

CHINA MERCHANTS PORT GROUP CO., LTD.

FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2022

CHINA MERCHANTS PORT GROUP CO., LTD.

FINANCIAL STATEMENTS
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CHINA MERCHANTS PORT GROUP CO., LTD.

AT 30 JUNE 2022

Consolidated Balance Sheet

RMB

Item	Notes	30/6/2022	31/12/2021
Current Assets:			
Cash and bank balances	(VIII)1	14,171,964,195.08	12,772,349,406.77
Held-for-trading financial assets	(VIII)2	5,272,909,312.13	6,921,831,502.55
Notes receivable	(VIII)3	2,645,000.00	6,081,611.95
Accounts receivable	(VIII)4	1,840,398,775.49	1,320,577,577.81
Receivables financing	(VIII)5	191,399,515.52	238,429,402.71
Prepayments	(VIII)6	66,013,401.35	51,606,794.20
Other receivables	(VIII)7	2,234,309,527.16	696,276,595.87
Inventories	(VIII)8	219,602,505.71	194,920,136.12
Assets held for sale	(VIII)9	337,442,757.28	337,442,757.28
Non-current assets due within one year	(VIII)10	134,710,787.73	102,356,461.97
Other current assets	(VIII)11	137,978,273.63	339,684,297.41
Total current assets		24,609,374,051.08	22,981,556,544.64
Non-current Assets:			
Long-term receivables	(VIII)12	6,301,366,958.60	6,162,713,861.02
Long-term equity investments	(VIII)13	74,541,201,708.16	70,353,451,824.52
Investments in other equity instruments	(VIII)14	171,625,961.43	180,251,798.43
Other non-current financial assets	(VIII)15	818,869,293.22	809,515,244.87
Investment properties	(VIII)16	5,213,447,878.80	5,298,238,414.88
Fixed assets	(VIII)17	31,388,137,617.06	31,710,513,230.29
Construction in progress	(VIII)18	2,616,086,132.03	2,557,584,953.92
Right-of-use assets	(VIII)19	9,106,596,039.35	8,743,077,542.19
Intangible assets	(VIII)20	18,493,460,564.32	18,475,412,380.93
Development expenditure	(VIII)21	62,087,161.02	82,391,225.85
Goodwill	(VIII)22	6,299,993,214.67	6,024,160,942.07
Long-term prepaid expenses	(VIII)23	961,872,568.04	975,994,541.52
Deferred tax assets	(VIII)24	393,135,823.81	398,145,710.84
Other non-current assets	(VIII)25	1,461,319,189.49	1,231,092,952.69
Total non-current assets		157,829,200,110.00	153,002,544,624.02
TOTAL ASSETS		182,438,574,161.08	175,984,101,168.66

CHINA MERCHANTS PORT GROUP CO., LTD.

AT 30 JUNE 2022

Consolidated Balance Sheet - continued

RMB

Item	Notes	30/6/2022	31/12/2021
Current Liabilities:			
Short-term borrowings	(VIII)26	15,482,279,719.62	13,651,452,805.36
Notes payable	(VIII)27	9,089,940.00	1,895,987.17
Accounts payable	(VIII)28	711,116,965.55	843,820,438.51
Receipts in advance	(VIII)29	27,105,756.89	9,313,166.01
Contract liabilities	(VIII)30	225,350,974.85	196,784,525.26
Employee benefits payable	(VIII)31	756,589,567.67	820,416,415.47
Taxes payable	(VIII)32	1,143,491,598.23	2,162,719,251.68
Other payables	(VIII)33	3,485,085,782.19	2,140,108,341.08
Non-current liabilities due within one year	(VIII)34	2,813,987,163.97	8,268,209,284.17
Other current liabilities	(VIII)35	5,163,575,748.06	2,158,497,775.85
Total current liabilities		29,817,673,217.03	30,253,217,990.56
Non-current Liabilities:			
Long-term borrowings	(VIII)36	7,577,041,256.64	7,144,839,870.89
Bonds payable	(VIII)37	20,642,028,030.72	16,670,872,414.14
Including: Preferred shares		-	-
Perpetual bonds		-	-
Lease liabilities	(VIII)38	1,060,180,377.44	1,055,194,906.09
Long-term payables	(VIII)39	3,669,169,313.03	3,422,179,366.40
Long-term employee benefits payable	(VIII)40	561,785,876.67	588,681,492.63
Provisions	(VIII)41	31,464,238.16	24,247,302.42
Deferred income	(VIII)42	1,053,313,962.43	1,075,957,884.91
Deferred tax liabilities	(VIII)24	4,660,617,044.44	4,550,417,470.61
Other non-current liabilities	(VIII)43	163,649,191.94	163,065,578.53
Total non-current liabilities		39,419,249,291.47	34,695,456,286.62
TOTAL LIABILITIES		69,236,922,508.50	64,948,674,277.18
SHAREHOLDERS' EQUITY:			
Share capital	(VIII)44	1,922,365,124.00	1,922,365,124.00
Capital reserve	(VIII)45	23,846,734,297.13	23,592,702,758.70
Other comprehensive income	(VIII)46	-916,335,049.74	-890,125,318.18
Special reserve	(VIII)47	32,315,835.92	9,184,429.12
Surplus reserve	(VIII)48	961,182,562.00	961,182,562.00
Unappropriated profit	(VIII)49	15,368,637,097.70	14,205,879,106.49
Total shareholders' equity attributable to equity holders of the Company		41,214,899,867.01	39,801,188,662.13
Total minority interests		71,986,751,785.57	71,234,238,229.35
TOTAL SHAREHOLDERS' EQUITY		113,201,651,652.58	111,035,426,891.48
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		182,438,574,161.08	175,984,101,168.66

The accompanying notes form part of the financial statements.

The financial statements were signed by the following:

Wang Xiufeng

Tu Xiaoping

Huang Shengchao

Legal Representative

Chief Financial Officer

Head of Accounting Department

CHINA MERCHANTS PORT GROUP CO., LTD.

AT 30 JUNE 2022

Balance Sheet of the Company

RMB

Item	Notes	30/6/2022	31/12/2021
Current Assets:			
Cash and bank balances		5,031,443,283.96	2,913,761,567.31
Held-for-trading financial assets		5,021,434,305.48	4,355,978,026.30
Prepayments		-	-
Other receivables	(XVII)1	1,530,323,385.88	1,256,742,971.01
Other current assets		3,120,888.85	3,799,849.79
Total current assets		11,586,321,864.17	8,530,282,414.41
Non-current Assets:			
Long-term receivables		8,855,665.09	8,447,395.74
Long-term equity investments	(XVII)2	38,790,205,527.56	38,632,541,293.73
Investments in other equity instruments		145,397,984.69	154,017,984.69
Other non-current financial assets		50,200,000.00	-
Fixed assets		2,709,434.31	1,684,450.22
Construction in progress		8,583,349.46	8,714,886.98
Intangible assets		52,448,664.17	53,886,017.45
Long-term prepaid expenses		1,048,440.59	1,223,180.69
Deferred tax assets		1,846,793.34	1,846,793.34
Other non-current assets		50,246,299.06	-
Total non-current assets		39,111,542,158.27	38,862,362,002.84
TOTAL ASSETS		50,697,864,022.44	47,392,644,417.25

CHINA MERCHANTS PORT GROUP CO., LTD.

AT 30 JUNE 2022

Balance Sheet of the Company - continued

RMB

Item	Notes	30/6/2022	31/12/2021
Current liabilities:			
Short-term borrowings		6,605,668,055.55	6,606,500,555.58
Employee benefits payable		33,178,269.86	36,196,999.78
Taxes payable		266,100.89	166,072,684.93
Other payables		895,210,336.23	1,136,030,015.25
Non-current liabilities due within one year		83,430,113.00	82,735,342.45
Other current liabilities		5,019,617,260.31	2,007,042,725.30
Total current liabilities		12,637,370,135.84	10,034,578,323.29
Non-current Liabilities:			
Long-term borrowings		997,000,000.00	-
Bonds payable		4,000,000,000.00	4,000,000,000.00
Provisions		-	1,003,584.24
Deferred tax liabilities		44,754,891.55	44,515,821.76
Total non-current liabilities		5,041,754,891.55	4,045,519,406.00
TOTAL LIABILITIES		17,679,125,027.39	14,080,097,729.29
SHAREHOLDERS' EQUITY			
Share capital		1,922,365,124.00	1,922,365,124.00
Capital reserve		27,600,222,792.28	27,594,079,596.13
Other comprehensive income		98,398,294.82	105,412,294.52
Surplus reserve		961,182,562.00	961,182,562.00
Unappropriated profit		2,436,570,221.95	2,729,507,111.31
TOTAL SHAREHOLDERS' EQUITY		33,018,738,995.05	33,312,546,687.96
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		50,697,864,022.44	47,392,644,417.25

