858,324.00	-	-	-	128,961,746.00	128,961,746.00	593,820,070.00
2. Foreign capital shares listed domestically	179,735,804.00	-	-	-	151,106.00	151,106.00	179,886,910.00
3. Foreign capital shares listed overseas	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-
Total non-restricted tradable shares	644,594,128.00	-	-	-	129,112,852.00	129,112,852.00	773,706,980.00
III. Total shares	1,922,365,124.00	-	-	-	-	-	1,922,365,124.00

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

45. Capital Reserve

Item	Opening balance(restated)	Increase	Decrease	Closing balance
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 (Note 1)	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(Note 2)	10,096,607.62	11,870,209.58	12,009,878.60	9,956,938.60
Other changes of owners' equity of the investee under equity method other than changes in net profit or loss, profit distribution and other comprehensive income(Note 3)	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
2020(restated)				
Capital premium	22,218,126,884.40	731,489,964.17	218,667,827.13	22,730,949,021.44
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	-	-	13,345,628,834.48
Differences arising from acquisition of minority interests	419,130,116.03	514,196,692.81	218,667,827.13	714,658,981.71
Others	1,440,375,449.95	217,293,271.36	-	1,657,668,721.31
Other capital Reserve	112,887,572.02	10,096,607.62	14,334,876.52	108,649,303.12
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	-	10,096,607.62
Other changes of owners' equity of the investee under equity method other than changes in net profit or loss, profit distribution and other comprehensive income	115,668,705.02	-	14,334,876.52	101,333,828.50
Total	22,331,014,456.42	741,586,571.79	233,002,703.65	22,839,598,324.56

Note 1: The Company chose to acquire the dividends attributable to CMPort in lieu of shares, which increased the capital reserve by RMB 438,184,583.31 in the current year. Refer to Note (X) 2 for details.

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

Note 3: The changes for the year mainly represent the effect of passive dilution of the Group's shareholding ratio in Liaoning Port, resulting in increase of RMB 170,052,644.70 in capital reserve; and the effect of passive dilution of the Group's shareholding ratio in SIPG, resulting in decrease of RMB 47,056,340.08 in capital reserve.

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

46. Other comprehensive income

Item	Opening balance	2021					Less: Other changes	Closing balance
		Pre-tax amount for the year	Less: Amount included in other comprehensive income in the prior periods transferred to profit or loss in this period	Less: Income tax expense	Post-tax income attributable to the parent company owner	Post-tax income attributable to minority shareholders		
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 benefits plan	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 transferred 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 transferred 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

46. Other comprehensive income - continued

Item	Opening balance	2020					Less: Other comprehensive income carried forward to retained earnings	Closing balance
		Pre-tax amount for the year	Less: Amount included in other comprehensive income in the prior periods transferred to profit or loss in this period	Less: Income tax expense	Post-tax income attributable to the parent company owner	Post-tax income attributable to minority shareholders		
2020(restated)								
I. Other comprehensive income that will not be reclassified subsequently to profit or loss	82,969,758.27	6,911,190.88	-	-33,528.75	-1,552,867.01	8,497,586.64	-	81,416,891.26
Including: Changes arising from remeasurement of defined benefits plan	1,069,722.83	35,016,155.14	-	-	10,248,546.35	24,767,608.79	-	11,318,269.18
Other comprehensive income that can't be transferred to profit or loss under equity method	4,830,921.62	-28,307,578.26	-	-	-11,817,008.06	-16,490,570.20	-	-6,986,086.44
Changes in fair value of other equity instruments	77,069,113.82	202,614.00	-	-33,528.75	15,594.70	220,548.05	-	77,084,708.52
II. Other comprehensive income that will be reclassified subsequently to profit or loss	-438,914,324.18	-1,856,601,660.49	-	-	-469,199,870.14	-1,387,401,790.35	-	-908,114,194.32
Including: Other comprehensive income that may be transferred to profit or loss under equity method	-58,950,164.54	217,642,457.56	-	-	90,675,445.06	126,967,012.50	-	31,725,280.52
Translation differences of financial statements denominated in foreign currencies	-379,964,159.64	-2,074,244,118.05	-	-	-559,875,315.20	-1,514,368,802.85	-	-939,839,474.84
Total other comprehensive income	-355,944,565.91	-1,849,690,469.61	-	-33,528.75	-470,752,737.15	-1,378,904,203.71	-	-826,697,303.06

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

47. Special reserve

Item	Opening balance	Increase	Decrease	Closing balance
Production safety reserve	10,201,178.30	48,296,277.57	49,313,026.75	9,184,429.12

48. Surplus reserve

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	890,690,322.28	70,492,239.72	-	961,182,562.00

49. Unappropriated profit

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 period	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 parent	2,685,829,204.07	
Less: Appropriation to statutory surplus reserve	70,492,239.72	
Appropriation to discretionary surplus reserve	-	
Appropriation to general risk reserve	-	
Ordinary shares' dividends payable	730,498,747.12	Note 1
Ordinary shares' dividends converted into share capital	-	
Pension Benefits	3,525,104.12	Note 2
Others	4,554,105.32	
Unappropriated profit at the end of the year	14,205,879,106.49	

Item	Amount	Proportion of appropriation or allocation
2020		
Unappropriated profit at the end of last year before adjustment	11,467,166,351.85	
Add: Adjustment to unappropriated profit at beginning of the period	4,421,264.15	
Including: Effect of business combinations involving enterprises under common control	4,421,264.15	
Unappropriated profit at the beginning of the year after adjustment(restated)	11,471,587,616.00	
Add: Net profit of the year attributable to shareholders of the parent	2,073,844,409.04	
Less: Appropriation to statutory surplus reserve	260,345,014.85	
Appropriation to discretionary surplus reserve	-	
Appropriation to general risk reserve	-	
Ordinary shares' dividends payable	884,287,957.04	
Ordinary shares' dividends converted into share capital	-	
Pension Benefits	73,228,871.09	
Others	-1,549,916.64	
Unappropriated profit at the end of the year	12,329,120,098.70	

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

49. Unappropriated profit - continued

Note 1: According to the resolution of shareholders meeting on 28 May 2021, the Company distributes cash dividends of RMB3.80 (inclusive of tax) for every 10 shares, totalling to RMB 730,498,747.12 on the basis of the total shares of 1,922,365,124 shares at the end of 2020.

Note 2: In accordance with the Notice on Issuing the Plan for Deeping Administration System Reform of Port & Channel Public Security Authorities (No.327 [2017], State Commission Office of Public Sectors Reform) and the Notice on Issuing the Implementation Plan for Deeping Administration System Reform of Port & Channel Public Security Authorities (No.221 [2018], Guangdong Commission Office of Public Sectors Reform), in 2020, Zhanjiang Port, a subsidiary of the Company, transferred the Zhanjiang Port Public Security Bureau to Zhanjiang Municipal Government. The police in-service were transitioned to civil servants in accordance with national regulations, the retired police were included in the jurisdiction of the pension insurance of state organs and public institutions, and the difference between the original standard of pension benefits and the retirement benefits of the Zhanjiang municipal police (hereinafter referred to as the "pension benefits difference") shall be borne by Zhanjiang Port. Zhanjiang Port engaged Towers Watson Consulting (Shenzhen) Co., Ltd. to estimate the present value of pension benefits difference in actuarial terms. Zhanjiang Port recognized the liabilities based on the actuarial results, and the relevant actuarial losses resulted in a total elimination of RMB 8,330,000.00 from the unappropriated profit of Zhanjiang Port for the year, and a corresponding elimination of RMB 3,525,104.12 from the unappropriated profit of the Company in proportion to the Company's equity interest in Zhanjiang Port.

Note 3: Profit distribution after the balance sheet date

According to the profit distribution plan for 2021, approved by the 10th board of directors at the 5th meeting on 29 March 2022, the Company, based on the total shares of 1,922,365,124 at 31 December 2021, distributes cash dividends at RMB 4.30 for every shares, totalling to RMB 826,617,003.32. The above profit distribution plan has yet been approved by shareholders meeting.

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

50. Operating income and operating costs

(1) Operating income and operating costs

Item	Amount incurred in the current period		Amount incurred in the prior period (restated)	
	Income	Cost	Income	Cost
Principal operation	15,099,983,817.24	8,827,960,579.72	12,603,330,266.34	7,740,669,515.46
Other operations	183,824,357.36	218,875,602.77	153,414,051.57	221,269,319.94
Total	15,283,808,174.60	9,046,836,182.49	12,756,744,317.91	7,961,938,835.40

(2) Revenue from contracts

Categories of contracts	Ports operation	Bonded logistics operation	Other operations	Total
Mainland China, Hong Kong and Taiwan area	10,940,195,610.05	426,543,277.22	183,824,357.36	11,550,563,244.63
- Pearl River Delta	6,169,011,494.33	293,602,126.57	183,824,357.36	6,646,437,978.26
- Yangtze River Delta	955,807,808.06	-	-	955,807,808.06
- Bohai Rim	69,178,976.05	132,941,150.65	-	202,120,126.70
- Other areas	3,746,197,331.61	-	-	3,746,197,331.61
Other countries	3,695,214,463.69	38,030,466.28	-	3,733,244,929.97
Total	14,635,410,073.74	464,573,743.50	183,824,357.36	15,283,808,174.60

(3) Description of performance obligations

The Group provides wharf service, bonded logistics service and other services. These services are obligations performed over a period of time. For wharf 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 obtains and consumes 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 quantity finally realized within the contract period is uncertain, the contract consideration is subject to variable factors. The management included this part of discount in other payables and provisions. The variable considerations arising from sales discount are not included in the transaction. 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.

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

(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued**51. Taxes and surcharges**

Item	Amount incurred in the current period	Amount incurred in the prior period (restated)
Property tax	70,389,135.52	57,045,127.75
Land use tax	34,202,909.60	33,997,224.70
City construction and maintenance tax	9,898,436.53	7,349,880.46
Education surcharges and local education surcharges	7,369,925.21	5,477,134.10
Stamp duty	3,995,999.87	7,593,765.29
Others (note)	66,117,837.58	40,466,869.88
Total	191,974,244.31	151,930,002.18

Note: Others mainly represent (1) Program of Social Integration and Contribution for the Financing of Social Security (social contribution tax on enterprise income) and Tax on Services (tax based on services rendered) borne by TCP, a subsidiary of the Company, totalled BRL49,540,163.48 (equivalent to RMB59,226,541.93) for the year.

52. Administrative expenses

Item	Amount incurred in the current period	Amount incurred in the prior period (restated)
Employee's salary	1,254,118,714.39	1,106,679,090.17
Depreciation expenses	71,427,267.44	83,244,180.56
Fees paid to agencies	67,169,001.82	73,421,741.00
Amortization of intangible assets	62,610,371.46	63,971,960.67
Others	273,835,203.39	278,338,492.85
Total	1,729,160,558.50	1,605,655,465.25

53. Financial expenses

Item	Amount incurred in the current period	Amount incurred in the prior period (restated)
Interest expense	1,885,088,577.54	1,915,963,616.06
Less: Capitalized interest expenses	55,177,640.96	65,255,075.44
Less: Interest income	377,563,874.49	326,239,184.34
Interest expenses of lease liabilities	79,937,678.42	99,204,381.59
Handling fee	14,643,061.91	19,315,161.95
Exchange differences	-8,805,663.12	-415,864,228.16
Others	7,216,457.99	4,805,832.04
Total	1,545,338,597.29	1,231,930,503.70

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

54. Other income

Item	Amount incurred in the current period	Amount incurred in the prior period
Business development subsidy	250,536,747.94	16,666,657.00
Transferred from allocation of deferred income (Note VIII 42)	44,110,161.98	39,538,414.33
Additional deduction of VAT	24,740,974.05	18,095,829.09
Steady post subsidies	15,167,723.22	4,590,624.84
Special fund for operation	9,947,660.80	4,530,545.00
Cross-border trading e-commerce award	3,940,000.00	-
Innovation special fund	3,601,300.00	13,359,768.44
Refund of withholding taxes	2,351,124.35	2,655,040.88
Special fund for promoting high-quality development of economy	2,000,000.00	-
Value-added tax levied and immediately returned for software products	1,856,439.18	1,438,961.78
Anti-epidemic and epidemic prevention subsidy	394,443.34	6,670,018.69
Refund of unemployment insurance premium	84,591.31	13,701,836.63
Special fund for house renting	-	73,356,900.00
Environmental subsidy	-	5,799,000.00
Facility construction fund	-	1,544,768.00
Others	4,513,994.91	5,778,463.02
Total	363,245,161.08	207,726,827.70

55. Investment income

(1) Details of investment income:

Item	Amount incurred in the current period	Amount incurred in the prior period (restated)
Long-term equity investments income under equity method	6,290,957,480.59	3,992,772,117.69
Including: Long-term equity investments income of associates under equity model	6,048,315,587.10	3,632,771,022.08
Including: Long-term equity investments income of joint venture under equity model	242,641,893.49	360,001,095.61
Investment income from disposal of long-term equity investments (Note)	225,846,183.50	-
Gains from remeasurement of previously held equity at fair value upon obtaining the control	-	753,988,749.80
Investment income from held-for-trading financial assets	72,438,700.63	10,181,238.09
Investment income from other non-current financial assets	40,297,383.53	83,138,043.43
Investment income on disposal of other non-current financial assets	-	1,850,600.00
Dividend income from other equity instruments investments	7,409,762.66	8,568,250.21
Interest income from debt investments	-	59,331,593.61
Total	6,636,949,510.91	4,909,830,592.83

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

55. Investment income - continued

(1) Details of investment income: - continued

Note: In December 2021, Zhanjiang Port, a subsidiary of the Company, transferred its 49% equity interest in Merchants Port City to Broadford (Shenzhen) Port Development Co., Ltd. for a transaction consideration of RMB 384,000,000.00 and recognized the investment income from the disposal of long-term equity investment of RMB 225,832,476.54.

The Group's remittance of investment income is not subject to significant restriction.

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

Investee	Amount incurred in the current period	Amount incurred in the prior period (restated)	Reason for changes
SIPG	4,190,349,799.99	2,234,593,249.98	Changes in net profit of investee
Nanshan Group	685,312,588.00	424,745,838.41	Changes in net profit of investee
Terminal Link SAS	476,262,839.86	312,427,210.29	Changes in net profit of investee
Liaoning Port Co., Ltd.	177,413,349.12	169,692,898.03	Changes in net profit of investee
Ningbo Zhoushan	229,363,153.19	-	Changes in net profit of investee
Shenzhen China Merchants Qianhai Industrial Development Co., Ltd.	130,229,025.57	335,639,784.43	Changes in net profit of investee
Qingdao Qianwan United Container Terminal Co., Ltd.	83,154,378.77	102,594,175.95	Changes in net profit of investee
Euro-Asia Oceangate, S.a` r.l.	57,559,118.21	71,938,690.26	Changes in net profit of investee
Port of Newcastle	12,868,828.80	-7,767,864.73	Changes in net profit of investee
Yantai Port Group Laizhou Port Co., Ltd	33,327,096.27	24,750,032.44	Changes in net profit of investee
China Merchants Northeast Asia development and Investment Co., Ltd	8,262,246.98	7,786,285.71	Changes in net profit of investee
Others	206,855,055.83	316,371,816.92	Changes in net profit of investee
Total	6,290,957,480.59	3,992,772,117.69	

56. Gains (losses) on changes in fair value

Item	Amount incurred in the current period	Amount incurred in the prior period
Held-for-trading financial assets	11,666,053.97	-226,508.15
Other non-current financial assets	-96,596,314.84	269,099,721.85
Including: Financial assets at fair value through profit or loss	-96,596,314.84	269,099,721.85
Other non-current liabilities	306,172,536.04	-680,381,987.28
Including: Financial liabilities at fair value through profit or loss	306,172,536.04	-680,381,987.28
Total	221,242,275.17	-411,508,773.58

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

57. Gains (losses) on impairment of credit

Item	Amount incurred in the current period	Amount incurred in the prior period (restated)
I. Gains on impairment of credit of accounts receivable (loss is marked with "-")	-13,674,941.27	20,725,595.61
II. Gains on impairment of credit of other receivables (loss is marked with "-")	-239,661,663.35	-475,976,923.35
III. Gains on impairment of credit of long-term receivables (loss is marked with "-")	382,987.12	-2,049,967.61
Total	-252,953,617.50	-457,301,295.35

58. Gains (losses) from impairment of assets

Item	Amount incurred in the current period	Amount incurred in the prior period
Gains from decline in value of inventories	-	947,694.12
Impairment provision for long-term equity investments	-2,147,208.07	-
Losses on goodwill impairments	-418,345,307.68	-552,317,736.65
Total	-420,492,515.75	-551,370,042.53

59. Gains (losses) on disposal of assets

Item	Amount incurred in the current period	Amount incurred in the prior period	Amount included in non-recurring profit or loss for the current year
Gains on disposal of non-current assets	35,576,459.42	1,489,206,502.32	35,576,459.42
Including: Gains on disposal of fixed assets (loss is marked with "-")	9,374,568.54	-50,184,379.22	9,374,568.54
Gains on disposal of intangible assets	30,064,375.22	1,480,715,445.14	30,064,375.22
Gains on disposal of construction in progress	-	59,164,336.00	-
Others	-3,862,484.34	-488,899.60	-3,862,484.34

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

60. Non-operating income

Item	Amount incurred in the current period	Amount incurred in the prior period	Amount included in non-recurring profit or loss for the current year
Profit from tax saving	12,743,050.88	779,998.17	12,743,050.88
Management service fee and directors' remuneration	7,912,260.93	2,734,335.68	7,912,260.93
Land rent deduction	6,952,470.22	5,554,357.90	6,952,470.22
Gains from the retirement of damaged non-current assets	3,613,726.26	3,272,216.69	3,613,726.26
Including: Gains from retirement of damaged fixed assets	3,613,726.26	3,272,216.69	3,613,726.26
Compensation received for contracts violation	3,519,366.77	3,074,739.23	3,519,366.77
Exempted account currents	1,446,930.55	2,603,213.36	1,446,930.55
Insurance claims	886,184.77	3,548,709.63	886,184.77
Government grants	875,528.75	53,884,602.38	875,528.75
Others	5,518,018.37	6,263,239.64	5,518,018.37
Total	43,467,537.50	81,715,412.68	43,467,537.50

61. Non-operating expenses

Item	Amount incurred in the current period	Amount incurred in the prior period	Amount included in non-recurring profit or loss for the current period
Loss on retirement of non-current assets	31,484,815.39	11,905,789.11	31,484,815.39
Including: Loss on retirement of damaged fixed assets	31,294,087.61	11,905,789.11	31,294,087.61
Litigation loss	11,267,275.13	7,992,269.39	11,267,275.13
Donations	11,156,992.01	29,768,154.87	11,156,992.01
Compensation, liquidated damages and penalties	9,220,103.11	9,131,029.28	9,220,103.11
Stability maintenance housing subsidy	-	13,500,000.00	-
Others	32,399,507.47	6,706,498.12	32,399,507.47
Total	95,528,693.11	79,003,740.77	95,528,693.11

62. Income tax expenses

Item	Amount incurred in the current period	Amount incurred in the prior period (restated)
Current income tax expenses	1,162,076,514.07	1,305,083,876.52
Deferred income tax expenses	267,016,570.24	-28,062,031.90
Total	1,429,093,084.31	1,277,021,844.62

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

62. Income tax expenses - continued

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

Item	Amount incurred in the current period
Gross profit	9,084,099,074.06
Income tax expenses calculated at 25%	2,271,024,768.52
Effect of non-deductible cost, expenses and losses	387,137,443.85
Accrued income tax expenses	691,032,360.67
Effect of deductible temporary differences and deductible losses for which the deferred tax assets are not recognized in current period	74,682,468.49
Effect of tax-free income (Note)	-1,082,059,417.15
Effect of tax incentives and changes of tax rate	-459,127,249.98
Effect of different tax rates of subsidiaries operating in other jurisdictions	-300,563,430.43
Effect of utilizing deductible losses for which the deferred tax assets were not recognized in prior period	-129,618,579.95
Effect of adjustments to prior-year income tax	-26,377,469.21
Others	2,962,189.50
Income tax expenses	1,429,093,084.31

Note: This mainly represents the tax effect on investment income from joint venture and associates.

63. Assets with restricted ownership or use right

Item	Closing balance	Opening balance
Cash and bank balances (Note 1)	12,830,212.33	11,528,570.90
Equity investment in CICT (Note 2)	2,026,382,103.10	1,626,554,439.58
Equity investment in TML (Note 2)	411,893,452.06	859,148,327.98
Fixed assets (Note 3)	278,015,952.68	341,931,071.09
Intangible assets (Note 3)	212,232,642.30	218,825,477.36
Construction in progress (Note 3)	12,388,924.87	43,751,101.60
Total	2,953,743,287.34	3,101,738,988.51

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) 36.

64. Other comprehensive income

Details are set out in Note (VIII) 46.

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

65. Items in cash flow statement

(1) Other cash receipts relating to operating activities:

Item	Amount incurred in the current period	Amount incurred in the prior period (restated)
Government grants	300,310,363.33	204,171,774.90
Interest income	133,986,424.52	197,914,789.22
Guarantees and deposits	38,247,722.18	72,204,983.41
Insurance indemnities	7,390,248.30	11,043,593.46
Rentals	9,641,271.39	10,735,793.35
Refund of port construction fee and service charges	130,668.41	1,660,916.38
Others	534,021,573.18	414,550,519.81
Total	1,023,728,271.31	912,282,370.53

(2) Other cash payments relating to operating activities

Item	Amount incurred in the current period	Amount incurred in the prior period (restated)
Advance payment	275,907,895.42	171,218,230.90
Operating expenses such as operating costs and administration expense etc.	182,351,696.26	183,305,983.48
Guarantees and deposits	28,616,516.45	38,575,451.19
Harbor dues on cargo	15,776,034.06	-
Rentals	14,653,775.08	23,239,432.01
Port construction fee	12,001,158.90	11,661,727.63
Port charges	11,723,562.35	7,481,400.21
Others	334,083,168.45	404,625,405.11
Total	875,113,806.97	840,107,630.53

(3) Other cash receipts relating to investing activities

Item	Amount incurred in the current period	Amount incurred in the prior period
Recovered principal for the advances of the project	179,243,313.40	825,670,000.00
Recovered interest for the advances of the project	162,918,518.18	87,104,514.28
Recovered lendings	8,980,037.68	33,282,119.52
Net cash receipts from acquisition of subsidiaries and other operating units	-	317,470,188.12
Zhanjiang Port Transition Compensation	-	3,803,477.07
Others	86,014,701.83	186,182,916.72
Total	437,156,571.09	1,453,513,215.71

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

65. Items in cash flow statement - continued

(4) Other cash payments relating to investing activities

Item	Amount incurred in the current period	Amount incurred in the prior period
Payment of staff relocation cost to Shantou Port in respect of the land purchasing and reserve	22,231,894.84	-
Related party borrowings	-	3,009,744,121.38
Others	406.11	26,229.24
Total	22,232,300.95	3,009,770,350.62

(5) Other cash receipts relating to financing activities

Item	Amount incurred in the current period	Amount incurred in the prior period
Proceeds of CMPort from disposal of part of equity of subsidiaries	-	1,851,325,647.36
Equity capital recovered from minority shareholders for Shantou Port	-	82,129,289.00
Recovered financing lease deposits	-	4,500,000.00
Total	-	1,937,954,936.36

(6) Other cash payments relating to financing activities

Item	Amount incurred in the current period	Amount incurred in the prior period
Payment for the Company's acquisition of minority interests of CMPort	76,767,514.23	-
Amount paid by Dalian Port Logistics Network Co., Ltd(formerly known as "DPN")for the acquisition of minority shareholders' equities	8,748,637.26	-
Amount paid by CMPort for the acquisition of minority shareholders' equities	-	755,398,999.97
Payments for the liquidation of Shantou Port's subsidiaries	-	82,129,289.00
Lease expenses paid	412,013,733.57	472,115,301.75
Others	6,000,631.68	5,033,180.99
Total	503,530,516.74	1,314,676,771.71

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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	Amount incurred in the current period	Amount incurred in the prior period (restated)
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	7,655,005,989.75	5,548,775,375.20
Add: Provision for impairment losses of assets	420,492,515.75	551,370,042.53
Provision for impairment losses of credit	252,953,617.50	457,301,295.35
Depreciation of fixed assets	1,877,442,392.55	1,812,195,015.18
Depreciation of investment property	189,639,743.80	189,954,310.24
Depreciation of right-of-use assets	329,603,141.83	355,847,857.29
Amortization of intangible assets	616,107,419.01	610,778,742.12
Amortization of long-term prepaid expenses	53,478,222.59	46,028,917.79
Losses on disposal of fixed assets, intangible assets and other long-term assets (gain is marked with "-")	-35,576,459.42	-1,489,206,502.32
Losses on retirement of fixed assets, intangible assets and other long-term assets	27,871,089.13	8,633,572.42
Losses on changes in fair value (gain is marked with "-")	-221,242,275.17	411,508,773.58
Financial expenses	1,733,787,046.57	1,305,544,471.18
Investment income	-6,636,949,510.91	-4,909,830,592.83
Decrease in deferred tax assets (increase is marked with "-")	22,711,365.92	-120,252,590.37
Increase in deferred tax liabilities	244,305,204.32	92,190,558.47
Decrease in inventories (increase is marked with "-")	20,057,846.98	-34,628,371.06
Decrease in operating receivables (increase is marked with "-")	-4,503,635.75	-423,471,225.29
Decrease in operating payables (increase is marked with "-")	-34,857,143.97	1,138,549,363.53
Net cash flows from operating activities	6,510,326,570.48	5,551,289,013.01
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	12,727,355,238.36	11,898,618,327.29
Less: Opening balance of cash	11,898,618,327.29	7,787,670,726.45
Add: Closing balance of cash equivalents	-	-
Less: Opening balance of cash equivalents	-	-
Net increase in cash and cash equivalents	828,736,911.07	4,110,947,600.84

(2) Cash and cash equivalents

Item	Closing balance	Opening balance (restated)
I. Cash	12,727,355,238.36	11,898,618,327.29
Including: Cash on hand	501,446.73	575,797.26
Bank deposits available for payment at any time	12,353,104,402.58	11,545,752,102.19
Other monetary funds available for payment at any time	373,749,389.05	352,290,427.84
II. Cash equivalents	-	-
III. Balance of cash and cash equivalents at the end of the year	12,727,355,238.36	11,898,618,327.29

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

67. Foreign currency monetary items

Item	Closing balance of foreign currency	Exchange rate	Closing amount in RMB
Cash and bank balances			1,605,201,076.66
Including: HKD	22,044,029.44	0.8165	17,998,950.04
USD	100,121,665.86	6.3674	637,514,695.20
EUR	97,757,986.79	7.2242	706,223,248.17
RMB	243,464,183.25	1.0000	243,464,183.25
Accounts receivable			209,762,995.27
Including: HKD	1,313,813.27	0.8165	1,072,728.53
USD	5,742,521.74	6.3674	36,564,932.93
EUR	23,826,213.81	7.2242	172,125,333.81
Other receivables			326,544,843.88
Including: HKD	97,298,692.24	0.8165	79,444,382.21
USD	5,977,025.63	6.3674	38,058,113.00
EUR	4,492,480.76	7.2242	32,454,579.51
RMB	176,587,769.16	1.0000	176,587,769.16
Other Non-Current Assets			28,084,411.98
Including: EUR	3,887,546.30	7.2242	28,084,411.98
Short-term borrowings			1,028,876,600.00
Including: HKD	800,000,000.00	0.8165	653,200,000.00
USD	59,000,000.00	6.3674	375,676,600.00
Accounts payable			41,862,294.84
Including: HKD	3,833,404.09	0.8165	3,129,974.44
USD	702.00	6.3674	4,469.91
EUR	5,305,480.26	7.2242	38,327,850.49
RMB	400,000.00	1.0000	400,000.00
Other payables			640,218,472.26
Including: HKD	40,893,776.95	0.8165	33,389,768.88
USD	76,211,211.07	6.3674	485,267,265.37
EUR	3,947,344.18	7.2242	28,516,403.83
RMB	93,045,034.18	1.0000	93,045,034.18
Non-current liabilities due within one year			6,032,652,343.52
Including: USD	541,389,705.26	6.3674	3,447,244,809.27
RMB	2,585,407,534.25	1.0000	2,585,407,534.25
Long-term borrowings			2,680,907,395.00
Including: USD	216,000,000.00	6.3674	1,375,358,400.00
EUR	87,975,000.00	7.2242	635,548,995.00
RMB	670,000,000.00	1.0000	670,000,000.00
Bonds payable			12,670,872,414.16
Including: USD	1,989,960,174.35	6.3674	12,670,872,414.16
Long-term payables			3,433,175,756.61
Including: HKD	4,204,746,793.15	0.8165	3,433,175,756.61