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2022

Consolidated Income Statement

RMB

Item	Notes	Amount incurred in the current period	Amount incurred in the previous period
I. Operating income	(VIII)50	8,150,462,367.19	7,339,942,862.26
Less: Operating costs	(VIII)50	4,637,368,881.65	4,198,451,164.27
Taxes and levies	(VIII)51	135,514,540.07	87,671,634.48
Administrative expenses	(VIII)52	812,502,660.55	766,369,973.37
Research and development expenses		114,833,178.50	98,344,411.25
Financial expenses	(VIII)53	1,351,945,047.67	730,109,013.88
Including: Interest expenses		1,140,997,429.67	892,510,549.76
Interest income		212,820,789.37	183,191,011.93
Add: Other income	(VIII)54	87,480,824.65	305,982,258.62
Investment income	(VIII)55	4,355,273,765.49	3,609,743,591.59
Including: Income from investments in associates and joint ventures	(VIII)55	4,211,173,480.05	3,557,359,417.25
Gains(Losses) from changes in fair value	(VIII)56	-38,026,112.58	-488,532,866.45
Gains(Losses) on impairment of credit	(VIII)57	2,882,412.61	-2,586,332.20
Gains(Losses) on impairment of assets		-	-
Gains(Losses) on disposal of assets	(VIII)58	-207,276.37	9,432,717.92
II. Operating profit		5,505,701,672.55	4,893,036,034.49
Add: Non-operating income	(VIII)59	20,192,926.39	28,987,669.73
Less: Non-operating expenses	(VIII)60	20,267,458.29	14,323,864.27
III. Gross profit		5,505,627,140.65	4,907,699,839.95
Less: Income tax expenses	(VIII)61	625,643,717.42	643,438,595.12
IV. Net profit		4,879,983,423.23	4,264,261,244.83
(I) Categorization by continuity of operation			
1. Net profit of continued operation		4,879,983,423.23	4,264,261,244.83
2. Net profit of discontinued operation		-	-
(II) Categorization by attribution of ownership			
1. Net profit attributable to shareholders of the Company		1,981,861,324.62	1,677,035,346.17
2. Profit or loss attributable to minority shareholders		2,898,122,098.61	2,587,225,898.66
V. Amount of other comprehensive net income after tax	(VIII)46	441,729,116.27	-314,186,364.19
Amount of other comprehensive net income after tax attributable to equity holders of the Company		-18,696,061.65	-89,607,300.16
(I) Other comprehensive income that will not be reclassified to profit or loss		-76,728,084.39	228,315.37
1. Changes as a result of remeasurement of the net defined benefit plan		-	-
2. Other comprehensive income under the equity method that will not be reclassified to profit or loss		-78,616,754.21	-184,184.63
3. Fair value changes of investments in other equity instruments		1,888,669.82	412,500.00
(II) Other comprehensive income that will be reclassified subsequently to profit or loss		58,032,022.74	-89,835,615.53
1. Other comprehensive income under the equity method that will be reclassified to profit or loss		-117,324,901.44	-23,133,723.56
2. Translation differences of financial statements denominated in foreign currencies		175,356,924.18	-66,701,891.97
Amount of other comprehensive net income after tax attributable to minority shareholders		460,425,177.92	-224,579,064.03
VI. Total comprehensive income attributable to:		5,321,712,539.50	3,950,074,880.64
Shareholders of the Company		1,963,165,262.97	1,587,428,046.01
Minority shareholders		3,358,547,276.53	2,362,646,834.63
VII. Earnings per share			
(I) Basic earnings per share		1.03	0.87
(II) Diluted earnings per share		1.03	0.87

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2022

Income Statement of the Company

RMB

Item	Notes	Amount incurred in the current period	Amount incurred in the previous period
I. Operating income	(XVII)3	-	471,974.86
Less: Operating costs	(XVII)3	1,132,979.70	1,132,979.75
Taxes and levies		152,914.98	-
Administrative expenses		74,398,609.92	62,053,671.27
Financial expenses		176,214,861.88	80,011,675.00
Including: Interest expenses		220,415,407.89	103,671,335.55
Interest income		51,040,811.33	26,740,035.75
Add: Other income		366,921.86	122,335.30
Investment income	(XVII)4	762,872,589.73	1,005,277,395.49
Including: Income from investments in associates and joint ventures	(XVII)4	136,885,266.28	86,382,211.38
Gains(Losses) from changes in fair value		8,456,279.18	-
II. Operating profit		519,796,424.29	862,673,379.63
Add: Non-operating income		34,957.54	424,555.92
Less: Non-operating expenses		18.84	-
III. Gross profit		519,831,362.99	863,097,935.55
Less: Income tax expenses		-6,336,709.00	130,368,128.15
IV. Net profit		526,168,071.99	732,729,807.40
V. Amount of other comprehensive net income after tax		498,042.27	412,500.00
(I) Other comprehensive income that will not be reclassified subsequently to profit or loss		1,914,691.56	412,500.00
1. Changes as a result of remeasurement of the net defined benefit plan		-	-
2. Other comprehensive income under the equity method that will not be reclassified to profit or loss		27,649.59	-
3. Fair value changes of investments in other equity instruments		1,887,041.97	412,500.00
(II) Other comprehensive income that will be reclassified to profit or loss		-1,416,649.29	-
1. Other comprehensive income under the equity method that will be reclassified to profit or loss		-1,416,649.29	-
2. Translation differences of financial statements denominated in foreign currencies		-	-
VI. Total comprehensive income		526,666,114.26	733,142,307.40

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2022

Consolidated Cash Flow Statement

RMB

Item	Notes	Amount incurred in the current period	Amount incurred in the previous period (Restated)
I. Cash Flows from Operating Activities			
Cash received from sales of goods and rendering of services		7,946,044,540.63	6,999,276,674.02
Refunds of taxes		185,224,132.63	85,780,705.21
Other cash received relating to operating activities	(VIII)64(1)	448,659,531.56	603,526,364.98
Sub-total of cash inflows		8,579,928,204.82	7,688,583,744.21
Cash paid for goods purchased or services received		2,240,288,101.95	1,903,206,790.90
Cash paid to and on behalf of employees		1,879,756,634.11	1,709,301,832.87
Tax payments		827,509,481.12	733,071,668.17
Cash paid relating to other operating activities	(VIII)64(2)	411,122,810.55	408,043,044.31
Sub-total of cash outflows		5,358,677,027.73	4,753,623,336.25
Net Cash Flows from Operating Activities	(VIII)65(1)	3,221,251,177.09	2,934,960,407.96
II. Cash Flows from Investing Activities			
Cash received from disposal and recovery of investments		23,921,644,162.50	3,630,000,000.00
Cash received from investment income		733,820,028.32	1,520,388,115.39
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		1,250,786.03	21,022,377.14
Other cash received relating to investing activities	(VIII)64(3)	94,566,178.69	355,653,171.58
Sub-total of cash inflows		24,751,281,155.54	5,527,063,664.11
Cash paid to acquire or construct fixed assets, intangible assets and other long-term assets		950,600,127.64	1,124,649,979.59
Cash paid to acquire investments		24,696,618,396.78	4,337,300,451.86
Other cash paid relating to investing activities	(VIII)64(4)	967,712,734.42	11,284,899.93
Sub-total of cash outflows		26,614,931,258.84	5,473,235,331.38
Net Cash Flows from Investing Activities		-1,863,650,103.30	53,828,332.73
III. Cash Flows from Financing Activities			
Cash received from borrowings		14,789,220,290.65	3,694,414,917.83
Cash received from issue of bonds		7,000,000,000.00	4,800,000,000.00
Other cash received relating to financing activities	(VIII)64(5)	52,897,609.21	-
Sub-total of cash inflows		21,842,117,899.86	8,494,414,917.83
Repayments of borrowings		19,426,456,859.41	12,892,108,917.15
Dividends paid, profit distributed or interest paid		2,063,908,899.16	942,876,415.60
Including: Dividends paid, profit distributed to minority shareholders.		298,311,895.58	-
Other cash paid relating to financing activities	(VIII)64(6)	224,977,119.04	172,761,586.81
Sub-total of cash outflows		21,715,342,877.61	14,007,746,919.56
Net Cash Flows from Financing Activities		126,775,022.25	-5,513,332,001.73
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		-88,210,579.74	-26,551,995.94
V. Net Increase in Cash and Cash Equivalents		1,396,165,516.30	-2,551,095,256.98
Add: Opening Balance of Cash and Cash Equivalents	(VIII)65(2)	12,727,355,238.36	11,898,618,327.29
VI. Closing Balance of Cash and Cash Equivalents	(VIII)65(2)	14,123,520,754.66	9,347,523,070.31