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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 period
Related to income	250,536,747.94	Business development subsidy	Other income	250,536,747.94
Related to income	15,167,723.22	Steady post subsidy	Other income	15,167,723.22
Related to income	9,947,660.80	Special operation subsidy	Other income	9,947,660.80
Related to assets	5,799,000.00	Energy conservation and emission reduction – ship shore power phase II	Deferred income	918,175.00
Related to income	3,940,000.00	Cross-border trading e-commerce award	Other income	3,940,000.00
Related to income	3,601,300.00	Innovation special funds	Other income	3,601,300.00
Related to income	2,000,000.00	Special fund for promoting high-quality development of economy	Other income	2,000,000.00
Related to assets	1,604,600.00	Intelligent system subsidy	Deferred income	120,696.53
Related to income	394,443.34	Anti-epidemic and epidemic prevention subsidy	Other income	394,443.34
Related to income	84,591.31	Refund of unemployment insurance premium	Other income	84,591.31
Related to income	4,513,994.91	Others	Other income	4,513,994.91
Related to income	875,528.75	Others	Non-operating income	875,528.75
Total	298,465,590.27			292,100,861.80

69. Lease

(1) Lessor under operating lease

Item	Amount
I. Revenue	-
Lease income	393,858,973.55
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	234,699,427.04
2 nd year	109,190,765.76
3 rd year	87,829,496.57
4 th year	71,167,299.90
5 th year	69,224,147.74
Over 5 years	256,980,112.03

Note: The operating leases where the Group as the lessor are related to port and terminal facilities, machinery 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 equipment, land and buildings. The Group considers that as the leased assets are properly used, the unguaranteed balance of such assets does not constitutes material risk of the Group

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

69. Lease - continued

(2) Lessee

Item	Amount
Interest expense on lease liabilities	79,937,678.42
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	57,066,803.15
Expenses on lease of low-value assets (exclusive of expenses on short-term lease 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	1,059.70
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	21,274,985.98
Total cash outflows relating to lease	435,267,676.74
Profit or loss arising from sale and leaseback transactions (loss is marked with "-")	-25,726,283.95
Cash inflows from sale and leaseback transactions	-
Cash outflows from sale and leaseback transactions	223,602,538.98
Others	-

(IX) CHANGES IN SCOPE OF CONSOLIDATION

1. Business combination involving enterprises under common control

(1) Composition of the Group

Name of acquiree	Proportion of equity acquired(%)	Basis for determining the type of combination	Acquisition date	Basis for determining the acquisition date	Acquiree's revenue from the beginning of the period of the acquisition to the acquisition date	Acquiree's net profit from the beginning of the period of the acquisition to the acquisition date	Acquiree's revenue for the comparative period	Acquiree's net profit for the comparative period
DPN	79.03	Controlled by the same party both before and after the combination, and the control is not transitory	9 February 2021	Transfer of control	6,730,476.41	-1,670,529.39	132,127,167.98	16,915,758.32
Yingkou Gangxin Technology Co., Ltd. ("Gangxin Technology")	100.00	Controlled by the same party both before and after the combination, and the control is not transitory	9 February 2021	Transfer of control	-	-1,585,261.11	6,087,153.91	2,036,064.66

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(IX) CHANGES IN SCOPE OF CONSOLIDATION - continued

1. Business combination involving enterprises under common control - continued

(2) Acquisition cost

Acquisition cost	DPN	Gangxin Technology
Cash	-	-
Par value of equity securities issued	66,576,790.71	13,918,166.22
Total acquisition cost	66,576,790.71	13,918,166.22

(3) Carrying amount of assets and liabilities of the acquiree at the acquisition date

	DPN		Gangxin Technology	
	Acquisition date	1 January 2021	Acquisition date	1 January 2021
Assets:				
Current assets	131,539,011.74	140,838,127.92	18,138,156.03	18,319,351.22
Long-term equity investments	10,246,299.45	10,487,799.45	-	-
Fixed assets	8,023,111.99	8,136,170.96	34,046.16	35,363.69
Right-of-use assets	517,511.87	526,095.34	-	-
Intangible assets	5,994,866.71	6,088,378.29	-	-
Long-term prepaid expenses	131,052.72	157,263.23	-	-
Deferred tax assets	126,018.46	126,018.46	-	-
Liabilities:				
Current liabilities	88,544,510.18	56,894,215.88	2,096,138.65	2,410,894.10
Deferred income	278,444.67	293,140.09	-	-
Lease liabilities	444,186.06	427,236.03	-	-
Net assets	67,310,732.03	108,745,261.65	16,076,063.54	15,943,820.81
Less: Minority interests	-	20,332,141.71	-	-
Net assets acquired	67,310,732.03	88,413,119.94	16,076,063.54	15,943,820.81

(X) EQUITY IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the Group

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.	HK China	HK China	Investment holding	HKD 100.00	100.00	-	Established through investment
Shenchiwan Port Affairs	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	1,500.00	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
CMPort (Note 1)	HK China	HK China	Investment holding	HKD 44,016,586,600	43.18	-	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 - 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	
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(Note 2)	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	USD 30,000,000	-	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	300.00	-	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	-	100.00	Business combination involving enterprises under common control
Zhangzhou China Merchants Port Co., Ltd.	Zhangzhou China	Zhangzhou China	Logistics support services	100,000.00	-	60.00	Business combination involving enterprises under common control
Zhangzhou Investment Promotion Bureau Xiamenwan Port Affairs Co., Ltd. ("Xiamenwan Port Affairs") (Note 3)	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
Anxunjie Port Warehousing Service (Shenzhen) Co., Ltd.	Shenzhen China	Shenzhen China	Preparation for the warehousing project	6,060.00	-	100.00	Business combination involving enterprises under common control
Shenzhen Haixing	Shenzhen China	Shenzhen China	Logistics support services	53,072.92	-	67.00	Business combination involving enterprises under common control
Shenzhen Lianyongtong Terminal Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	USD 7,000,000	-	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
TML	Cyprus	Cyprus	Investment holding	EUR 5,000.00	-	100.00	Business combination involving enterprises under common control
Lome Container Terminal S.A.	Republic of Togo	Republic of Togo	Logistics support services	XOF 200,000,000	-	100.00	Business combination involving enterprises under common control
Gainpro Resources Limited	BVI	BVI	Investment holding	USD 1.00	-	76.47	Business combination involving enterprises under common control
Hambantota International Port Group	Sri Lanka	Sri Lanka	Logistics support services	USD 794,000,000	-	85.00	Business combination involving enterprises under common control
Shantou port	Shantou China	Shantou China	Logistics support services	12,500.00	-	60.00	Business combination involving enterprises under common control
Shenzhen Jinyu Rongtai Investment Development Co., Ltd.	Shenzhen China	Shenzhen China	Property lease, etc.	80,000.00	-	100.00	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

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(X) EQUITY IN OTHER ENTITIES - continued

1. Interests in subsidiaries - continued

(1) Composition of the Group - 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 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
Direct Achieve Investments Limited	HK China	HK China	Investment holding	USD 814,781,300	-	100.00	Business combination involving enterprises under common control
CMPort (Zhoushan) RoRo Wharf Co., Ltd.	Zhoushan China	Zhoushan China	Logistics support services	17,307.86	51.00	-	Assets acquisition
Shenzhen Haixing Logistics Development Co., Ltd.	Shenzhen China	Shenzhen China	Logistics support services	7,066.79	-	67.00	Assets 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.	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 4)	Nongbo China	Nongbo 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

Note 1: On 19 June 2018, the Company and China Merchants Group (Hong Kong) Co., Ltd. ("CMHK") entered into "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 CMPort in respect of its voting power of CMPort as entrusted, and performs the voting as per the Company's opinion.

In June and October 2020, CMPort respectively distributed 2020 dividends and 2021 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 and CMHK select to receive all its share of dividends from the shareholding in CMPort in the form of scrip dividends. Upon the completion of above distribution of CMPort, the Company's share in CMPort increased from 1,532,248,957 shares to 1,627,635,473 shares. In December 2021, the Company acquired 7,008,000 shares of ordinary share of CMPort from the secondary market. Upon completion of the transaction, the proportion of the ordinary share of CMPort held by the Company to the total issued ordinary share of CMPort changed from 41.85% to 43.18%, while the proportion of the ordinary share of CMPort held by the CMHK to the total issued ordinary share of CMPort changed from 22.36% to 21.98%. Therefore, the Company has total 65.16% voting power of CMPort and has control over CMPort.

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(X) EQUITY IN OTHER ENTITIES - continued

1. Interests in subsidiaries - continued

(1) Composition of the Group - continued

Note 2: On 18 December 2020, the Company and its subsidiaries CMPort, CM International Tech, Jifa Logistics, Dalian Port Container, Yingkou Port Group Co., Ltd. ("Yingkou Port Group") signed the Equity Subscription and Capital Increase Agreement regarding CM International Tech. According to the agreement, Jifa Logistics and Dalian Port Container respectively use their 29.40% and 49.63% equity in DPN, while the Yingkou Port Group uses its 100% equity in Gangxin Technology to increase the capital of CM International Tech. The CM International Tech, DPN and Gangxin Technology are controlled by the Company's actual controller China Merchants Group both before and after the combination, and the control is not transitory. The aforesaid capital increase has been completed on 9 February 2021. Upon completion of the capital increase, the Company CMPort, Jifa Logistics, Dalian Port Container and Yingkou Port Group respectively holds 13.18%, 43.74%, 13.26%, 22.38% and 7.44% equity in CM International Tech, which remain as the holding subsidiary of the Company. CM International Tech holds 79.03% and 100% equity in DPN and Gangxin Technology respectively, and has control over DPN and Gangxin Technology. Therefore, the Company adopts the accounting treatment for business combination involving enterprises under common control and included DPN and Gangxin Technology in the scope of consolidation since 9 February 2021.

Note 3: The Group and China Merchants Zhangzhou Development Zone Co., Ltd. entered into "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 4: 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. 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 equity interest in Ningbo Daxie. As a result, the Group is able to exercise control over it and include it in the scope of consolidation of the Group's consolidated financial statements.

(2) Material 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
CMPort	56.82	4,603,182,074.30	1,498,760,711.05	65,476,589,235.67

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

1. **Interests in subsidiaries** - continued

(3) Significant financial information of material non-wholly-owned subsidiaries

Name of the subsidiary	Closing balance						Opening balance					
	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
CMPort	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	14,625,774,694.50	125,425,081,030.94	140,050,855,725.44	13,055,907,214.63	34,087,468,137.34	47,143,375,351.97

Name of the subsidiary	2021				2020			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
CMPort	9,835,827,140.59	7,324,839,959.14	6,890,512,293.77	4,700,305,072.57	7,956,928,250.59	5,064,412,321.79	3,204,689,765.86	3,629,199,456.13

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(X) EQUITY IN OTHER ENTITIES - continued

2. Transactions resulting in 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 Group's ownership interests in CMPort changed from 41.85% to 43.18%. Details are set out in Note (X) 1 (1).

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

	CMPort
Acquisition cost	
- Cash	76,429,220.65
- Fair value of non-cash assets	942,037,747.91
Total acquisition cost	1,018,466,968.56
Less: Share of net assets of subsidiaries calculated based on the proportion of equity acquired	1,519,017,926.59
Difference	-500,550,958.03
Including: Adjustment to capital Reserve	500,550,958.03
Adjustment to surplus reserve	-
Adjustment to unappropriated profit	-

3. Interests in joint ventures and associates

(1) Material joint ventures or associates

Investee	Principal place of business	Place of registration	Nature of business	Proportion of ownership interests held by the Group (%)		Accounting method of investments in associates
				Direct	Indirect	
Associates						
SIPG	Shanghai, PRC	Shanghai, PRC	Port and container terminal business	-	26.64	Equity method

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(X) EQUITY IN OTHER ENTITIES - continued**4. Key financial information of material associates**

Item	SIPG	
	Closing balance / Amount incurred in the current period	Opening balance/ Amount incurred in the prior period
Current assets	50,550,358,636.59	43,653,716,114.59
Including: Cash and cash equivalents	28,494,577,716.81	20,689,734,592.59
Non-current assets	120,237,119,876.27	112,271,033,861.93
Total assets	170,787,478,512.86	155,924,749,976.52
Current liabilities	29,281,912,321.67	22,405,787,626.17
Non-current liabilities	33,699,936,944.88	37,539,362,699.55
Total liabilities	62,981,849,266.55	59,945,150,325.72
Minority interests	8,014,833,731.08	8,461,734,212.94
Equity attributable to shareholders of the parent company	99,790,795,515.23	87,517,865,437.86
Share of net assets calculated based on the proportion of ownership interests	26,584,267,925.26	23,428,532,577.72
Adjustments		
- Goodwill	2,066,192,806.75	2,076,585,747.12
- Others	193,346,651.68	-143,335,143.43
Carrying amounts of equity investments in associates	28,843,807,383.69	25,361,783,181.41
Fair value of publicly quoted equity investments in associates	33,990,040,779.28	28,345,709,190.02
Operating income	34,288,697,334.43	26,119,460,820.07
Net profit	15,480,719,994.16	9,183,403,328.66
Other comprehensive income	573,880,124.36	657,555,565.18
Total comprehensive income	16,054,600,118.52	9,840,958,893.84
Dividends received from associates in the current year	793,927,959.22	899,371,516.97

5. Summarized financial information of immaterial associates and joint ventures

Item	Closing balance/Amount accumulated in the year	Opening balance/Amount accumulated last year
Joint ventures:		
Total carrying amount of investments	8,540,003,758.64	8,866,327,205.84
Aggregate of following items calculated based on the proportion of ownership interest		
- Net profit	242,641,893.49	362,452,573.20
- Other comprehensive income	4,375,404.14	25,430,763.35
- Total comprehensive income	247,017,297.63	387,883,336.55
Associates:		
Total carrying amount of investments	32,969,640,682.19	32,014,300,835.65
Aggregate of following items calculated based on the proportion of ownership interest		
- Net profit	1,857,965,787.11	1,405,583,978.08
- Other comprehensive income	-92,265,491.63	21,687,463.52
- Total comprehensive income	1,765,700,295.48	1,427,271,441.60

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(X) EQUITY IN OTHER ENTITIES - continued

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

(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 2021, the balance 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 currency. Currency risk arising from the foreign currency balance of assets and liabilities may have impact on the Group's performance.

Item	Closing balance	Opening balance
Cash and bank balances	304,226,402.75	1,214,901,554.08
Accounts receivable	37,640,821.94	34,261,643.29
Other receivables	292,001,737.01	1,004,843,484.23
Short-term borrowings	653,200,000.00	668,320,000.00
Accounts payable	3,534,444.32	4,286,809.14
Other payables	131,844,034.16	201,395,071.52
Non-current liabilities due within one year	2,585,407,534.25	382,131,909.25
Long-term borrowings	670,000,000.00	670,000,000.00
Bonds payable	-	2,500,000,000.00
Long-term payables	3,433,175,756.61	440,659,667.97

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 of the exchange rate movements, management considers it is unlikely that the exchange rate changes in the future one year will result in significant loss to the Group.