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2022

Cash Flow Statement of the Company

RMB

Item	Notes	Amount incurred in the current period	Amount incurred in the previous period
I. Cash Flows from Operating Activities			
Refunds of taxes		1,181,089.86	-
Other cash received relating to operating activities		33,183,150.38	218,034,986.32
Sub-total of cash inflows		34,364,240.24	218,034,986.32
Cash paid for goods purchased and services received		57,280.00	40,000.00
Cash paid to and on behalf of employees		50,444,029.40	32,829,622.92
Tax payments		161,506,258.88	209,567,259.29
Other cash paid relating to operating activities		35,013,421.74	33,094,186.67
Sub-total of cash outflows		247,020,990.02	275,531,068.88
Net Cash Flows from Operating Activities		-212,656,749.78	-57,496,082.56
II. Cash Flows from Investing Activities:			
Cash received from disposals and recovery of investments		20,036,632,041.97	2,480,000,000.00
Cash received from investments income		630,452,904.29	293,098,915.83
Other cash received relating to investing activities		468.00	-
Sub-total of cash inflows		20,667,085,414.26	2,773,098,915.83
Cash paid to acquire or construct fixed assets, intangible assets and other long-term assets		1,566,408.28	1,732,237.00
Cash paid for investments		21,026,322,904.70	2,386,523,799.86
Other cash paid relating to investing activities		180,004,179.30	198,583,388.96
Sub-total of cash outflows		21,207,893,492.28	2,586,839,425.82
Net Cash Flows from Investing Activities		-540,808,078.02	186,259,490.01
III. Cash Flows from Financing Activities:			
Cash received from borrowings		3,126,668,674.85	5,797,840,000.00
Cash received from issue of bonds		7,000,000,000.00	-
Cash received relating to financing activities		2,897,609.21	25,000,000.00
Sub-total of cash inflows		10,129,566,284.06	5,822,840,000.00
Repayments of borrowings		6,217,408,504.85	5,381,742,457.36
Dividends paid, profit distributed or interest paid		1,038,085,659.53	89,771,518.67
Other cash paid relating to financing activities		3,282,168.31	982,254.76
Sub-total of cash outflows		7,258,776,332.69	5,472,496,230.79
Net Cash Flows from Financing Activities		2,870,789,951.37	350,343,769.21
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		356,593.08	-65,793.07
V. Net Increase in Cash and Cash Equivalents		2,117,681,716.65	479,041,383.59
Add: Opening balance of Cash and Cash Equivalents		2,913,761,567.31	753,590,556.77
VI. Closing Balance of Cash and Cash Equivalents		5,031,443,283.96	1,232,631,940.36

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2022

Consolidated Statement of Changes in Shareholders' Equity

RMB

Item	Current Period							
	Attributable to shareholders of the Company						Minority interests	Total shareholders' equity
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Unappropriated profit		
I. Closing balance of the preceding year	1,922,365,124.00	23,592,702,758.70	-890,125,318.18	9,184,429.12	961,182,562.00	14,205,879,106.49	71,234,238,229.35	111,035,426,891.48
Add: Changes in accounting policies	-	-	-	-	-	-	-	-
Corrections of prior period errors	-	-	-	-	-	-	-	-
Business combination involving enterprises under common control	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
II. Opening balance of the period	1,922,365,124.00	23,592,702,758.70	-890,125,318.18	9,184,429.12	961,182,562.00	14,205,879,106.49	71,234,238,229.35	111,035,426,891.48
III. Changes for the period	-	254,031,538.43	-26,209,731.56	23,131,406.80	-	1,162,757,991.21	752,513,556.22	2,166,224,761.10
(I) Total comprehensive income	-	-	-18,696,061.65	-	-	1,981,861,324.62	3,358,547,276.53	5,321,712,539.50
(II) Owners' contributions and reduction in capital	-	254,031,538.43	-	-	-	-	-514,463,334.99	-260,431,796.56
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-
2. Capital contribution from holders of other equity instruments	-	-	-	-	-	-	-	-
3. Share-based payment recognized in shareholders' equity	-	3,448,276.71	-	-	-	-	2,516,367.90	5,964,644.61
4. Business combination involving enterprises under common control	-	-	-	-	-	-	-	-
5. Others	-	250,583,261.72	-	-	-	-	-516,979,702.89	-266,396,441.17
(III) Profit distribution	-	-	-	-	-	-826,617,003.32	-2,118,639,819.08	-2,945,256,822.40
1. Transfer to surplus reserve	-	-	-	-	-	-	-	-
2. Transfer to general reserve	-	-	-	-	-	-	-	-
3. Distributions to shareholders	-	-	-	-	-	-826,617,003.32	-2,025,521,443.67	-2,852,138,446.99
4. Others	-	-	-	-	-	-	-93,118,375.41	-93,118,375.41
(IV) Transfers within shareholders' equity	-	-	-7,513,669.91	-	-	7,513,669.91	-	-
1. Capitalization of capital reserve	-	-	-	-	-	-	-	-
2. Capitalization of surplus reserve	-	-	-	-	-	-	-	-
3. Loss made up by surplus reserve	-	-	-	-	-	-	-	-
4. Others	-	-	-7,513,669.91	-	-	7,513,669.91	-	-
(V) Special reserve	-	-	-	23,131,406.80	-	-	27,069,433.76	50,200,840.56
1. Withdrawn in the period	-	-	-	32,027,158.31	-	-	37,984,383.50	70,011,541.81
2. Utilized in the period	-	-	-	-8,895,751.51	-	-	-10,914,949.74	-19,810,701.25
(VI) Others	-	-	-	-	-	-	-	-
IV. Closing balance of the period	1,922,365,124.00	23,846,734,297.13	-916,335,049.74	32,315,835.92	961,182,562.00	15,368,637,097.70	71,986,751,785.57	113,201,651,652.58

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2022

Consolidated Statement of Changes in Shareholders' Equity - continued

RMB

Item	Prior Period							
	Attributable to shareholders of the Company						Minority interests	Total shareholders' equity
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Unappropriated profit		
I. Closing balance of the preceding year	1,922,365,124.00	22,805,069,335.49	-826,697,303.06	10,201,178.30	890,690,322.28	12,316,177,395.17	68,559,161,478.89	105,676,967,531.07
Add: Changes in accounting policies	-	-	-	-	-	-	-	-
Corrections of prior period errors	-	-	-	-	-	-	-	-
Business combination involving enterprises under common control	-	-	-	-	-	-	-	-
Others	-	34,528,989.07	-	-	-	12,942,703.53	77,217,389.86	124,689,082.46
II. Opening balance of the period	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 period	-	116,324,695.54	-90,101,219.80	5,289,542.94	-	946,536,599.05	1,496,540,433.72	2,474,590,051.45
(I) Total comprehensive income	-	-	-89,607,300.16	-	-	1,677,035,346.17	2,362,646,834.63	3,950,074,880.64
(II) Owners' contributions and reduction in capital	-	116,324,695.54	-493,919.64	-	-	-	233,353,705.33	349,184,481.23
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-
2. Capital contribution from holders of other equity instruments	-	-	-	-	-	-	-	-
3. Share-based payment recognized in shareholders' equity	-	5,859,913.77	-	-	-	-	4,913,360.76	10,773,274.53
4. Business combination involving enterprises under common control	-	-38,392,129.42	-	-	-	-	-	-38,392,129.42
5. Others	-	148,856,911.19	-493,919.64	-	-	-	228,440,344.57	376,803,336.12
(III) Profit distribution	-	-	-	-	-	-730,498,747.12	-1,105,762,332.14	-1,836,261,079.26
1. Transfer to surplus reserve	-	-	-	-	-	-	-	-
2. Transfer to general reserve	-	-	-	-	-	-	-	-
3. Distributions to shareholders	-	-	-	-	-	-730,498,747.12	-1,012,637,696.25	-1,743,136,443.37
4. Others	-	-	-	-	-	-	-93,124,635.89	-93,124,635.89
(IV) Transfers within shareholders' equity	-	-	-	-1,815,265.74	-	-	-	-1,815,265.74
1. Capitalization of capital reserve	-	-	-	-	-	-	-	-
2. Capitalization of surplus reserve	-	-	-	-	-	-	-	-
3. Loss made up by surplus reserve	-	-	-	-	-	-	-	-
4. Others	-	-	-	-1,815,265.74	-	-	-	-1,815,265.74
(V) Special reserve	-	-	-	7,104,808.68	-	-	6,302,225.90	13,407,034.58
1. Withdrawn in the period	-	-	-	23,456,646.73	-	-	28,184,953.20	51,641,599.93
2. Utilized in the period	-	-	-	-16,351,838.05	-	-	-21,882,727.30	-38,234,565.35
(VI) Others	-	-	-	-	-	-	-	-
IV. Closing balance of the period	1,922,365,124.00	22,955,923,020.10	-916,798,522.86	15,490,721.24	890,690,322.28	13,275,656,697.75	70,132,919,302.47	108,276,246,664.98

The accompanying notes form part of the financial statements.

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2022

Statement of Changes in Shareholders' Equity of the Company

RMB

Item	Current Period						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	27,594,079,596.13	105,412,294.52	-	961,182,562.00	2,729,507,111.31	33,312,546,687.96
Add: Changes in accounting policies	-	-	-	-	-	-	-
Corrections of prior period errors	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
II. Opening balance of the period	1,922,365,124.00	27,594,079,596.13	105,412,294.52	-	961,182,562.00	2,729,507,111.31	33,312,546,687.96
III. Changes for the period	-	6,143,196.15	-7,013,999.70	-	-	-292,936,889.36	-293,807,692.91
(I) Total comprehensive income	-	-	498,042.27	-	-	526,168,071.99	526,666,114.26
(II) Owners' contributions and reduction in capital	-	6,143,196.15	-	-	-	-	6,143,196.15
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-
2. Share-based payment recognized in shareholders' equity	-	4,805,671.45	-	-	-	-	4,805,671.45
3. Others	-	1,337,524.70	-	-	-	-	1,337,524.70
(III) Profit distribution	-	-	-	-	-	-826,617,003.32	-826,617,003.32
1. Transfer to surplus reserve	-	-	-	-	-	-	-
2. Transfer to general reserve	-	-	-	-	-	-	-
3. Distributions to shareholders	-	-	-	-	-	-826,617,003.32	-826,617,003.32
4. Others	-	-	-	-	-	-	-
(IV) Transfers within shareholders' equity	-	-	-7,512,041.97	-	-	7,512,041.97	-
1. Capitalization of capital reserve	-	-	-	-	-	-	-
2. Capitalization of surplus reserve	-	-	-	-	-	-	-
3. Loss made up by surplus reserve	-	-	-	-	-	-	-
4. Others	-	-	-7,512,041.97	-	-	7,512,041.97	-
(V) Special reserve	-	-	-	-	-	-	-
1. Withdrawn in the period	-	-	-	-	-	-	-
2. Utilized in the period	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-
IV. Closing balance of the period	1,922,365,124.00	27,600,222,792.28	98,398,294.82	-	961,182,562.00	2,436,570,221.95	33,018,738,995.05

CHINA MERCHANTS PORT GROUP CO., LTD.

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2022

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

RMB

Item	Prior Period						
	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 period	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 period	-	8,831,939.94	412,500.00	-	-	2,231,060.28	11,475,500.22
(I) Total comprehensive income	-	-	412,500.00	-	-	732,729,807.40	733,142,307.40
(II) Owners' contributions and reduction in capital	-	8,831,939.94	-	-	-	-	8,831,939.94
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-
2. Share-based payment recognized in shareholders' equity	-	8,831,939.94	-	-	-	-	8,831,939.94
3. Others	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-730,498,747.12	-730,498,747.12
1. Transfer to surplus reserve	-	-	-	-	-	-	-
2. Transfer to general 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 made up by surplus reserve	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	-	-	-	-
1. Withdrawn in the period	-	-	-	-	-	-	-
2. Utilized in the period	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-
IV. Closing balance of the period	1,922,365,124.00	27,600,679,342.67	105,948,722.50	-	890,690,322.28	2,444,741,305.54	32,964,424,816.99

The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2022
(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 headquarter 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 August 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 30 June 2022, the Group had total current liabilities in excess of total current assets of RMB 5,208,299,165.95. On 30 June 2022, the Group had available and unused line of credit amounting to RMB 62,195,186,155.77, 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 30 June 2022, and the Company's and consolidated results of operations and cash flows for the year then ended.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2022
(Unless otherwise specified, the monetary unit shall be RMB.)

(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 is principally engaged in the rendering of port service, bonded logistics service and other businesses such as property development and investment with one year being an operating cycle.

3. Functional currency

Renminbi ("RMB") is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. Therefore, the Company and its domestic subsidiaries choose RMB as their functional currency. The Company's 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 acquiree. Where a business combination not involving enterprises under common control is achieved in stages that involve multiple transactions, the cost of combination is the sum of the consideration paid at the acquisition date and the fair value at the acquisition date of the acquirer's previously held interest in the acquiree. The intermediary expenses (fees in respect of auditing, legal services, valuation and consultancy services, etc.) and other administrative expenses attributable to the business combination are recognized in profit or loss in the periods when they are incurred.

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

When a business combination contract provides for the acquirer's recovery of consideration previously paid contingent on one or multiple future event(s), the Group 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 changes or adjustments are 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 the asset's 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 Company's interests and minority interests are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the minority interests are adjusted and the fair value of the consideration paid or received is adjusted to capital reserve. If the capital reserve is not sufficient to absorb the difference, the excess 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 Company 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 Company 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 Company 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. 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.

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(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 inventory count method adopts perpetual inventory 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 withdrew 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 are 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 withdrew 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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(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.

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(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.

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(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 ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**

1. **Significant accounting policies and accounting changes**

There are no significant accounting policies or accounting changes for the period.

(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%,9%
Social contribution tax (Note 4)	Income	0.65%-7.6%
Deed tax	Land use right and property transfer amount	3%-5%
Property tax	70% of cost of property or rental income	1.2% or 12%
City maintenance and construction tax	VAT paid	1%-7%
Education surtax	VAT paid	3%
Land use tax	Land area actually occupied	RMB 2.4-12 per square meter

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(VII) TAXES - continued

1. Major taxes and tax rates - continued

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.

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.

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

Item	Closing balance	Opening balance
Cash	317,164.88	501,446.73
RMB	2,767.60	20,504.26
USD	126,333.53	105,169.96
HKD	24,949.27	23,918.14
BRL	6,248.01	5,600.44
Others	156,866.47	346,253.93
Bank deposit (Note 1)	13,814,617,473.72	12,367,010,853.19
RMB	10,794,399,500.42	8,311,399,392.65
USD	1,310,905,935.45	1,481,370,545.88
EUR	825,041,546.18	708,753,319.34
BRL	603,075,959.55	273,845,734.48
HKD	209,075,345.34	1,567,048,304.98
AUD	4,334,680.40	3,805,872.65
Others	67,784,506.38	20,787,683.21
Other cash and bank balances (Note 2)	357,029,556.48	404,837,106.85
RMB	340,056,364.44	404,810,610.86
HKD	16,973,192.04	26,495.99
Total	14,171,964,195.08	12,772,349,406.77
Including: Total amount of funds deposited overseas	3,372,236,316.76	4,261,299,895.41

Note 1: The balance of interest receivable in bank deposits was RMB 17,050,647.14, 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 24,568,763.54 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 301,067,999.66, the interest of the time certificate of deposit totalled RMB 18,321,267.34, the restricted deposit totalled RMB 13,059,525.94, 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 measured at fair value through profit or loss	527,290,312.13	692,183,502.55
Including: Debt investment instruments		
Equity investment instruments	15,698	15,669
Structured deposits	527,275,170.25	692,167,836.76
Total	527,290,312.13	692,183,502.55

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

3. Notes receivable

(1) Classification of notes receivable

Category	Closing balance	Opening balance
Bank acceptance	2,645,000.00	6,081,611.95
Less: Provision for credit losses (Note)	-	-
Carrying amount	2,645,000.00	6,081,611.95

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

(2) As at 30 June 2022, there are no notes receivable pledged.

(3) As at 30 June 2022, there are no notes receivable endorsed or discounted but unmatured at the balance sheet date.

(4) As at 30 June 2022, there are no notes reclassified to accounts receivable due to the drawers' inability to settle the note.

(5) For the period from 1 January to 30 June 2022, there are no notes receivable written off.

4. Accounts receivable

(1) Accounts receivable disclosed by aging

Aging	Closing balance		
	Accounts receivable	Provision for credit loss	Proportion (%)
Within 1 year	1,837,385,417.32	21,917,391.46	1.19
More than 1 year but not exceeding 2 years	26,307,676.10	7,794,161.27	29.63
More than 2 years but not exceeding 3 years	20,176,790.17	14,381,144.29	71.28
More than 3 years	41,272,756.97	40,651,168.05	98.49
Total	1,925,142,640.56	84,743,865.07	

(2) Disclosure of accounts receivable by categories

Credit rating	Expected credit loss rate (%)	Closing balance			Opening balance		
		Carrying amount	Provision for credit loss	Book value	Carrying amount	Provision for credit loss	Book value
A	0.00-0.10	940,788,118.44	613,095.65	940,175,022.79	768,959,184.29	195,963.28	768,763,221.01
B	0.10-0.30	654,166,427.12	942,569.40	653,223,857.72	436,073,607.05	1,088,792.71	434,984,814.34
C	0.30-50.00	273,952,750.46	27,340,671.73	246,612,078.73	146,604,738.15	32,286,595.88	114,318,142.27
D	50.00-100.00	56,235,344.54	55,847,528.29	387,816.25	55,590,039.99	53,078,639.80	2,511,400.19
Total		1,925,142,640.56	84,743,865.07	1,840,398,775.49	1,407,227,569.48	86,649,991.67	1,320,577,577.81

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

4. Accounts receivable - continued

(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
Opening balance (Restated)	33,571,351.87	53,078,639.80	86,649,991.67
Carrying amount of accounts receivable at 1 January 2022			
-- Transferred to credit-impaired accounts receivables	-1,192,476.04	1,192,476.04	-
-- Reversed to not credit-impaired accounts receivable	-	-	-
Provision for the period	46,968.36	1,187,240.89	1,234,209.25
Reversal for the period	-3,838,666.13	-	-3,838,666.13
Impact of foreign currency statement translation	309,158.72	389,171.56	698,330.28
Closing balance	28,896,336.78	55,847,528.29	84,743,865.07

There are no accounts receivable written off during this period.