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(XI) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued**1. Currency risk - continued**

Sensitivity analysis on currency risk

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

Item	Changes in exchange rate	Closing balance		Opening balance	
		Effect on profits	Effect on shareholders' equity	Effect on profits	Effect on shareholders' equity
All foreign currencies	5% increase against RMB	-146,440,030.80	-146,440,030.80	-577,260.66	-577,260.66
All foreign currencies	5% decrease against RMB	146,440,030.80	146,440,030.80	577,260.66	577,260.66
All foreign currencies	5% increase against USD	5,092,313.03	5,092,313.03	1,578,468.63	1,578,468.63
All foreign currencies	5% decrease against USD	-5,092,313.03	-5,092,313.03	-1,578,468.63	-1,578,468.63
All foreign currencies	5% increase against HKD	-201,218,971.96	-201,218,971.96	-131,469,479.65	-131,469,186.05
All foreign currencies	5% decrease against HKD	201,218,971.96	201,218,971.96	131,469,479.65	131,469,186.05
All foreign currencies	5% increase against EUR (including FCFA)	402,049.34	402,049.34	-171,067.13	-171,067.13
All foreign currencies	5% decrease against FCFA(including FCFA)	-402,049.34	-402,049.34	171,067.13	171,067.13

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 etc.

Sensitivity analysis of interest rate risk

Sensitivity analysis of 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 hedging 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.

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(XI) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued**2. Interest rate risk - changes in cash flows - continued**

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	Closing balance		Opening balance	
		Effect on profits	Effect on shareholders' equity	Effect on profits	Effect on shareholders' equity
Short-term borrowings and long-term borrowings	1% increase	-163,962,806.32	-163,962,806.32	-133,940,312.35	-133,940,312.35
Short-term borrowings and long-term borrowings	1% decrease	163,962,806.32	163,962,806.32	133,940,312.35	133,940,312.35

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.

As of 31 December 2021, the Group had total current liabilities in excess of total current assets of RMB 7,271,661,445.92. As at 31 December 2021, the Group has available unutilized loan facility of RMB 54,220,580,229.33 which is more than current liabilities, and may obtain funds within the credit limit as necessary. 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	13,651,452,805.36	13,759,806,524.21	13,759,806,524.21	-	-
Notes payable	1,895,987.17	1,895,987.17	1,895,987.17	-	-
Accounts payable	843,820,438.51	843,820,438.51	843,820,438.51	-	-
Other payables	2,140,108,341.08	2,140,108,341.08	2,140,108,341.08	-	-
Non-current liabilities due within one year	8,179,772,370.17	9,348,291,951.06	9,348,291,951.06	-	-
Other current liabilities	2,158,497,775.85	2,162,074,534.34	2,162,074,534.34	-	-
Long-term borrowings	7,144,839,870.89	7,904,794,817.93	-	6,179,083,715.29	1,725,711,102.64
Bonds payable	16,670,872,414.14	18,075,861,970.23	-	14,044,854,814.96	4,031,007,155.27
Lease liabilities	1,055,194,906.09	1,696,668,533.14	-	522,315,363.87	1,174,353,169.27
Long-term payables	3,400,919,585.50	3,491,619,776.83	-	232,234,584.52	3,259,385,192.31

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(XII) DISCLOSURE OF FAIR VALUE**1. Closing balance of assets and liabilities measured at fair value**

Item	Fair value at the end of the year			Total
	Level 1	Level 2	Level 3	
	Measured at fair value	Measured at fair value	Measured at fair value	
Measurements at fair value continuously				
Held-for-trading financial assets	157,196.79	6,921,674,305.76	-	6,921,831,502.55
Receivables financing	-	-	238,429,402.71	238,429,402.71
Other equity instrument investments	8,620,000.00	-	171,631,798.43	180,251,798.43
Other non-current financial assets	782,723,863.52	-	26,791,381.35	809,515,244.87
Total assets continuously measured at fair value	791,501,060.31	6,921,674,305.76	436,852,582.49	8,150,027,948.56

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, other equity instrument investments and other non-current financial assets are determined at the closing price of the equity instrument at Stock Exchange at 31 December 2021.

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 the end of this year	Valuation techniques	Inputs
Held-for-trading financial assets	6,921,674,305.76	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 the end of this year	Valuation techniques	Inputs
Receivables financing	238,429,402.71	Cash flow discounting	Discount rate
Other equity instrument investments	171,631,798.43	Net worth method	Carrying amount
Other non-current financial assets	2,000,000.00	Cash flow discounting	Discount rate
Other non-current financial assets	680,887.72	Net worth method	Carrying amount
Other non-current financial assets	24,110,493.63	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 of adjustment of discount and premium.

(XII) DISCLOSURE OF FAIR VALUE - continued

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.

CHINA MERCHANTS PORT GROUP CO., LTD.

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(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. Parent of the Company

Name of the parent	Related party relationship	Type of the entity	Place of registration	Nature of business	Issued share capital	Proportion of the Company's ownership interests held by the parent (%)	Proportion of the Company's voting power held by the parent (%)
Broadford Global Limited	Parent company	Private limited company (share limited)	Hong Kong	Investment holding	HKD 21,120,986,262	2.88	81.92 (Note)

Note: Broadford Global Limited directly holds 2.88% equity of the Company, and indirectly holds 19.29% and 59.75% 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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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 joint ventures that occurred related party transactions and formed balances with the Group this 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 Merchants Antong Logistics Management Company	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
Antong Holdings Co., Ltd. and its subordinate companies (Note)	Subsidiary of 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 Qiandongnan Continental Land Port Operation Co., Ltd.	Associate
Nanshan Group and its subsidiaries	Associate
SIPG	Associate
Liaoning Port Co., Ltd. and its subsidiaries	Associate, Controlled by the same ultimate controlling shareholder
Ningbo Zhoushan	Associate
Shenzhen Baohong Technology Co., Ltd. (formerly known as "Shenzhen Baohong E-Commerce Integrated Services 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

Note: Antong Holdings Co., Ltd. is the subsidiary of Fujian Zhaohang Logistics Management Partnership (Limited Partnership), which is a joint venture of the Company.

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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
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
China COSCO Shipping Group and its subsidiaries (Note)	Same related natural person
Dalian Port Logistics Technology Co. Ltd.	Controlled by the same ultimate controlling shareholder
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 (Shenzhen) Power Supply., Ltd.	Controlled by the same ultimate controlling shareholder
Shenzhen Merchants to Home Technology Co.	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
Dalian Port Group Financial Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Port Investment Development Company Limited	Controlled by the same ultimate controlling shareholder
China Merchants Life Insurance 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

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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 Marine Shipping Agency Guangdong Co., Ltd.	Controlled by the same ultimate controlling shareholder
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	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
Hoi Tung Innotek (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
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
CMPort Chuangrong (Shenzhen) Technology 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. (formerly known as "Yingkou 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. (formerly known as "Shenzhen West Port Security Service Company")	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
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 Merchant Bank Co., Ltd.	Significantly influenced by the ultimate controlling shareholder

Note: The Company's former Chairman Fu Gangfeng (resigned on 31 January 2020) worked as the director and general manager of China COSCO Shipping Corporation Limited within 12 months after his departure. Therefore, the related party transactions and balances for the period in which he was the senior management personnel of the Company and China COSCO Shipping Corporation Limited and for the 12 months after such period are disclosed.

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(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions

(1) Rendering and receipt of service

Related party	Content of transaction	Pricing method and decision procedures of related transactions	Amount incurred in the current period	Amount incurred in the prior period (restated)
Receipt of service:				
Shenzhen Bay Electricity Industry Co., Ltd.	Service expense	Negotiation	52,118,359.34	29,148,667.42
Qingdao Qianwan West Port United Wharf Co., Ltd.	Service expense	Negotiation	17,429,281.52	16,335,069.80
Shenzhen Merchants Electricity Supply Co., Ltd.	Service expense	Negotiation	16,896,892.16	13,221,740.64
Ningbo Zhoushan	Service expense	Negotiation	14,902,071.93	-
COSCO Logistics (Zhanjiang) Co., Ltd.	Service expense	Negotiation	13,741,598.64	5,078,367.51
Shenzhen Municipal Public Security Bureau Shekou Police Substation	Service expense	Negotiation	13,215,162.92	-
Nanshan Group and its subsidiaries	Service expense	Negotiation	12,899,160.06	29,612,136.31
China Merchants Property Management (Shenzhen) Co., Ltd.	Service expense	Negotiation	11,411,320.65	844,512.39
Hoi Tung (Shanghai) Company Limited	Service expense	Negotiation	9,908,555.07	9,886,142.11
Shenzhen West Port Security Service Co., Ltd.	Service expense	Negotiation	8,628,090.47	4,159,456.50
Yiu Lian Dockyards Limited	Service expense	Negotiation	8,484,365.83	9,274,213.41
China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	Service expense	Negotiation	6,963,663.53	6,616,945.42
China Merchants Zhangzhou Development Zone Power Supply Co., Ltd.	Service expense	Negotiation	5,148,081.30	4,548,046.20
China Marine Shipping Agency Guangdong Co., Ltd.	Service expense	Negotiation	5,128,165.14	1,994,707.90
Yingkou Port Group and its subsidiaries	Service expense	Negotiation	3,655,450.63	5,623,518.39
Shenzhen Qianhai Shekou Free Trade Investment Development Co. Ltd.	Service expense	Negotiation	3,246,406.82	-
China Marine Shipping Agency Shenzhen Co., Ltd.	Service expense	Negotiation	2,886,771.98	2,403,262.96
Shenzhen Merchants to Home Technology Co.	Service expense	Negotiation	2,529,286.74	162,182.56
China Merchants Port Investment Development Company Limited	Service expense	Negotiation	2,511,488.39	-
China Ocean Shipping Tally Shenzhen Co., Ltd.	Service expense	Negotiation	2,367,078.52	1,208,224.86
China Merchant Food (China) Co., Ltd.	Service expense	Negotiation	2,010,522.22	1,790,459.66
Liaoning Port Co., Ltd. and its subsidiaries	Service expense	Negotiation	1,453,666.27	1,968,171.53
Qingdao Wutong Century Supply Chain Co., Ltd.	Service expense	Negotiation	1,412,347.77	34,202.46
China Merchants Healthcare (Qichun) Co., Ltd.	Service expense	Negotiation	874,591.30	1,473,607.08
China Merchants Logistics Group Qingdao Co., Ltd.	Service expense	Negotiation	278,746.88	1,506,882.06
China Merchants Your Cellar (Shenzhen) Co., Ltd.	Service expense	Negotiation	145,501.77	2,201,965.59
Djibouti International Hotel Company	Service expense	Negotiation	-	2,028,556.99
China Merchants Life Insurance Company Limited	Service expense	Negotiation	-	1,828,798.25
Dalian Port Logistics Technology Co. Ltd.	Service expense	Negotiation	-	1,068,592.04
Other related parties	Service expense	Negotiation	5,426,539.23	7,009,354.97
Other related parties	Property utilities	Negotiation	1,527,482.73	1,269,101.74
China Merchants Property Management (Shenzhen) Co., Ltd.	Property utilities	Negotiation	-	7,567,376.65
China Merchant Bank Co., Ltd.	Purchase of structured deposits	Negotiation	901,314,575.34	850,000,000.00
China Merchants Group Finance Company Limited	Interest expense	Negotiation	57,267,460.41	40,218,054.32
China Merchant Bank Co., Ltd.	Interest expense	Negotiation	7,309,189.97	2,820,905.00
Total			1,193,091,875.53	1,062,903,222.72

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(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(1) Rendering and receipt of service - continued