(4) The top five balances of account receivables 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	173,509,071.41	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	9.01	223,802.09
Client 2	76,144,983.08	Within 1 year, more than 1 year but not exceeding 2 years; more than 2 years but not exceeding 3 years	3.96	5,269.50
Client 3	75,023,858.80	Within 1 year, more than 1 year but not exceeding 2 years	3.90	25,670,997.40
Client 4	48,326,865.38	Within 1 year; more than 1 year but not exceeding 2 years	2.51	6,257.82
Client 5	48,159,528.65	Within 1 year	2.50	-
Total	421,164,307.32		21.88	25,906,326.81

5. Receivables financing

(1) Receivables financing classification

Item	Closing balance	Opening balance
Bank acceptance measured at fair value	191,399,515.52	238,429,402.71

(2) On 30 June 2022, the Group has no pledged receivables financing.

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

5. Receivables financing - continued

- (3) As at 30 June 2022, receivables financing endorsed or discounted which are not yet due at the balance sheet date are as follows

Item	Closing balance		Opening balance	
	Derecognized	Recognized	Derecognized	Recognized
Bank acceptance measured at fair value	79,889,314.46	-	153,044,339.75	-

6. Prepayments

- (1) Aging analysis of prepayment

Aging	Closing balance			Opening balance		
	Amount	Proportion (%)	Provision for impairment	Amount	Proportion (%)	Provision for impairment
Within 1 year	64,312,319.17	97.42	-	51,121,689.93	99.06	-
More than 1 year but not exceeding 2 years	1,487,200.57	2.25	-	351,693.15	0.68	-
More than 2 years but not exceeding 3 years	189,800.25	0.29	-	109,329.76	0.21	-
More than 3 years	24,081.36	0.04	-	24,081.36	0.05	-
Total	66,013,401.35	100.00	-	51,606,794.20	100.00	-

- (2) As at 30 June 2022, the Group has no significant prepayments aged more than one year.
(3) The top five balances of prepayments classified by entities

Name of entity	Relationship with the Company	Closing balance	Aging	Proportion of the closing balance to the total prepayments (%)	Why unsettled
Entity 1	Non-related party	6,610,362.41	Within 1 year	10.01	Unsettled prepaid communication expenses
Entity 2	Non-related party	4,678,486.89	Within 1 year	7.09	Unsettled advance premium
Entity 3	Non-related party	4,333,937.04	Within 1 year	6.57	Unsettled advance labour expenses
Entity 4	Non-related party	3,529,904.26	Within 1 year	5.35	Unsettled advance premium
Entity 5	Non-related party	2,941,400.00	Within 1 year	4.46	Unsettled advance consulting fee
Total		22,094,090.60		33.48	

7. Other receivables

7.1 Summary of other receivables

Item	Closing balance	Opening balance
Dividend receivable	1,727,561,836.95	264,626,493.85
Other receivables	506,747,690.21	431,650,102.02
Total	2,234,309,527.16	696,276,595.87

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

7. Other receivables - continued

7.2 Dividend receivable

(1) Presentation of dividend receivable

Name of investee	Closing balance	Opening balance
Shanghai International Port (Group) Co., Ltd. ("Shanghai Port Group")	1,240,949,440.54	-
China Nanshan Development (Group) Incorporation ("Nanshan Group")	314,619,000.00	185,070,000.00
Liaoning Port Co., Ltd. (formally known as "Dalian Port Co., Ltd.") ("Liaoning Port")	73,133,008.80	-
Zhanjiang Merchants Port City Investment Co., Ltd. ("Merchants Port City")	41,847,044.77	41,847,044.77
Qingdao Port International Co., Ltd.	38,211,891.48	-
COSCO Logistics (Zhanjiang) Co., Ltd.	18,403,959.77	18,403,959.77
Tin-Can Island Container Terminal Ltd.	-	19,076,909.00
Others	702,220.81	493,472.09
Total	1,727,866,566.17	264,891,385.63
Less: Provision for credit loss	304,729.22	264,891.78
Book value	1,727,561,836.95	264,626,493.85

(2) Significant dividend receivable aged more than 1 year

Name of investee	Closing balance	Aging	Opening balance	Why unrecovered	Impaired or not? And basis of determination
Nanshan Group	74,028,000.00	More than 1 year but not exceeding 2 years	74,028,000.00	Relevant procedures are being handled and it is expected to be recovered by the end of 2022	Yes, expected credit losses

(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)	
Opening balance	264,891.78	-	-	264,891.78
Carrying amount of dividend receivables at 1 January 2022				
-- Transfer to Stage 2	-	-	-	-
-- Transfer to Stage 3	-	-	-	-
-- Reverse to Stage 2	-	-	-	-
-- Reverse to Stage 1	-	-	-	-
Provision for the period	39,837.44	-	-	39,837.44
Reversal for the period	-	-	-	-
Transfer-out on derecognition of financial assets (including direct write-down)	-	-	-	-
Other changes	-	-	-	-
Closing balance	304,729.22	-	-	304,729.22

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

7. Other receivables - continued

7.3 Other receivables

(1) Other receivables disclosed by aging

Aging	Closing balance		
	Other receivables	Provision for credit loss	Proportion (%)
Within 1 year	348,641,928.83	3,439,245.38	0.99
More than 1 year but not exceeding 2 years	85,603,333.25	5,817,573.74	6.80
More than 2 years but not exceeding 3 years	457,837,123.77	456,131,922.11	99.63
More than 3 years	358,234,948.79	278,180,903.20	77.65
Total	1,250,317,334.64	743,569,644.43	

(2) Disclosure of other receivables by nature

Item	Closing balance	Opening balance
Operation compensation (Note 1)	604,807,790.99	618,500,035.62
Temporary payments	347,390,243.76	260,222,250.12
Land compensation (Note 2)	89,630,000.00	89,630,000.00
Dedicated grants(Note 3)	32,484,730.00	24,800,000.00
Deposits	22,035,438.09	25,492,288.59
Compensation for profit or loss on transition	-	6,347,258.89
Others	153,969,131.80	165,222,559.00
Total	1,250,317,334.64	1,190,214,392.22
Less: Provision for credit loss	743,569,644.43	758,564,290.20
Book value	506,747,690.21	431,650,102.02

Note 1: It is the operation compensation amounting to RMB 604,807,790.99 that the subsidiaries of the Company should collect from the holding companies of minority shareholders. The aforesaid amount has been overdue and is expected to be unrecoverable. As of 30 June 2022, provision for credit loss of the amount has been fully made.

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 of 30 June 2022, the total land compensation not recovered amounted to RMB89,630,000.00.

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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 - continued

Note 3: This represents the special subsidy of RMB 24,800,000.00 for public lighterage branch line obtained by the Company's subsidiary Shantou CMPort Group Co., Ltd. ("Shantou Port") in 2022 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 30 June 2022, RMB 32,484,730.00 has not yet been 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.

(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 while taking account of the current and future economic conditions.