Related party	Content of transaction	Pricing method and decision procedures of related transactions	Amount incurred in the current period	Amount incurred in the prior period (restated)
Rendering of service:				
Broadford (Shenzhen) Port Development Co., Ltd.	Service income	Negotiation	233,023,495.03	-
COSCO Logistics (Zhanjiang) Co., Ltd.	Service income	Negotiation	172,689,315.75	138,294,236.96
Antong Holdings Co., Ltd. and its subordinate companies	Service income	Negotiation	149,257,485.43	127,713,616.40
China Marine Shipping Agency Ningbo Co., Ltd.	Service income	Negotiation	127,750,175.04	-
Liaoning Port Co., Ltd. and its subsidiaries	Service income	Negotiation	84,665,638.27	53,346,029.84
China Marine Shipping Agency Guangdong Co., Ltd.	Service income	Negotiation	78,136,291.87	61,942,724.25
China COSCO Shipping Group and its subsidiaries	Service income	Negotiation	67,594,546.16	473,089,186.47
China Ocean Shipping Agency (Zhanjiang) Co., Ltd.	Service income	Negotiation	58,774,852.27	53,774,870.23
Yingkou Port Group and its subsidiaries	Service income	Negotiation	58,066,543.74	6,149,920.19
Qingdao Qianwan United Container Terminal Co., Ltd.	Service income	Negotiation	57,107,934.04	49,104,741.77
Liaoning Port Group Co., Ltd.	Service income	Negotiation	30,230,480.12	4,572,257.33
China Merchants International Shipping Agency (Shenzhen) Co., Ltd.	Service income	Negotiation	19,931,387.34	10,407,471.90
Yiu Lian Dockyards (Shekou) Limited	Service income	Negotiation	15,861,643.81	6,825,979.02
Shenzhen Baohong Technology Co., Ltd.	Service income	Negotiation	12,375,371.81	9,183,840.58
Sinotrans Container Lines Co., Ltd.	Service income	Negotiation	9,659,043.11	5,775,004.77
Sinotrans Shenzhen Qianhai Supply Chain Management Ltd.	Service income	Negotiation	8,201,186.45	5,366,080.32
China Merchants International Cold Chain (Shenzhen) Company Limited	Service income	Negotiation	6,932,874.90	6,781,159.20
China Ocean Shipping Agency Shenzhen	Service income	Negotiation	6,742,585.37	11,872,191.59
China Merchants Port Investment Development Company Limited	Service income	Negotiation	6,100,924.53	1,870,575.47
China Marine Shipping Agency Shenzhen Co., Ltd.	Service income	Negotiation	6,065,850.59	4,566,415.18
CMPort Chuangrong (Shenzhen) Technology Co., Ltd.	Service income	Negotiation	5,060,041.98	-
China Yangtze River Shipping Co., Ltd.	Service income	Negotiation	4,015,942.03	276,427.36
China Merchants Gangrong Big Data Co., Ltd.			3,839,970.76	3,627,717.89
Qingdao Qianwan West Port United Wharf Co., Ltd.	Service income	Negotiation	3,556,894.16	3,403,438.43
South China Sinotrans Supply Chain Management Co., Ltd.	Service income	Negotiation	3,315,529.59	5,730,351.44
Shantou International Container Terminals Limited	Service income	Negotiation	2,830,152.56	15,018,042.39
China Merchants Heavy Industry (Jiangsu) Co., Ltd.	Service income	Negotiation	2,788,745.68	1,771,945.79
Qingdao Qianwan New United Container Terminal Co., Ltd.	Service income	Negotiation	2,727,630.47	3,147,064.19
Shantou Zhonglian Tally Co., Ltd.	Service income	Negotiation	2,688,839.07	1,720,385.71
Sinotrans Container Lines (Hong Kong) Company Limited	Service income	Negotiation	2,618,545.62	1,049,302.38
China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Service income	Negotiation	2,379,478.59	908,372.64
Guizhou East Land Port Operation Co., Ltd.	Service income	Negotiation	2,379,122.83	1,854,382.19
Sinoway Shipping Ltd.	Service income	Negotiation	2,275,910.33	2,380,557.22
Dalian Automobile Terminal Co., Ltd.	Service income	Negotiation	2,162,744.31	-
Qingdao Bonded Logistics Park Sinotrans Warehousing Logistics Co., Ltd.	Service income	Negotiation	2,060,322.30	1,777,701.97
Yantai Port Group Laizhou Port Co., Ltd.	Service income	Negotiation	2,043,962.25	1,448,756.38
Merchants Port City	Service income	Negotiation	1,591,345.21	1,226,801.94
Dalian Port Construction Supervision Consulting Co., Ltd.	Service income	Negotiation	1,561,447.66	354,686.83
Dalian Port Group Corporation Limited	Service income	Negotiation	1,471,595.43	2,245,666.81
Datong Securities Co., Ltd.	Service income	Negotiation	1,464,247.85	-
SIPG	Service income	Negotiation	1,430,583.02	1,631,054.72
Sinotrans Shantou Co., Ltd.	Service income	Negotiation	1,411,180.98	747,042.39
Sinotrans & CSC Holdings Co., Ltd.	Service income	Negotiation	1,349,056.61	-
Sinotrans (HK) Shipping Limited	Service income	Negotiation	1,270,858.60	3,516,284.75
China Marine Shipping Agency Guangdong Co., Ltd.	Service income	Negotiation	1,234,211.32	2,771,236.94
Dalian Port Design Research Institute Co., Ltd.	Service income	Negotiation	1,217,915.13	-
Nanshan Group and its subsidiaries	Service income	Negotiation	1,147,657.18	822,683.39
Shenzhen Dehan Investment Development Co., Ltd.	Service income	Negotiation	1,106,438.68	863,738.20
Liaoning Electronic Port Co., Ltd.	Service income	Negotiation	1,007,547.18	-
Guizhou Qiandongnan Continental Land Port Operation Co., Ltd.	Service income	Negotiation	975,890.37	2,006,774.37
China Merchants (Liaoning) Port Development Co., Ltd.	Service income	Negotiation	943,396.22	1,886,792.45
Zhangzhou COSCO Shipping Agency Co., Ltd.	Service income	Negotiation	820,987.04	1,171,144.27
Doraleh Multi-purpose Port	Service income	Negotiation	585,604.28	1,396,158.59
International Djibouti Industrial Parks Operation FZCO	Service income	Negotiation	502,024.39	1,219,559.23

CHINA MERCHANTS PORT GROUP CO., LTD.

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(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(1) Rendering and receipt of service - continued

Related party	Content of transaction	Pricing method and decision procedures of related transactions	Amount incurred in the current period	Amount incurred in the prior period (restated)
Rendering of service:				
China Merchants-Logistics Shenzhen Co., Ltd.	Service income	Negotiation	364,878.63	1,007,155.73
Penavico Shenzhen Warehousing Co., Ltd.	Service income	Negotiation	206,068.60	6,450,089.03
Sinotrans Central China Co., Ltd.	Service income	Negotiation	2,557.32	1,097,750.34
Port de Djibouti S.A.	Service income	Negotiation	-	10,943,478.47
Ningbo Daxie	Service income	Negotiation	-	4,212,324.06
Terminal Link SAS	Service income	Negotiation	-	1,203,144.53
Other related parties	Service income	Negotiation	16,978,944.05	10,351,714.06
Terminal Link SAS	Interest income	Negotiation	165,180,415.51	130,683,767.31
Port of Newcastle and its subsidiaries	Interest income	Negotiation	76,683,050.81	61,452,466.62
China Merchant Bank Co., Ltd.	Interest income	Negotiation	32,931,572.09	25,077,926.86
China Merchants Group Finance Company Limited	Interest income	Negotiation	24,994,228.38	17,374,507.16
Dalian Port Group Financial Co., Ltd.	Interest income	Negotiation	-	822,219.25
Merchants Port City	Interest income	Negotiation	1,957,067.27	34,310,102.60
Tianjin Haitian Bonded Logistics Co., Ltd.	Interest income	Negotiation	1,558,375.91	1,507,141.63
Other related parties	Interest income	Negotiation	-	39,343.77
Total			1,597,860,603.88	1,403,143,503.75

(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.	Port and terminal facilities	Negotiation	9,711,263.00	9,530,634.40
Qingdao Bonded Logistics Park Sinotrans Warehousing Logistics Co., Ltd.	Buildings and structures	Negotiation	5,533,737.88	5,246,389.08
China Merchant Food (China) Co., Ltd.	Buildings and structures	Negotiation	5,414,148.96	4,979,293.98
China Traffic Import and Export Co., Ltd.	Buildings and structures	Negotiation	5,212,396.32	4,791,084.02
Qingdao Sinotrans Supply Chain Management Co., Ltd.	Buildings and structures	Negotiation	3,926,471.23	3,937,228.69
Yiu Lian Dockyards (Shekou) Limited	Buildings and structures	Negotiation	3,008,337.95	2,612,180.18
Nanshan Group and its subsidiaries	Buildings and structures	Negotiation	2,478,760.43	2,451,852.32
Qingdao Qianwan United Container Terminal Co., Ltd.	Buildings and structures	Negotiation	2,407,032.41	2,402,484.55
China Merchants Securities Co., Ltd.	Buildings and structures	Negotiation	2,265,123.10	2,364,578.34
Sinotrans South China Co., Ltd.	Buildings and structures	Negotiation	1,897,332.07	-
Qingdao Wutong Century Supply Chain Co., Ltd.	Buildings and structures	Negotiation	619,965.10	960,707.68
Other related parties	Buildings and structures, land use rights	Negotiation	7,650,774.22	6,612,178.37
Total			50,125,342.67	45,888,611.61

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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
China Merchants Finance Lease (Shanghai) Co., Ltd.	Port and terminal facilities	58,302,270.50	2018.3.19-2024.3.15	N/A
China Merchants Finance Lease (Shanghai) Co., Ltd.	Machinery equipment, port and terminal facilities	57,849,868.06	2018.11.30-2024.11.30	N/A
Nanshan Group and its subsidiaries	Buildings and structures	54,380,695.56	2019.1.1-2023.12.31	N/A
China Merchants Tongshang Finance Lease Co., Ltd.	Machinery 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	2018.3.19-2024.3.15	N/A
China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Port and terminal facilities	35,385,536.56	2020.1.1-2021.12.31	N/A
China Merchants Tongshang Finance Lease Co., Ltd.	Machinery equipment	17,717,147.04	2016.12.26-2022.11.15	N/A
EuroAsia Dockyard Enterprise and Development Limited	Port and terminal facilities	13,432,871.84	2022.1.1-2022.12.31	N/A
China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Others	6,115,067.28	2020.1.1-2021.12.31	N/A
China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	Buildings and structures	4,421,369.16	2021.1.1-2022.12.31	N/A
Shenzhen Qianhai Shekou Free Trade Investment Development Co. Ltd.	Buildings and structures	3,373,361.28	2020.12.30-2021.12.31	N/A
Nanshan Group and its subsidiaries	Others	3,220,926.84	2016.1.1-2018.12.31	Attached with renewal option
Nanshan Group and its subsidiaries	Buildings and structures	3,083,925.40	2021.1.1-2021.12.31	Attached with renewal option
Shenzhen Nanyou (Holdings) Ltd.	Others	1,995,553.20	2021.1.1-2021.12.31	N/A
Nanshan Group and its subsidiaries	Buildings and structures	1,908,589.28	2016.1.1-2018.12.31	Attached with renewal option
Nanshan Group and its subsidiaries	Buildings and structures	1,468,461.12	2021.1.1-2021.3.31	N/A
Nanshan Group and its subsidiaries	Buildings and structures	1,468,461.12	2021.4.1-2021.12.31	N/A
China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	Buildings and structures	1,241,376.00	2021.1.1-2022.12.31	N/A
China Merchants International Cold Chain (Shenzhen) Company Limited	Port and terminal facilities	1,027,422.38	2018.5.1-2021.4.30、2021.5.1-2024.4.30	N/A
China Merchants International Cold Chain (Shenzhen) Company Limited	Buildings and structures	840,000.00	2021.3.1-2022.2.28	N/A
China Merchants International Cold Chain (Shenzhen) Company Limited	Buildings and structures	819,000.00	2020.3.22-2021.2.28	N/A
China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	Buildings and structures	709,554.28	2021.1.1-2022.12.31	With progressively increasing rent
Nanshan Group and its subsidiaries	Buildings and structures	319,869.42	2019.1.1-2023.12.31	Attached with renewal option
Nanshan Group and its subsidiaries	Others	230,502.86	2021.1.1-2023.12.31	Attached with renewal option
Nanshan Group and its subsidiaries	Others	225,460.64	2017.1.1-2021.8.25	N/A
Nanshan Group and its subsidiaries	Buildings and structures	176,057.15	2021.1.1-2021.12.31	N/A
China Merchants Apartment Development (Shenzhen) Co., Ltd.	Buildings and structures	133,680.00	2021.1.1-2021.12.31	N/A
Dalian Port Group Corporation Limited	Buildings and structures	80,000.00	2021.1.1-2021.12.31	N/A
Nanshan Group and its subsidiaries	Port and terminal facilities	46,990.60	2019.1.1-2023.12.31	Attached with renewal option
Total		352,089,585.75		

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(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
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			
2020					
Terminal Link SAS (Note 1)	71,003,968.05	71,003,968.05	1 June 2013	2033	No
Khor Ambado FZCo (Note 2)	187,917,834.24	113,125,755.69	24 May 2019	2032	No
Total	258,921,802.29	184,129,723.74			

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 provides guarantee for its bank loan financing to the associate Terminal Link SAS and other liabilities to the extent of the Group's 49% ownership interest in the company. The actual guaranteed amount is RMB65,122,443.30 on 31 December 2021. If any guarantee liability occurs, the Group will compensate CMA CGM S.A.

Note 2: Khor Ambado FZCo is a related company 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 2021 is RMB110,394,672.56. In March 2021, the Group approved a new guarantee line of RMB 70 million for Khor Ambado FZCo through a board resolution, which had not been actually used as of December 31, 2021.

(4) Borrowings and loans with related parties

Related party	Amount	Commencement date	Maturity date	Description
2021				
Borrowings				
China Merchants Group Finance Company Limited	1,000,977,777.78	15 October 2021	14 October 2022	Fixed interest rate of 3.2000%
China Merchants Group Finance Company Limited	1,000,977,777.78	15 December 2021	13 January 2022	Fixed interest rate of 3.2000%
China Merchants Group Finance Company Limited	600,586,666.67	26 November 2021	22 November 2022	Fixed interest rate of 3.2000%
China Merchants Group Finance Company Limited	500,488,888.89	02 December 2021	01 December 2022	Fixed interest rate of 3.2000%
China Merchants Group Finance Company Limited	128,925,358.00	01 March 2021	21 June 2024	Fixed interest rate of 1.2000%
China Merchants Group Finance Company Limited	50,058,819.44	11 June 2021	10 June 2022	Fixed interest rate of 3.8500%
China Merchants Group Finance Company Limited	50,022,458.33	05 July 2021	04 July 2022	Fixed interest rate of 3.8500%
China Merchants Group Finance Company Limited	49,500,000.00	08 April 2021	31 October 2023	Fixed interest rate of 1.2000%
China Merchants Group Finance Company Limited	47,026,415.28	09 April 2021	08 April 2022	Fixed interest rate of 3.8500%
China Merchants Group Finance Company Limited	40,042,777.78	01 December 2021	30 November 2022	Fixed interest rate of 3.5000%
China Merchants Group Finance Company Limited	33,017,111.09	25 June 2021	24 June 2022	Fixed interest rate of 3.8500%
China Merchants Group Finance Company Limited	30,034,008.33	10 May 2021	09 May 2022	Fixed interest rate of 3.7100%
China Merchants Group Finance Company Limited	27,026,813.63	17 May 2021	12 March 2029	Fixed interest rate of 4.5050%
China Merchants Group Finance Company Limited	14,517,057.64	08 July 2021	07 July 2022	Fixed interest rate of 3.8500%
China Merchants Group Finance Company Limited	10,023,527.78	08 December 2021	08 December 2022	Fixed interest rate of 3.8500%
China Merchants Group Finance Company Limited	10,012,082.19	15 December 2021	14 March 2022	Fixed interest rate of 2.4500%
China Merchants Group Finance Company Limited	10,000,000.00	12 November 2021	12 November 2022	Fixed interest rate of 3.8500%
China Merchants Group Finance Company Limited	5,593,095.16	19 April 2021	18 April 2022	Fixed interest rate of 3.8500%
China Merchants Group Finance Company Limited	5,000,000.00	07 June 2021	10 December 2028	Fixed interest rate of 4.4100%
China Merchants Group Finance Company Limited	4,000,000.00	26 April 2021	10 December 2028	Fixed interest rate of 4.4100%
China Merchants Group Finance Company Limited	2,250,000.00	23 November 2021	10 December 2028	Fixed interest rate of 4.4100%
China Merchants Group Finance Company Limited	2,100,000.00	01 February 2021	10 December 2028	Fixed interest rate of 4.4100%

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China Merchants Group Finance Company Limited	950,000.00	03 September 2021	10 December 2028	Fixed interest rate of 4.4100%
Total	3,623,130,635.77			

CHINA MERCHANTS PORT GROUP CO., LTD.