As at 30 June 2022, the credit risk and expected credit loss of other receivables of each category of customers are presented as below:

Credit rating	Expected credit loss rate (%)	Closing balance				Opening balance			
		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	504,978,977.76	-	-	504,978,977.76	431,741,133.45	-	-	431,741,133.45
B	0.10-0.30	-	-	-	-	-	-	-	-
C	0.30-50.00	-	-	-	-	-	-	-	-
D	50.00-100.00	-	-	745,338,356.88	745,338,356.88	-	-	758,473,258.77	758,473,258.77
Account balance		504,978,977.76	-	745,338,356.88	1,250,317,334.64	431,741,133.45	-	758,473,258.77	1,190,214,392.22
Provision for credit loss		132,740.79	-	743,436,903.64	743,569,644.43	106,031.43	-	758,458,258.77	758,564,290.20
Book value		504,846,236.97	-	1,901,453.24	506,747,690.21	431,635,102.02	-	15,000.00	431,650,102.02

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

Name	Carrying amount	Provision for credit loss	ECL rate (%)	Reasons for provision
Entity 1	604,807,790.99	604,807,790.99	100.00	Expected to be unrecoverable (Note)
Entity 2	105,540,511.80	103,643,609.29	98.20	Expected to be unrecoverable
Entity 3	14,000,000.00	14,000,000.00	100.00	Expected to be unrecoverable
Total	724,348,302.79	722,451,400.28	— —	— —

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

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)	
Opening balance	106,031.43	-	758,458,258.77	758,564,290.20
Carrying amount of other receivables at 1 January 2022				
--Transfer to Stage 2	-	-	-	-
--Transfer to Stage 3	-18,380.00	-	18,380.00	-
-- Reverse to Stage 2	-	-	-	-
--Reverse to Stage 1	554,711.39	-	-554,711.39	-
Provision for the period	86,687.80	-	20,650.27	107,338.07
Reversal for the period	-596,309.83	-	-	-596,309.83
Impact of foreign currency statement translation	-	-	-14,505,674.01	-14,505,674.01
Closing balance	132,740.79	-	743,436,903.64	743,569,644.43

(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)	
Opening balance	431,741,133.45	-	758,473,258.77	1,190,214,392.22
Carrying amount of other receivables at 1 January 2021				
-- Transfer to Stage 2	-	-	-	-
-- Transfer to Stage 3	-28,581.00	-	28,581.00	-
-- Reverse to Stage 2	-	-	-	-
-- Reverse to Stage 1	554,711.39	-	-554,711.39	-
Increase for the year	66,869,966.63	-	1,896,902.51	68,766,869.14
Derecognition for the year	-	-	-	-
Other changes	5,841,747.29	-	-14,505,674.01	-8,663,926.72
Closing balance	504,978,977.76	-	745,338,356.88	1,250,317,334.64

(6) The Group has no other receivables written off for the period from 1 January to 30 June 2022.

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

7. Other receivables - continued

7.3 Other receivables - continued

(7) At the end of the year, the top five balances of other receivables classified by debtor are as below:

Name of entity	Nature	Closing balance	Aging	Proportion of the amount to the other receivables (%)	Provision for credit loss at the end of the period
Entity 1	Operation compensation	604,807,790.99	More than 2 years but not exceeding 3 years; More than 3 years	48.37	604,807,790.99
Entity 2	Temporary payments	125,665,969.40	Within 1 year ; More than 1 year but not exceeding 2 years	10.05	12,566.60
Entity 3	Temporary payments	105,540,511.80	Within 1 year; More than 2 years but not exceeding 3 years; More than 3 years	8.44	103,643,609.29
Entity 4	Land compensation	89,630,000.00	Within 1 year	7.17	8,963.00
Entity 5	Temporary payments	34,374,612.00	More than 3 years	2.75	3,437.46
Total		960,018,884.19		76.78	708,476,367.34

8. Inventories

(1) Categories of inventories

Item	Closing balance			Opening balance		
	Carrying amount	Provision for decline in value of inventories	Book value	Carrying amount	Provision for decline in value of inventories	Book value
Raw materials	194,515,181.25	730,054.35	193,785,126.90	174,693,225.25	730,054.35	173,963,170.90
Goods on hand	12,714,372.72	-	12,714,372.72	6,576,244.72	-	6,576,244.72
Others	13,103,006.09	-	13,103,006.09	14,380,720.50	-	14,380,720.50
Total	220,332,560.06	730,054.35	219,602,505.71	195,650,190.47	730,054.35	194,920,136.12

(2) Provision for decline in value of inventories

Item	Opening balance	Provision	Decrease		Closing balance
			Reversal	Write-off	
Raw materials	730,054.35	-	-	-	730,054.35

(3) As at 30 June 2022, 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	Book value at the end of the period	Fair value at the end of the period	Estimated disposal expenses	Estimated disposal time
Long-term assets held for sale (Note)	337,442,757.28	1,380,876,000.00	31,475,777.36	Expected to be relocated and vacated in 2022
Less: Provision for impairment of assets held for sale	-	-	-	
Book value	337,442,757.28	-	-	

Note: See Note (VIII).12(1) for details.

10. Non-current assets due within one year

Item	Closing balance	Opening balance
Long-term receivables due within one year	134,845,633.36	102,458,920.89
Less: Provision for credit loss	134,845.63	102,458.92
Book value	134,710,787.73	102,356,461.97

11. Other current assets

(1) Categories of other current assets

Item	Closing balance	Opening balance
Prepaid taxes	50,046,904.17	64,390,050.80
Input tax to be deducted and to be certified	77,152,852.90	254,909,235.38
Others	10,778,516.56	20,385,011.23
Total	137,978,273.63	339,684,297.41
Less: Provision for credit loss	-	-
Book value	137,978,273.63	339,684,297.41

12. Long-term receivables

(1) Details of long-term receivables

Item	Closing balance			Opening balance		
	Account balance	Provision for credit loss	Book value	Account balance	Provision for credit loss	Book value
Advances to shareholders (Note 1)	3,737,145,577.44	3,737,145.57	3,733,408,431.87	3,566,614,937.93	3,566,614.94	3,563,048,322.99
Land compensation receivable (Note 2)	2,692,032,000.00	-	2,692,032,000.00	2,692,032,000.00	-	2,692,032,000.00
Financing lease deposits	10,647,962.42	10,647.96	10,637,314.46	10,000,000.00	10,000.00	9,990,000.00
Total	6,439,825,539.86	3,747,793.53	6,436,077,746.33	6,268,646,937.93	3,576,614.94	6,265,070,322.99
Less: Long-term receivables due within 1 year	134,845,633.36	134,845.63	134,710,787.73	102,458,920.89	102,458.92	102,356,461.97
Long-term receivables due over 1 year	6,304,979,906.50	3,612,947.90	6,301,366,958.60	6,166,188,017.04	3,474,156.02	6,162,713,861.02

(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 2,857,982,404.36.

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. 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 annual 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 RMB 1,558,032,000.00. Among them, 370.96 mu of land and attached buildings had been transferred in 2019 and 2020 respectively. As at 30 June 2022, the land compensation totalling RMB 1,158,032,000.00 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 2020. As at 30 June 2022, 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 had been transferred by 31 December 2020, which is amounting to RMB1,344,000,000.00. As at 30 June 2022, 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)	
Opening balance	3,576,614.94	-	-	3,576,614.94
Carrying amount of long-term receivables at 1 January 2022				
-- Transfer to Stage 2	-	-	-	-
-- Transfer to Stage 3	-	-	-	-
-- Reverse to Stage 2	-	-	-	-
-- Reverse to Stage 1	-	-	-	-
Provision for the period	171,178.59	-	-	171,178.59
Reversal for the period	-	-	-	-
Transfer-out on derecognition of financial assets(including direct write-down)	-	-	-	-
Other changes	-	-	-	-
Closing balance	3,747,793.53	-	-	3,747,793.53

(3) As at 30 June 2022, 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 30 June 2022.

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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