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(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(4) Borrowings and loans with related parties - continued

Related party	Amount	Commencement date	Maturity date	Description
2020				
Borrowings				
China Merchants Group Finance Company Limited	1,301,430,000.00	22 October 2020	21 October 2021	Fixed annual interest rate of 3.6000%
China Merchants Group Finance Company Limited	672,821,155.13	28 December 2020	27 January 2021	Fixed annual interest rate of 3.4500%
China Merchants Group Finance Company Limited	200,235,277.84	14 April 2020	13 April 2021	Fixed annual interest rate of 4.0500%
China Merchants Group Finance Company Limited	200,235,277.78	25 September 2020	24 September 2021	Fixed annual interest rate of 3.8500%
China Merchants Group Finance Company Limited	192,039,573.34	30 December 2020	29 December 2021	Fixed annual interest rate of 3.7100%
China Merchants Group Finance Company Limited	76,929,960.60	25 March 2020	12 March 2029	Fixed annual interest rate of 4.5050%
China Merchants Group Finance Company Limited	70,086,890.22	22 June 2020	21 June 2024	Fixed annual interest rate of 1.2000%
China Merchants Group Finance Company Limited	50,606,027.37	05 June 2020	02 March 2021	Fixed annual interest rate of 1.9900%
China Merchants Group Finance Company Limited	50,056,680.56	21 May 2020	20 May 2021	Fixed annual interest rate of 3.7100%
China Merchants Group Finance Company Limited	40,000,000.00	20 December 2020	31 October 2023	Fixed annual interest rate of 1.2000%
China Merchants Group Finance Company Limited	47,000,000.00	06 January 2020	07 October 2024	Fixed annual interest rate of 4.5125%
China Merchants Group Finance Company Limited	30,035,291.66	04 December 2020	20 May 2021	Fixed annual interest rate of 3.7100%
China Merchants Group Finance Company Limited	10,000,000.00	13 November 2020	12 May 2021	Fixed annual interest rate of 2.5000%
China Merchants Group Finance Company Limited	1,500,000.00	17 December 2020	10 December 2028	Fixed annual interest rate of 4.4100%
Total	2,942,976,134.50			
Lendings				
Terminal Link SAS	2,975,444,121.38	26 March 2020	26 March 2028	Fixed annual interest rate of 6.0000%
Port of Newcastle and its subsidiaries	815,144,304.00	30 May 2020	29 July 2023	Fixed annual interest rate of 8.0000%
Tianjin Haitian Bonded Logistics Co., Ltd.	34,300,000.00	03 January 2020	02 January 2023	Fixed annual interest rate of 4.7500%
Total	3,824,888,425.38			

(5) Asset transfer from related parties

Related party	Content of transaction	Pricing method and decision procedures of related transactions	Amount accumulated in the current period	Amount accumulated in the prior period
Broadford (Shenzhen) Port Development Co., Ltd. (Note)	Equity investment	Valuation	384,000,000.00	-
Hoi Tung (Shanghai) Company Limited	Machinery equipment	Negotiation	4,115,044.26	8,202,477.87
Hoi Tung (Shenzhen) Company Limited	Machinery equipment	Market price	1,345,132.74	-
Other related parties	Construction in progress	Negotiation	485,704.85	-
Hoi Tung Innotek (Shenzhen) Co., Ltd.	Machinery equipment	Negotiation	-	1,946,000.00
Other related parties	General office equipment	Negotiation	-	83,584.00
Total			389,945,881.85	10,232,061.87

Note: Refer to Note(VIII) 55.

CHINA MERCHANTS PORT GROUP CO., LTD.

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(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

5. Related party transactions - continued

(6) Compensation for key management personnel

Item	Amount incurred in the current period	Amount incurred in the prior period
Compensation for key management personnel	14,796,861.98	20,552,276.50

6. Amounts due from/to related parties

(1) Amounts due from related parties

Item	Related party	Closing balance	Opening balance (restated)
Cash and bank balances	China Merchant Bank Co., Ltd.	2,563,011,212.30	1,901,149,161.24
	China Merchants Group Finance Company Limited	2,178,303,655.54	1,685,755,069.49
	Total	4,741,314,867.84	3,586,904,230.73
Held-for-trading financial assets	China Merchant Bank Co., Ltd.	901,314,575.34	850,000,000.00
Accounts receivable	Antong Holdings Co., Ltd. and its subordinate companies	13,014,575.59	10,508,254.42
	China Marine Shipping Agency Ningbo Co., Ltd.	6,502,287.89	7,773,568.86
	COSCO Logistics (Zhanjiang) Co., Ltd.	5,211,554.51	4,326,223.02
	Yiu Lian Dockyards (Shekou) Limited	4,414,431.20	725,330.10
	Yingkou Port Group	3,333,618.62	150,681.00
	Khor Ambado FZCo	2,842,053.59	2,774,015.84
	Great Horn Development Company FZCo	2,606,831.64	1,427,020.52
	Qingdao Qianwan West Port United Wharf Co., Ltd.	2,315,131.88	2,007,669.18
	China Marine Shipping Agency Guangdong Co., Ltd.	1,970,902.79	7,777,640.18
	Port de Djibouti S.A.	1,618,911.45	1,497,611.83
	Panjin Port Group	1,467,000.00	239,339.83
	Sinotrans Container Lines Co., Ltd.	1,436,388.75	1,148,569.75
	China Ocean Shipping Agency Shenzhen	1,418,539.82	843,054.75
	Liaoning Port Co., Ltd.	1,414,964.00	1,248,825.00
	China Merchants International Shipping Agency (Shenzhen) Co., Ltd.	1,341,323.72	590,901.89
	China Merchants International Cold Chain (Shenzhen) Company Limited	1,215,660.73	614,839.90
	Sinotrans (HK) Shipping Limited	1,068,888.42	622,597.02
	Qingdao Qianwan United Container Terminal Co., Ltd.	1,049,999.99	-
	South China Sinotrans Supply Chain Management Co., Ltd.	475,477.60	1,035,675.13
	Dalian Container Terminal Co., Ltd.	330,000.60	1,580,275.50
	Guizhou East Land Port Operation Co., Ltd.	89,177.60	3,612,221.02
	China COSCO Shipping Group and its subsidiaries	-	120,615,548.37
	Shenzhen Baohong Technology Co., Ltd.	-	2,641,391.12
	Guizhou Qiandongnan Continental Land Port Operation Co., Ltd.	-	1,061,604.20
	Other related parties	11,352,531.16	9,856,831.77
	Total	66,490,251.55	184,679,690.20

CHINA MERCHANTS PORT GROUP CO., LTD.

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(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	Closing balance	Opening balance (restated)
Dividends receivables	Nanshan Group and its subsidiaries	185,070,000.00	210,831,000.00
	Merchants Port City	41,847,044.77	-
	Tin-Can Island Container Terminal Ltd	19,076,909.00	33,289,037.77
	COSCO Logistics (Zhanjiang) Co., Ltd.	18,403,959.77	13,378,666.52
	Other related parties	277,072.09	220,500.00
	Total	264,674,985.63	257,719,204.29
Other receivables	Chu Kong River Trade Terminal Co., Ltd.	32,953,940.00	57,607,520.00
	Port de Djibouti S.A.	22,681,372.48	23,248,597.69
	Shenzhen Qianhai Shekou Free Trade Investment Development Co. Ltd.	6,000,000.00	4,000,000.00
	China Merchants Port Investment Development Company Limited	5,000,000.00	-
	Zhoushan Blue Ocean Investment Co., Ltd.	4,996,989.39	4,996,989.39
	Zhanjiang Infrastructure Construction Investment Group Co., Ltd.	4,907,365.06	31,513,558.59
	China Merchants Shenzhen Ro-Ro Shipping Co., Ltd.	2,899,163.95	2,899,163.95
	COSCO Logistics (Zhanjiang) Co., Ltd.	2,190,539.40	-
	EuroAsia Dockyard Enterprise and Development Limited	1,380,231.20	1,422,660.84
	China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	1,132,846.40	1,068,658.39
	China Merchants (Liaoning) Port Development Co., Ltd.	-	2,000,000.00
	Other related parties	6,717,646.33	5,752,296.58
	Total	90,860,094.21	134,509,445.43
Prepayments	China Traffic Import and Export Co., Ltd.	-	244,729.25
Non-current assets due within one year	Port of Newcastle and its subsidiaries	60,029,243.30	16,473,559.57
	Terminal Link SAS	42,429,677.59	51,286,674.10
	Total	102,458,920.89	67,760,233.67
Long-term receivables	Terminal Link SAS	2,679,769,106.42	2,746,067,386.31
	Port of Newcastle and its subsidiaries	750,086,910.62	815,144,304.00
	Tianjin Haitian Bonded Logistics Co., Ltd.	34,300,000.00	34,300,000.00
	China Merchants Finance Lease (Tianjin) Co., Ltd.	10,000,000.00	10,000,000.00
	Merchants Port City	-	286,330,144.62
	Total	3,474,156,017.04	3,891,841,834.93
Other non-current assets	China Traffic Import and Export Co., Ltd.	20,854,077.98	-

CHINA MERCHANTS PORT GROUP CO., LTD.

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(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

6. Amounts due from/to related parties - continued

(2) Amounts due to related parties

Item	Related party	Closing balance	Opening balance (restated)
Short-term borrowings	China Merchants Group Finance Company Limited	3,393,366,381.96	2,646,853,256.33
Other current liabilities	China Merchants Group Finance Company Limited	10,012,082.19	60,606,027.37
Accounts payable	Qingdao Qianwan West Port United Wharf Co., Ltd.	6,742,200.79	6,381,033.57
	Shenzhen Bay Electricity Industry Co., Ltd.	4,987,709.79	-
	EuroAsia Dockyard Enterprise and Development Limited	3,142,704.91	2,994,548.16
	Nanshan Group and its subsidiaries	3,154,427.56	9,220,434.36
	Yiu Lian Dockyards Limited	2,651,200.00	2,271,520.48
	Ningbo Zhoushan	1,159,307.43	-
	China Marine Shipping Agency Shenzhen Co., Ltd.	633,810.99	1,264,544.50
	Other related parties	3,102,320.77	694,721.19
	Total	25,573,682.24	22,826,802.26
Receipts in advance	Port de Djibouti S.A	-	10,350,122.63
	Other related parties	53,057.84	606,631.45
	Total	53,057.84	10,956,754.08
Contract liabilities	Dalian Container Terminal Co., Ltd.	3,573,179.78	-
	Antong Holdings Co., Ltd. and its subordinate companies	1,994,209.18	6,774,086.39
	Qingdao Sinotrans Supply Chain Management Co., Ltd.	1,578,302.00	-
	Qingdao Qianwan United Container Terminal Co., Ltd.	1,050,000.00	-
	China Marine Shipping Agency Guangdong Co., Ltd.	-	2,304,015.01
	Other related parties	2,897,061.68	3,264,592.40
Total	11,092,752.64	12,342,693.80	
Dividends Payable	China Merchants Zhangzhou Development Zone Co., Ltd.	20,000,000.00	20,000,000.00
	Dalian Port Container	18,349,264.69	12,160,517.31
	Jifa Logistics	4,945,967.80	3,972,477.39
	Sri Lanka Ports Authority	-	34,255,854.79
Total	43,295,232.49	70,388,849.49	
Other Payables	Port de Djibouti S.A.	254,894,592.46	175,497,252.70
	China Merchants Real Estate (Shenzhen) Co., Ltd.	10,079,369.00	14,305,122.78
	Antong Holdings Co., Ltd. and its subordinate companies	8,077,252.00	35,160.00
	China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	7,839,816.47	8,447,512.23
	China Merchants Port Investment Development Company Limited	7,417,802.54	29,329,463.17
	Terminal Link SAS	3,910,337.39	89,905,681.62
	Sinotrans Shenzhen Qianhai Supply Chain Management Ltd.	1,579,720.16	1,013,738.40
	Zhanjiang Xiagang United Development Co., Ltd.	1,433,473.84	1,433,730.78
	China Merchant Food (China) Co., Ltd.	1,069,017.00	1,161,179.14
	Shenzhen Baohong Technology Co., Ltd.	-	2,634,014.09
	Penavico Shenzhen Warehousing Co., Ltd.	-	1,127,339.68
	Other related parties	5,419,228.21	6,757,283.77
	Total	301,720,609.07	331,647,478.36

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(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	Closing balance	Opening balance (restated)
Non-current liabilities due within one year	China Merchants Finance Lease (Shanghai) Co., Ltd.	104,204,701.37	-
	China Merchants Tongshang Finance Lease Co., Ltd.	60,639,407.07	58,348,704.99
	Nanshan Group and its subsidiaries	56,174,150.92	54,030,933.00
	China Merchants Finance Lease (Tianjin) Co., Ltd.	32,788,124.97	138,409,402.75
	China Merchants Group Finance Company Limited	27,106,533.22	51,423,306.47
	EuroAsia Dockyard Enterprise and Development Limited	13,030,256.95	13,406,128.42
	China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	6,029,278.06	-
	China Merchant Bank Co., Ltd.	4,227,333.34	-
	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	-	39,512,425.01
	Other related parties	961,513.13	433,329.00
Total	305,161,299.03	355,564,229.64	
Other non-current liabilities	Nanshan Group and its subsidiaries	1,020,381.51	944,011.06
Long-term borrowings	China Merchants Group Finance Company Limited	543,744,022.45	426,100,835.53
	China Merchant Bank Co., Ltd.	196,000,000.00	109,033,232.39
	Total	739,744,022.45	535,134,067.92
Lease liabilities	China Merchants Finance Lease (Shanghai) Co., Ltd.	177,500,213.13	358,333,616.46
	Nanshan Group and its subsidiaries	58,651,209.31	114,304,842.23
	China Merchants Finance Lease (Tianjin) Co., Ltd.	47,500,069.97	-
	China Merchants Tongshang Finance Lease Co., Ltd.	44,730,575.22	104,616,135.92
	China Merchants International Cold Chain (Shenzhen) Company Limited	1,353,404.41	-
	Other related parties	181,987.02	186,938.69
Total	329,917,459.06	577,441,533.30	

(XIV) SHARE-BASED PAYMENTS

1. Overall share-based payments

Total equity instruments granted by the Company in the year	530,000 shares
Total equity instruments exercised by the Company in the year	None
Total equity instruments of the Company that became invalid in the year	7,628,000 shares
The range of the exercise price of the stock options externally issued by the Company at the end of the year and the remaining term of the contract	Exercise price: RMB15.09 to RMB17.34; The remaining term of the contract: 61 months
The range of the exercise price of the other equity instruments externally issued by the Company at the end of the year and the remaining term of the contract	None

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(XIV) SHARE-BASED PAYMENTS - continued

2. Share-based payments settled by equity

The method used to determine the fair value of equity instruments on the day of granting	The cost of granted stock options was estimated using the Black Scholes Model.
The basis for determining the number of exercisable equity instruments	On each balance sheet date in the waiting 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 this year and the estimates of last year	Criteria of exercising in vesting period of batch 1 are not satisfied
The aggregate amount of share-based payments settled by equity that is included in the capital reserve	9,956,938.60
Total expenses recognized for the share-based payments settled by equity in the year	-795,992.27

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), and 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; subject to the fulfilment of the exercise conditions, 40% of the stock options will be exercisable from 24 months but within 36 months after the grant date, 30% will be exercisable from 36 months but within 48 months after the grant date and 30% will be exercisable from 48 months but within 84 months after the grant date, and can be exercised to subscribe for shares of the Company within one year, one year and three years from the exercise date, respectively; each stock option entitles the holder to subscribe for one common share of the Company.