Investee	Accounting method	Opening balance	Changes for the year									Closing balance	Closing value of provision for impairment	
			Increase	Decrease	Investment profit or loss under equity method	Reconciling items from other comprehensive 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 Oceangate S.à r.l.	the equity method	2,371,538,986.74	-	-	48,659,755.96	-	-	-	-	-	-	119,846,338.94	2,540,045,081.64	-
Port of Newcastle	the equity method	1,959,683,621.36	-	-	23,155,210.80	-	-	-	-4,629,739.95	-	-	12,229,663.34	1,990,438,755.55	-
Qingdao Qianwan United Container Terminal Co., Ltd.	the equity method	1,490,513,461.30	-	-	56,430,615.96	-	2,906,496.49	-	-	-	-	-	1,549,850,573.75	-
Yantai Port Group Laizhou Port Co., Ltd.	the equity method	791,515,741.44	-	-	22,069,427.08	-	-	-	-29,259,207.08	-	-	-	784,325,961.44	-
Others	the equity method	1,926,751,947.80	644,082,328.97	-1,047,401.66	47,384,042.54	-	217,608.55	-	-927,626.29	-	-	9,672,889.29	2,626,133,789.20	-
Subtotal		8,540,003,758.64	644,082,328.97	-1,047,401.66	197,699,052.34	-	3,124,105.04	-	-34,816,573.32	-	-	141,748,891.57	9,490,794,161.58	-
II. Associates														
Shanghai Port Group	the equity method	28,843,807,383.69	1,894,169,292.91	-	2,960,021,044.89	-350,079,522.44	15,114,746.40	-1,240,949,440.54	-	-	-	-	32,122,083,504.91	-
Nanshan Group	the equity method	6,329,051,540.40	-	-	50,936,344.06	-27,939,921.03	3,662,895.45	-129,549,000.00	-	-	-	-136,141.78	6,226,025,717.10	-
Terminal Link SAS	the equity method	6,037,993,057.12	-	-	198,772,626.71	-23,678,950.12	-	-380,851,746.67	-	-	-	68,227,860.27	5,900,462,847.31	-
Liaoning Port (Note)	the equity method	3,972,400,632.03	-	-	83,953,806.32	40,093.35	3,768,835.51	-85,395,093.74	-	-	-	-1,885,732.57	3,972,882,540.90	338,331,990.24
Shenzhen China Merchants Qianhai Industrial Development Co., Ltd.	the equity method	7,306,935,034.12	-	-	13,281,800.00	-	-	-122,444,928.51	-	-	-	-	7,197,771,905.61	-
Ningbo Zhoushan Port Company Limited ("Ningbo Zhoushan")	the equity method	3,474,840,934.53	-	-	125,568,457.33	-2,691,564.55	2,591,817.75	-75,825,289.44	-	-	-	-1,693,072.71	3,522,791,282.91	-
China Merchants Northeast Asia Development Investment Co., Ltd.	the equity method	1,016,048,532.69	-	-	3,357,030.81	-	-	-	-	-	-	-	1,019,405,563.50	-
Others	the equity method	4,832,370,951.30	3,300,000.00	-202,134,386.43	577,583,317.59	-41,796,740.96	355,006.29	-272,707,595.96	-	-	-	192,013,632.51	5,088,984,184.34	2,203,345.92
Subtotal		61,813,448,065.88	1,897,469,292.91	-202,134,386.43	4,013,474,427.71	-446,146,605.75	25,493,301.40	-2,307,723,094.86	-	-	-	256,526,545.72	65,050,407,546.58	340,535,336.16
Total		70,353,451,824.52	2,541,551,621.88	-203,181,788.09	4,211,173,480.05	-446,146,605.75	28,617,406.44	-2,342,539,668.18	-	-	-	398,275,437.29	74,541,201,708.16	340,535,336.16

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	Opening balance	Effect of consolidation scope change	Increase	Decrease		Effect of translation of foreign currency statements	Closing balance
				Amount	Reason		
Liaoning Port	337,700,959.79	-	-	-	-	631,030.45	338,331,990.24
HOA THUONG CORPORATION	2,135,644.39	-	-	-	-	67,701.53	2,203,345.92
Total	339,836,604.18	-	-	-	-	698,731.98	340,535,336.16

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

14. Investments in other equity instruments

(1) Details of investments in other equity instruments

Investee	Closing balance	Opening balance
China Ocean Shipping Agency (Shenzhen) Co., Ltd.	144,998,784.69	144,998,784.69
Others	26,627,176.74	35,253,013.74
Total	171,625,961.43	180,251,798.43

(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.	-	131,488,784.69	-	The intention of holding is neither for sale nor profits in short-term	— —
Others	240,001.47	-89,418.00	7,513,669.91	The intention of holding is neither for sale nor profits in short-term	— —
Total	240,001.47	131,399,366.69	7,513,669.91		

15. Other non-current financial assets

Item	Closing balance	Opening balance
Financial assets at FVTPL	818,869,293.22	809,515,244.87
Including: Investments in equity instruments	818,869,293.22	809,515,244.87
Including: Qingdao Port International Co., Ltd.	741,877,911.87	782,723,863.52
Others	76,991,381.35	26,791,381.35

16. Investment properties

(1) Investment properties measured under cost method

Item	Land use rights	Buildings	Total
I. Total original carrying amount			
1. Balance at 1 January 2022	114,634,546.67	6,181,503,172.76	6,296,137,719.43
2. Increase in the current period	9,878,501.55	-	9,878,501.55
(1) Purchase	-	-	-
(2) Transfer from intangible assets	9,878,501.55	-	9,878,501.55
3. Balance at 30 June 2022	124,513,048.22	6,181,503,172.76	6,306,016,220.98
II. Accumulated depreciation and amortization			
1. Balance at 1 January 2022	37,448,342.77	960,450,961.78	997,899,304.55
2. Increase in the current period	3,775,519.94	90,893,517.69	94,669,037.63
(1) Provision for the year	1,190,443.19	90,893,517.69	92,083,960.88
(2) Transfer from intangible assets	2,585,076.75	-	2,585,076.75
3. Balance at 30 June 2022	41,223,862.71	1,051,344,479.47	1,092,568,342.18
III. Impairment provision			
1. Balance at 1 January 2022	-	-	-
2. Increase in the current period	-	-	-
3. Decrease in the current period	-	-	-
4. Balance at 30 June 2022	-	-	-
IV. Book value			
1. At 30 June 2022	83,289,185.51	5,130,158,693.29	5,213,447,878.80
2. At 1 January 2022	77,186,203.90	5,221,052,210.98	5,298,238,414.88

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

16. Investment properties - continued

(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	16,816,545.03	17,610,186.51	Some houses and buildings have not yet obtained certificates of land use rights	The certificate of title is underway

17. Fixed assets

17.1 Summary of fixed assets

Item	Closing balance	Opening balance
Fixed assets	31,387,921,093.66	31,710,355,613.32
Disposal of fixed assets	216,523.40	157,616.97
Total	31,388,137,617.06	31,710,513,230.29

17.2 Fixed assets

(1) Details of fixed assets

Item	Port and terminal facilities	Buildings	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 2022	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
2. Increase for the period	140,052,403.23	465,140.47	192,899,081.23	5,277,352.87	338,693,977.80
(1) Purchase	24,060,509.21	7,069.00	54,742,470.41	3,721,416.20	82,531,464.82
(2) Transfer from development expenditure	16,652,277.54	-	13,388,200.52	-	30,040,478.06
(3) Transfer from construction in progress	99,339,616.48	458,071.47	124,768,410.30	1,555,936.67	226,122,034.92
3. Decrease for the period	23,849,062.28	-	19,502,900.34	6,726,385.88	50,078,348.50
(1) Disposal or retirement	10,939,226.82	-	19,502,900.34	6,726,385.88	37,168,513.04
(2) Adjustment to previously carried forward amounts	12,909,835.46	-	-	-	12,909,835.46
4. Reclassification adjustment	-57,706,048.66	-	57,706,048.66	-	-
5. Effect of changes in foreign exchange	313,942,949.32	6,534,778.92	143,554,050.76	31,835,590.59	495,867,369.59
6. Balance at 30 June 2022	32,509,703,265.34	1,984,485,468.49	16,831,996,398.03	2,205,540,002.04	53,531,725,133.90
II. Accumulated depreciation					
1. Balance at 1 January 2022	9,650,764,730.66	546,215,006.96	9,774,172,565.39	1,008,208,125.97	20,979,360,428.98
2. Increase for the period	489,910,678.86	42,910,460.68	409,955,400.68	50,963,867.40	993,740,407.62
(1) Provision	489,910,678.86	42,910,460.68	409,955,400.68	50,963,867.40	993,740,407.62
3. Decrease for the period	10,336,114.90	-	16,359,938.65	6,392,354.16	33,088,407.71
(1) Disposal or retirement	10,336,114.90	-	16,359,938.65	6,392,354.16	33,088,407.71
4. Reclassification adjustment	-5,822,631.00	-	5,822,631.00	-	-
5. Effect of changes in foreign exchange	61,222,836.34	1,658,145.48	75,399,575.92	7,984,960.90	146,265,518.64
6. Balance at 30 June 2022	10,185,739,499.96	590,783,613.12	10,248,990,234.34	1,060,764,600.11	22,086,277,947.53
III. Impairment provision					
1. Balance at 1 January 2022	57,419,468.96	63,906.47	42,717.28	-	57,526,092.71
2. Increase for the period	-	-	-	-	-
3. Decrease for the period	-	-	-	-	-
4. Balance at 30 June 2022	57,419,468.96	63,906.47	42,717.28	-	57,526,092.71
IV. Book value					
1. Book value at 30 June 2022	22,266,544,296.42	1,393,637,948.90	6,582,963,446.41	1,144,775,401.93	31,387,921,093.66
2. Book value at 1 January 2022	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) The Group has no fixed assets that are temporarily idle as at 30 June 2022.

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

17. Fixed assets - continued

17.2 Fixed assets - continued

(3) Fixed assets leased out under operating leases

Item	Closing carrying amount	Opening carrying amount
Buildings and structures	219,462,327.23	174,489,188.90
Port and terminal facilities	18,881,149.59	38,957,300.62
Machinery and equipment, furniture and fixture and other equipment	2,230,240.47	4,770,103.50
Total	240,573,717.29	218,216,593.02

(4) Fixed assets without ownership certificates

Item	Closing carrying amount	Opening carrying amount	Remarks
Buildings, structures, port and terminal facilities	1,783,898,071.50	2,086,360,399.74	This is mainly due to the fact that certain buildings and structures have not yet obtained the land use rights of the land for such fixed assets and the approval procedures have not yet been completed.