According to Article 32 of Stock Option Incentive Plan, since the grant date of the stock option, if the Company distributes dividends prior to the exercise of the option, the exercise price shall be adjusted accordingly. Therefore, the Company uniformly adjusted the exercise price from RMB17.80 per share to 17.34 per share on 30 January 2021 in respect of the first batch of stock option granted under stock option incentive plan (phase I).

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 granting date is 29 January 2021. With a lockup period of 24 months from the granting date, the share options are exercisable upon expiry of the 24-month lockup period in the premise that the vesting conditions are satisfied. The share options are exercisable in two batches, specifically 50% for the first batch (after 24 months but within 36 months subsequent to the granting date), and the remaining 50% for the second batch (after 36 months but within 72 months subsequent to the granting date); each share option represents the right to subscribe a share of ordinary share of the Company.

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(XIV) SHARE-BASED PAYMENTS - continued

2. Share-based payments settled by equity - continued

As at the reporting date, as the criteria of exercise in the first vesting period of the stock option (1st batch) under the stock option incentive plan (phase I) are not satisfied, the Company has cancelled the 6,380,000 shares of stock option corresponding to the first vesting period of the stock option (1st batch) under the stock option incentive plan (phase I). As 10 of the incentive targets have retired or no longer serve the Company, the corresponding 1,248,000 shares of stock option have been cancelled.

(XV) COMMITMENTS AND CONTINGENCIES

1. Significant commitments

Item	31/12/2021	31/12/2020
Commitments that have been entered into but have not been recognized in the financial statements		
- Commitment to make contributions to the investees	211,620,680.00	11,500,000.00
- Commitment to acquire and construct long-term assets	1,755,687,773.54	2,682,977,514.73
- Commitment to invest port construction	5,093,914.88	1,004,960,692.18
- Others	-	20,831,652.14
Total	1,972,402,368.42	3,720,269,859.05

2. Contingencies

Item	31/12/2021	31/12/2020
Contingent liabilities brought by external litigations (Note 1)	207,807,928.33	213,109,668.45
Guarantee for borrowings of related parties (Note 2)	175,517,115.86	184,129,723.74
Total	383,325,044.19	397,239,392.19

Note 1: This 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 RMB207,807,928.33 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 need 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.

(XV) COMMITMENTS AND CONTINGENCIES - continued

2. Contingencies - continued

Note 2: Till 31 December 2021, the guarantees provided by the Group for related parties are detailed in Note XIII 5(3).

On 31 December 2021, the directors of the Group 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 of 31 December 2021, the Group had no other major guarantees and other contingencies that need to be explained.

(XVI) EVENTS AFTER THE BALANCE SHEET

1. Retreating from CMPort (Shenzhen) Industry Innovation Private Equity Investment Fund Partnership (LP) ("Investment Fund")

On 24 December 2020, the Company and its related party China Merchants Innovation Investment Management Co., Ltd. ("China Merchants Innovation Investment") as well as Shenzhen China Merchants Innovation Investment Fund Center (Limited Partnership) ("China Merchants Innovation Fund") managed by China Merchants Innovation Investment jointly established an investment fund. On 22 October 2021, the investment fund completed the filing with Asset Management Association of China and obtained the Certificate of Filing of Private Investment Fund. As at 31 December 2021, the Company has paid capital contribution of RMB1,000,000.

Considering the investment fund has not yet carried out activities and taking into account the Company's overall plan of capital operation, on 8 January 2022, the Company, China Merchants Innovation Investment, China Merchants Innovation Fund unanimously agree to dissolve the investment fund and implement liquidation and cancellation procedures.

As at the date of the financial statements, the above liquidation and cancellation procedures are not yet completed.

2. Issuing 2022 tranche 1, 2 and 3 super short-term commercial paper ("SCP")

The Company's 2022 tranche 1 SCP was publicly offered at National Interbank Bond Market on 17 January 2022, with issue amount of RMB 2 billion, a term of 90 days and par value of RMB 100. The lead underwriter and co-lead underwriter are China Merchants Bank Co., Ltd. and China Construction Bank Corporation respectively. The fund raised from this offering may be used to repay the Company's and its subsidiaries' borrowings from financial institutions.

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(XVI) EVENTS AFTER THE BALANCE SHEET - continued

2. Issuing 2022 tranche 1, 2 and 3 super short-term commercial paper ("SCP") - continued

The Company's 2022 tranche 2 SCP was publicly offered at National Interbank Bond Market on 2 March 2022, with issue amount of RMB 1 billion, a term of 180 days and par value of RMB 100. The lead underwriter and co-lead underwriter are China Merchants Bank Co., Ltd. and Industrial and Commercial Bank of China Limited respectively. The fund raised from this offering will be used to repay the Company's and its subsidiaries' working capital.

The Company's 2022 tranche 3 SCP was publicly offered at National Interbank Bond Market on 28 March 2022, with issue amount of RMB 2 billion, a term of 180 days and par value of RMB 100. The lead underwriter and co-lead underwriter are China Merchants Bank Co., Ltd. and Industrial and Bank of China Limited respectively. The fund raised from this offering will be used to repay bonds at maturity.

(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.

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 financial perspectives, 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 are 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

(XVII) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(1) Basis for determining reporting segments and accounting policies - continued

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.

Other operations

Other operations mainly include property development and investment and construction of modular housing operated by the Group's associates, property investment operated by the Group and corporate function.

Each of the segments under ports operation include the operations of a number of ports in various locations within one geographic location, each of which is considered as a separate operating segment by the CODM. 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 natures 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 RMB1,760,264,413.65, representing 11.52% (2020: 12.46%) of the Group's operating income for 2021.

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(XVII) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Segment financial information

Segment financial information for 2021 is as follows:

Item	Ports operation						Bonded logistics operation	Others	Unallocated amount	Total
	Mainland China, Hong Kong and Taiwan				Other locations	Sub-total				
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Others						
Operating income	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 is marked with "-")	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 from changes in fair value (loss is marked with "-")	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
Impairment gains of credit (loss is marked with "-")	-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
Impairment gains of assets (loss is marked with "-")	-	-	-	-418,345,307.68	-2,147,208.07	-420,492,515.75	-	-	-	-420,492,515.75
Gains from disposal of assets (loss is marked with "-")	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 is marked with "-")	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) Segment financial information - continued

Segment financial information for 2021 is as follows: - continued

Item	Ports operation						Bonded logistics operation	Others	Unallocated amount	Total
	Mainland China, Hong Kong and Taiwan				Other locations	Sub-total				
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Others						
Non-operating income	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
Gross profit (loss is marked with "-")	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 is marked with "-")	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 investment 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 investment 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 investment	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

CHINA MERCHANTS PORT GROUP CO., LTD.

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FOR THE YEAR ENDED 31 DECEMBER 2021

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

(XVII) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Segment financial information - continued

Segment financial information for 2020 is as follows:

Item	Ports operation						Bonded logistics operation	Others	Unallocated amount	Total
	Mainland China, Hong Kong and Taiwan				Other locations	Sub-total				
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Others						
Operating income	5,241,233,142.55	73,413,401.10	62,661,236.23	3,333,716,950.72	3,474,914,093.88	12,185,938,824.48	417,391,441.86	153,414,051.57	-	12,756,744,317.91
Operating cost	2,956,793,312.13	40,965,225.12	48,645,796.45	2,681,846,267.01	1,767,068,217.21	7,495,318,817.92	245,350,697.54	221,269,319.94	-	7,961,938,835.40
Segment operating profit (loss is marked with "-")	2,284,439,830.42	32,448,175.98	14,015,439.78	651,870,683.71	1,707,845,876.67	4,690,620,006.56	172,040,744.32	-67,855,268.37	-	4,794,805,482.51
Adjustments:										
Taxes and surcharges	27,581,350.62	1,525,681.36	1,155,694.87	48,249,699.24	34,531,713.98	113,044,140.07	20,652,317.30	18,092,487.86	141,056.95	151,930,002.18
Administrative expense	500,990,070.71	14,189,057.25	9,379,082.71	473,751,196.10	249,846,408.69	1,248,155,815.46	42,007,434.87	1,093,821.55	314,398,393.37	1,605,655,465.25
R&D expenses	147,625,689.62	3,968,928.76	-	15,724,656.48	-	167,319,274.86	-	-	1,468,500.00	168,787,774.86
Financial expenses	143,731,948.26	-14,347,282.70	-9,466,114.16	133,937,742.90	44,368,823.84	298,225,118.14	16,272,850.96	19,152,258.84	898,280,275.76	1,231,930,503.70
Other income	70,819,504.36	1,752,751.59	33,397.31	51,406,035.35	-	124,011,688.61	10,173,062.64	73,365,149.56	176,926.89	207,726,827.70
Investment income	210,845,395.46	3,122,680,492.45	351,638,093.79	103,533,080.19	357,882,216.11	4,146,579,278.00	19,641,031.91	743,610,282.92	-	4,909,830,592.83
Gains from changes in fair value (loss is marked with "-")	33,063,464.71	150,747,337.90	77,018,544.18	8,043,866.90	-680,381,987.27	-411,508,773.58	-	-	-	-411,508,773.58
Impairment gains of credit (loss is marked with "-")	-5,687,600.55	1,020,000.00	-	28,130,653.65	-477,897,709.00	-454,434,655.90	-2,866,639.45	-	-	-457,301,295.35
Impairment gains of assets (loss is marked with "-")	947,694.12	-	-	-552,317,736.65	-	-551,370,042.53	-	-	-	-551,370,042.53
Gains from disposal of assets (loss is marked with "-")	5,187,792.01	507,040.19	-1,441.50	1,600,635,718.61	311,438.49	1,606,640,547.80	305,861.36	-117,707,200.00	-32,706.84	1,489,206,502.32
Operating profit (loss is marked with "-")	1,779,687,021.32	3,303,819,413.44	441,635,370.14	1,219,639,007.04	579,012,888.49	7,323,793,700.43	120,361,457.65	593,074,395.86	-1,214,144,006.03	6,823,085,547.91

CHINA MERCHANTS PORT GROUP CO., LTD.

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

(XVII) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Segment financial information - continued

Segment financial information for 2020 is as follows: - continued

Item	Ports operation						Bonded logistics operation	Others	Unallocated amount	Total
	Mainland China, Hong Kong and Taiwan				Other locations	Sub-total				
	Pearl River Delta	Yangtze River Delta	Bohai Rim	Others						
Non-operating income	43,331,436.81	43,196.21	440,831.36	31,641,529.53	1,889,443.67	77,346,437.58	198,116.16	1,391,661.99	2,779,196.95	81,715,412.68
Non-operating expenses	2,960,035.34	813,550.98	25,948.75	22,767,505.78	25,707,516.11	52,274,556.96	42,000.00	-	26,687,183.81	79,003,740.77
Gross profit (loss is marked with "-")	1,820,058,422.79	3,303,049,058.67	442,050,252.75	1,228,513,030.79	555,194,816.05	7,348,865,581.05	120,517,573.81	594,466,057.85	-1,238,051,992.89	6,825,797,219.82
Income tax expenses	602,962,273.77	169,174,798.29	62,114,619.13	493,406,817.80	-52,337,554.93	1,275,320,954.06	15,094,962.21	15,750,266.73	-29,144,338.38	1,277,021,844.62
Net profit (loss is marked with "-")	1,217,096,149.02	3,133,874,260.38	379,935,633.62	735,106,212.99	607,532,370.98	6,073,544,626.99	105,422,611.60	578,715,791.12	-1,208,907,654.51	5,548,775,375.20
Segment assets	29,821,611,467.10	34,720,797,014.91	7,246,173,514.37	26,212,201,328.99	44,448,666,487.24	142,449,449,812.61	3,315,494,460.32	18,342,294,850.36	4,621,087,222.48	168,728,326,345.77
Total assets in the financial statements										168,728,326,345.77
Segment liabilities	14,922,681,608.31	1,603,641,824.41	143,181,803.40	8,095,524,461.24	9,659,518,990.29	34,424,548,687.65	583,644,968.76	1,372,383,302.75	26,546,092,773.08	62,926,669,732.24
Total liabilities in the financial statements										62,926,669,732.24
Supplementary information:										
Depreciation and Amortization	871,328,799.31	16,840,576.77	2,019,814.39	986,324,667.31	843,174,817.50	2,719,688,675.28	97,449,874.10	175,099,107.40	22,567,185.84	3,014,804,842.62
Interest income	40,895,256.73	2,611,662.90	2,863,089.15	61,729,133.61	203,403,087.34	311,502,229.73	1,372,300.78	1,105,725.59	12,258,928.24	326,239,184.34
Interest expense	205,101,200.19	2,716,578.54	-	194,085,313.44	312,694,424.90	714,597,517.07	20,355,642.89	34,988,377.32	1,179,971,384.93	1,949,912,922.21
Investment income from long-term equity investment under equity method	140,412,519.63	2,329,321,018.47	321,168,422.22	80,736,626.43	357,882,216.11	3,229,520,802.86	19,641,031.91	743,610,282.92	-	3,992,772,117.69
Long-term equity investment under equity method	4,152,223,455.22	28,460,075,468.21	6,275,998,231.07	604,585,694.21	13,303,915,012.11	52,796,797,860.82	736,196,163.40	12,709,417,198.68	-	66,242,411,222.90
Non-current assets other than long-term equity investment	21,731,261,369.66	4,256,897,677.23	24,886,574.80	19,427,332,228.33	24,705,573,985.43	70,145,951,835.45	2,226,903,590.34	5,238,035,244.36	422,618,810.40	78,033,509,480.55

CHINA MERCHANTS PORT GROUP CO., LTD.

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

(XVII) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Segment financial information - continued

The Group's revenue by geographical areas of operations and information about its non-current assets other than financial instruments and deferred tax assets presented based on the geographical areas in which the assets are located as follows:

Revenue from external transactions	Amount incurred in the current period	Amount incurred in the prior period (restated)
Mainland China, Hong Kong and Taiwan	11,550,563,244.63	9,255,785,222.67
Pearl River Delta	6,646,437,978.26	5,660,744,147.48
Yangtze River Delta	955,807,808.06	73,413,401.10
Bohai Rim	202,120,126.70	187,910,723.37
Others	3,746,197,331.61	3,333,716,950.72
Other locations	3,733,244,929.97	3,500,959,095.24
Total	15,283,808,174.60	12,756,744,317.91

Total non-current assets	Closing balance	Opening balance (restated)
Mainland China, Hong Kong and Taiwan	109,645,185,780.08	105,111,642,513.71
Pearl River Delta	45,414,657,732.10	45,459,155,093.97
Yangtze River Delta	34,860,356,989.30	32,716,973,145.44
Bohai Rim	7,318,137,784.88	6,903,596,351.63
Others	22,052,033,273.80	20,031,917,922.67
Other locations	35,806,732,228.78	39,164,278,189.74
Total	145,451,918,008.86	144,275,920,703.45

(3) Degree of reliance on major customers

The total operating income derived from the top five customers of the Group is RMB 3,741,849,003.95, accounting for 24.48% 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	Closing balance	Opening balance
Dividends receivable	177,295,422.67	311,297,793.86
Other receivables	1,079,447,548.34	791,414,958.18
Total	1,256,742,971.01	1,102,712,752.04

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
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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**

1. Other receivables - continued

1.2 Dividends receivable

(1) Disclosure of dividends receivable

Investee	Closing balance	Opening balance
Chiwan Wharf Holdings (Hong Kong) Ltd.	147,680,363.88	147,680,363.88
China Merchants Bonded Logistics Co., Ltd.	15,707,120.00	15,707,120.00
Dongguan Shenchewan Wharf Co., Ltd.	13,691,538.79	147,233,909.98
Shenzhen Petrochemical Industry (Group) Co., Ltd.	216,400.00	216,400.00
Jiangsu Expressway Company Limited	-	460,000.00
Total	177,295,422.67	311,297,793.86
Less: Provision for credit loss	-	-
Carrying amount	177,295,422.67	311,297,793.86

(2) Significant dividends receivable with aging over 1 year

Item	Closing balance	Opening balance	Reason for outstanding	Impaired or not
Chiwan Wharf Holdings (Hong Kong) Ltd.	147,680,363.88	147,680,363.88	In processing and expected to be received in 2022	No
China Merchants Bonded Logistics Co., Ltd.	15,707,120.00	15,707,120.00	In processing and expected to be received in 2022	No.
Total	163,387,483.88	163,387,483.88		

1.3 Other receivables

(1) Disclosure of other receivables by aging

Aging	Closing balance		
	Other receivables	Provision for credit loss	Proportion of provision (%)
Within 1 year	293,366,907.09	-	-
1 to 2 years	458,303,409.30	-	-
2 to 3 years	327,448,916.48	-	-
Over 3 years	711,772.07	383,456.60	53.87
Total	1,079,831,004.94	383,456.60	

(2) 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 ratio of other receivables under each credit rating. Such expected average loss ratio is based on historical actual impairment and taking into consideration of current and expected future economic conditions.

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
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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**

1. Other receivables - continued

1.3 Other receivables - continued

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

At 31 December 2021, the credit risk and expected credit loss of other receivables by categories of customers are as follows:

Credit rating	Expected credit loss ratio (%)	Closing balance			Opening balance				
		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	1,079,447,548.34	-	-	1,079,447,548.34	791,414,958.18	-	-	791,414,958.18
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
Carrying amount		1,079,447,548.34	-	383,456.60	1,079,831,004.94	791,414,958.18	-	383,456.60	791,798,414.78
Credit loss allowance		-	-	383,456.60	383,456.60	-	-	383,456.60	383,456.60
Book value		1,079,447,548.34	-	-	1,079,447,548.34	791,414,958.18	-	-	791,414,958.18

(3) Changes in credit loss allowance for other receivables

Item	Stage I	Stage II	Stage III	Total
	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	
Balance at 1 January 2021	-	-	383,456.60	383,456.60
Transfer in the current year				
-- transfer to stage II		-	-	-
-- transfer to stage III		-	-	-
-- transfer back to stage II		-	-	-
-- transfer back to stage I		-	-	-
Provision		-	-	-
Reversal		-	-	-
Transfer out due to derecognition of financial assets (including direct write-down)		-	-	-
Other changes		-	-	-
Balance at 31 December 2021		-	383,456.60	383,456.60

(4) Changes in carrying amount of other receivables

Carrying amount	Stage I	Stage II	Stage III	Total
	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	
Balance at 1 January 2021	791,414,958.18	-	383,456.60	791,798,414.78
Transfer in the current year:				
-- transfer to stage II	-	-	-	-
-- transfer to stage III	-	-	-	-
-- transfer back to stage II	-	-	-	-
-- transfer back to stage I	-	-	-	-
Increase	288,032,590.16	-	-	288,032,590.16
Derecognition	-	-	-	-
Other changes	-	-	-	-
Balance at 31 December 2021	1,079,447,548.34	-	383,456.60	1,079,831,004.94

CHINA MERCHANTS PORT GROUP CO., LTD.

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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**

1. Other receivables - continued

1.3 Other receivables - continued

(5) The Company has no recovery or reversal of significant credit loss allowance in the current year.

(6) Other receivables by nature

Item	Closing balance	Opening balance
Amounts due from related parties	1,072,941,653.53	785,752,325.78
Advances	4,741,428.81	3,862,191.69
Others	2,147,922.60	2,183,897.31
Total	1,079,831,004.94	791,798,414.78
Less: Provision for credit loss	383,456.60	383,456.60
Book value	1,079,447,548.34	791,414,958.18

(7) There is no other receivables write-off during this year.

(8) The top four balances of other receivables classified by debtor

Company name	Relationship with the Company	Nature	Closing balance	Aging	Proportion to total other receivables (%)	Closing balance of credit loss allowance
Shenzhen Haixing	Subsidiary	Loan to related parties	1,072,941,653.53	Within 3 years	99.36	-
CM International Tech	Subsidiary	Advances	2,467,600.00	Within 1 year	0.23	-
Social security contributions paid on behalf of employee and enterprise annuity	Third party	Advances	2,273,828.81	Within 1 year	0.21	-
Shenzhen Shekou Local Taxation Bureau	Third party	Others	711,772.07	Over 3 years	0.07	383,456.60
Total			1,078,394,854.41		99.87	383,456.60

CHINA MERCHANTS PORT GROUP CO., LTD.

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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

Investee	1/1/2021	Changes for the year							31/12/2021	Closing balance of impairment provision
		Increase	Decrease	Investment income under equity method	Reconciling items from other comprehensive income	Other equity movements	Announced distribution of cash dividends or profit	Impairment provision		
I. Subsidiaries										
Shenzhen Chiwan International Freight Agency Co., Ltd.	5,500,000.00	-	-	-	-	-	-	-	-	5,500,000.00
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
Chiwan Wharf Holdings (Hong Kong) Ltd.	1,070,000.00	-	-	-	-	-	-	-	-	1,070,000.00
Shenzhen Chiwan Tugboat Co., Ltd.	24,000,000.00	-	-	-	-	-	-	-	-	24,000,000.00
Chiwan Container Terminal Co., Ltd.	421,023,199.85	-	-	-	-	-	-	-	-	421,023,199.85
Shenchiwan Port Affairs	186,525,000.00	-	-	-	-	-	-	-	-	186,525,000.00
Dongguan Shenchiwan Wharf Co., Ltd.	175,000,000.00	-	-	-	-	-	-	-	-	175,000,000.00
Chiwan Shipping (Hong Kong) Limited	1,051,789.43	-	-	-	-	-	-	-	-	1,051,789.43
CMPort (Note 1)	28,272,939,139.99	1,017,342,017.46	-	-	-	-	-	-	-	29,290,281,157.45
CMPort (Zhoushan) RoRo Logistics Co., Ltd.	149,709,800.00	-	-	-	-	-	-	-	-	149,709,800.00
Zhanjiang Port	3,381,825,528.52	-	-	-	-	-	-	-	-	3,381,825,528.52
CM International Tech (Note 2)	-	23,451,570.97	2,890,495.95	-	-	-	-	-	-	20,561,075.02
Sanya Merchants Port Development Co., Ltd. (Note 3)	-	2,040,000.00	-	-	-	-	-	-	-	2,040,000.00
Sub-total	33,075,848,268.88	1,042,833,588.43	2,890,495.95	-	-	-	-	-	-	34,115,791,361.36
II. Associates										
CM International Tech	23,833,710.97	-	1,875,000.00	-385,535.90	-	-35,889,398.04	14,316,222.97	-	-	-
China Merchants Bonded Logistics Co., Ltd.	384,647,157.60	-	-	10,601,954.40	-	-	-	-	-	395,249,112.00
China Merchants Northeast Asia Development & Investment Co., Ltd.	1,007,786,285.71	-	-	8,262,246.98	-	-	-	-	-	1,016,048,532.69
Ningbo Zhoushan	1,500,464,520.87	206,523,799.86	-	116,870,715.60	1,070,706.00	3,729,807.90	-35,661,315.55	-	-	1,792,998,234.68
Sub-total	2,916,731,675.15	206,523,799.86	1,875,000.00	135,349,381.08	1,070,706.00	-32,159,590.14	-21,345,092.58	-	-	3,204,295,879.37
III. Joint ventures										
Yantai Port Group Laizhou Port Co., Ltd.	782,832,086.50	-	-	33,327,096.27	-	-	-24,643,441.33	-	-	791,515,741.44
China Merchants Antong Logistics Management Company	9,102,988.02	-	-	624,890.92	-	-	-	-	-	9,727,878.94
Fujian Zhaohang Logistics Management Partnership (Limited Partnership)	452,283,105.00	-	-	58,927,327.62	-	-	-	-	-	511,210,432.62
Investment Fund (Note 4)	-	1,000,000.00	-	-2,003,584.24	-	-	-	-	1,003,584.24	-
Sub-total	1,244,218,179.52	1,000,000.00	-	90,875,730.57	-	-	-24,643,441.33	-	1,003,584.24	1,312,454,053.00
Total	37,236,798,123.55	1,250,357,388.29	4,765,495.95	226,225,111.65	1,070,706.00	-32,159,590.14	-45,988,533.91	-	1,003,584.24	38,632,541,293.73

CHINA MERCHANTS PORT GROUP CO., LTD.

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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.

Note 2: Details are set out in Note (X) 1. (1).

Note 3: Sanya Merchants Port Development Co., Ltd. is a limited company jointly established by the Company and Sanya Port Group Co., Ltd. on 16 July 2021, with registered capital of RMB 10 million.

Note 4: According to the Partnership Agreement, the loss of investment fund is shared in proportion to the paid-in capital. For the current period, Investment Fund Partnership (LP) has excess loss of RMB 1,003,584.24 included in provisions.

3. Operating income and operating costs

Item	Amount incurred in the current period		Amount incurred in the prior period	
	Revenue	Cost	Revenue	Cost
Principal operating	-	-	-	-
Other operating	2,642,001.75	2,265,959.45	6,653,002.66	2,265,959.64
Total	2,642,001.75	2,265,959.45	6,653,002.66	2,265,959.64

4. Investment income

(1) Details of investment income

Item	Amount incurred in the current period	Amount incurred in the prior period
Income from long-term equity investments under cost method	1,324,423,832.08	2,871,566,529.89
Long-term equity investments income under equity method	226,225,111.65	57,647,049.81
Income from held-for-trading financial assets	38,750,781.56	13,161,408.95
Income from other equity instruments investments	7,409,500.00	8,567,900.00
Income from debt investments	-	24,700,958.91
Total	1,596,809,225.29	2,975,643,847.56

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

**(XVIII) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS -
continued**

4. Investment income - continued

(2) Income from long-term equity investments under cost method

Investee	Amount incurred in the current period	Amount incurred in the prior period	Reason for changes comparing with prior year
CMPort	946,405,578.84	982,379,582.35	Changes in profit distribution of investee
Shenzhen Chiwan Harbor Container Co. Ltd.	143,574,378.69	121,071,884.15	Changes in profit distribution of investee
Chiwan Container Terminal Co., Ltd.	115,287,847.14	275,313,936.56	Changes in profit distribution of investee
Dongguan Shenchowan Wharf Co., Ltd.	48,020,128.82	59,036,979.32	Changes in profit distribution of investee
Shenzhen Chiwan Tugboat Co., Ltd.	30,409,076.03	25,604,356.23	Changes in profit distribution of investee
Zhanjiang Port (Group) Co., Ltd.	23,395,773.67	-	Changes in profit distribution of investee
Shenzhen Chiwan Port Development Co., Ltd.	14,577,752.63	-	Changes in profit distribution of investee
Shenchowan Port Affairs	2,664,219.41	60,234,278.79	Changes in profit distribution of investee
Shenzhen Chiwan International Freight Agency Co., Ltd.	89,076.85	245,148.61	Changes in profit distribution of investee
Chiwan Wharf Holdings (Hong Kong) Ltd.	-	1,347,680,363.88	Changes in profit distribution of investee
Total	1,324,423,832.08	2,871,566,529.89	

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO FINANCIAL STATEMENTS
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1. BREAKDOWN OF NON-RECURRING PROFIT OR LOSS

Item	Amount	Remarks
Losses on disposal of non-current assets	233,551,553.79	
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)	314,172,152.25	
Money lending income earned from non-financial institutions in profit or loss	232,343,789.35	
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 assets management	-	
Provision of impairment losses for each asset 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	-3,255,790.50	
Gains or losses arising from contingencies other than those related to normal operating business		
Gains from changes of 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 held-for-trading financial assets/financial liabilities and other debt investments	221,242,275.17	
Reversal of provision for accounts receivable that are tested for credit loss individually	93,196.96	
Gains or losses on entrusted loans	-	
Gains or losses on changes in the 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	1,663,396.22	
Other non-operating income or expenses other than above	-4,065,501.22	
Other profit or loss that meets the definition of non-recurring profit or loss		
Tax effects	-181,130,994.22	
Effects of minority interest (after tax)	-484,485,147.96	
Total	330,128,929.84	

CHINA MERCHANTS PORT GROUP CO., LTD.

NOTES TO 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	6.9903	1.3971	1.3968
Net profit attributable to ordinary shareholders after deducting non-recurring profit or loss	6.1311	1.2254	1.2251