(5) Other issues

Item	Closing balance	Remark
Cost of fixed assets fully depreciated but still in use as at the end of the period	4,454,101,371.37	
Cost of fixed assets temporarily idle as at the end of the period	-	
Fixed assets disposed and retired for the period:		
Including: Cost of fixed assets disposed and retired	37,168,513.04	
Net value of fixed assets disposed and retired	4,080,105.33	
Profit or loss on disposal or retirement of fixed assets	-2,267,679.83	

(6) As at 30 June 2022, the Group's fixed assets with restricted ownership refer to Note (VIII) 62 for details.

17.3 Disposal of fixed assets

Item	Closing balance	Opening balance
Machinery and equipment, furniture and fixture and other equipment	137,856.45	78,950.02
Motor vehicles and cargo ships	78,666.95	78,666.95
Total	216,523.40	157,616.97

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

18. Construction in progress

(1) Summary of construction in progress

Item	Closing balance	Opening balance
Construction in progress	2,608,459,726.04	2,543,631,289.59
Materials for construction of fixed assets	7,626,405.99	13,953,664.33
Total	2,616,086,132.03	2,557,584,953.92

(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	2,210,318,462.33	-	2,210,318,462.33	2,177,670,930.47	-	2,177,670,930.47
Infrastructure	224,656,608.81	-	224,656,608.81	220,531,192.85	-	220,531,192.85
Berths and yards	11,473,491.01	-	11,473,491.01	15,718,097.89	-	15,718,097.89
Others	162,011,163.89	-	162,011,163.89	129,711,068.38	-	129,711,068.38
Total	2,608,459,726.04	-	2,608,459,726.04	2,543,631,289.59	-	2,543,631,289.59

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

18. Construction in progress - continued

(3) The top ten balances of construction in progress

Item	Budget amount	Opening balance	Increase for the period	Transfer to fixed assets	Other decreases for the period	Effect of changes in foreign exchange	Closing balance	Proportion of accumulated construction investment in budget (%)	Construction progress (%)	Amount of accumulated capitalized interest	Including: capitalized interest for the period	Interest capitalization rate for the current period (%)	Capital source
Reconstruction project of HIPG container, oil terminal and tank area	2,784,594,837.99	876,374,998.71	-	-	-	43,712,771.24	920,087,769.95	57.68	57.68	889,944.03	-	-	Self-funding and loan
General cargo terminal project at Donghai Island Port Area of Zhanjiang Port	905,348,400.00	399,676,589.24	130,283.02	-	-	-	399,806,872.26	44.16	44.16	44,364,372.49	-	-	Self-funding and loan
Phase I expansion project for the container terminal at Baoman Port Area, Zhanjiang Port	2,342,775,800.00	180,616,086.92	377,084.30	-	-	-	180,993,171.22	7.73	7.73	953,620.60	-	-	Self-funding and loan
Reconstruction project for Yard 16# of the bulk cargo terminal, Zhanjiang Port	190,000,000.00	178,886,437.77	3,092,990.30	-	-	-	181,979,428.07	95.78	95.78	5,080,523.98	2,181,216.72	4.07	Self-funding and loan
Phase I project for the stuffing and destuffing service area of Baoman Port Area, Zhanjiang Port	606,521,505.83	133,198,536.39	727,323.19	-	-	-	133,925,859.58	22.08	22.08	16,689,500.56	-	-	Self-funding and loan
Haixing renovation project and others	328,695,727.99	49,007,114.23	17,890,434.48	30,244.25	-	-	66,867,304.46	80.00	80.00	-	-	-	Self-funding
Back land Reclamation Project on Haidagan Bulk Yard and Supporting Facilities and Liquid Bulk Berth	60,140,000.00	59,111,396.60	209,277.60	-	-	-	59,320,674.20	99.00	99.00	-	-	-	Self-funding
Baoman Logistics Centre Project at Zhanjiang Port	608,535,600.00	55,668,801.93	-	-	-	-	55,668,801.93	9.15	9.15	-	-	-	Self-funding
28# Warehouse Relocation Project	67,670,000.00	47,477,624.53	2,477,064.22	-	-	-	49,954,688.75	73.82	73.82	-	-	-	Self-funding
HIPG subsequent construction in progress at Han Port	80,220,000.00	45,847,449.95	10,662,347.90	17,906,126.76	495,645.69	2,039,273.70	40,147,299.10	60.00	60.00	-	-	-	Self-funding
Total	7,974,501,871.81	2,025,865,036.27	35,566,805.01	17,936,371.01	495,645.69	45,752,044.94	2,088,751,869.52			67,977,961.66	2,181,216.72		

(4) Materials for construction of fixed assets

Item	Closing balance			Opening balance		
	Carrying amount	Provision for impairment	Book value	Carrying amount	Provision for impairment	Book value
Materials for construction of fixed assets	7,626,405.99	-	7,626,405.99	13,953,664.33	-	13,953,664.33

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

19. Right-of-use assets

(1) Details of right-of-use assets

Item	Port and terminal facilities	Buildings	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 2022	6,607,528,989.94	169,444,697.23	461,374,461.67	2,574,889,099.92	9,309,435.58	9,822,546,684.34
2. Increase for the period	140,918,274.68	-	7,054.25	17,330,062.14	10,283,003.25	168,538,394.32
(1) Purchase	140,918,274.68	-	7,054.25	17,330,062.14	10,283,003.25	168,538,394.32
3. Decrease for the period	556,587.70	3,877,939.06	1,368,474.70	-	-	5,803,001.46
(1) Termination of lease	556,587.70	3,877,939.06	1,368,474.70	-	-	5,803,001.46
4. Effect of changes in foreign exchange	272,903,639.04	6,169,963.74	698,612.31	128,299,833.41	-	408,072,048.50
5. Balance at 30 June 2022	7,020,794,315.96	171,736,721.91	460,711,653.53	2,720,518,995.47	19,592,438.83	10,393,354,125.70
II. Accumulated depreciation						
1. Balance at 1 January 2022	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
2. Increase for the period	122,988,891.16	9,435,050.88	14,135,804.70	24,573,773.17	2,885,635.26	174,019,155.17
(1) Provision	122,988,891.16	9,435,050.88	14,135,804.70	24,573,773.17	2,885,635.26	174,019,155.17
3. Decrease for the period	555,824.01	2,293,736.24	966,556.23	-	-	3,816,116.48
(1) Termination of lease	555,824.01	2,293,736.24	966,556.23	-	-	3,816,116.48
4. Effect of changes in foreign exchange	21,920,355.36	1,106,028.67	504,673.20	13,554,848.28	-	37,085,905.51
5. Balance at 30 June 2022	783,401,362.24	52,334,130.71	143,575,965.97	298,650,205.61	8,796,421.82	1,286,758,086.35
III. Impairment provision						
1. Balance at 1 January 2022	-	-	-	-	-	-
2. Increase for the period	-	-	-	-	-	-
3. Decrease for the period	-	-	-	-	-	-
4. Balance at 30 June 2022	-	-	-	-	-	-
IV. Book value						
1. Book value at 30 June 2022	6,237,392,953.72	119,402,591.20	317,135,687.56	2,421,868,789.86	10,796,017.01	9,106,596,039.35
2. Book value at 1 January 2022	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) Amount recognized in profit or loss

Category	Amount incurred in the current period
Depreciation expenses of right-of-use assets (Note 1)	174,019,155.17
Interest expenses on lease liabilities (Note 2)	38,284,349.10
Expenses for short-term leases	29,143,920.78
Expenses for leases of low value assets	1,491,716.96
Variable lease payments not included in the measurement of lease liabilities (Note 3)	-
Revenue from sublease of right-of-use assets	6,965,841.44

Note 1: No depreciation expenses of right-of-use assets are capitalized in the period from 1 January to 30 June 2022.

Note 2: No interest expenses of lease liabilities are capitalized in the period from 1 January to 30 June 2022.

Note 3: No variable lease payments were included in the measurement of lease liabilities in the period from 1 January to 30 June 2022.

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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 period from 1 January to 30 June 2022 amounting to RMB 135,717,792.79.
- (4) Lease assets of the Group with the lease term as follows:

Category	Lease term
Port and terminal facilities	1-99 years
Buildings	1-5 years
Machinery and equipment, furniture and fixture and other equipment	1-6 years
Motor vehicles and cargo ships	1-5 years
Others	1-35 years

20. Intangible assets

- (1) Details of intangible assets

Item	Land use rights	Terminal management rights	Others	Total
I. Total original carrying amount				
1. Balance at 1 January 2022	14,631,047,267.00	8,239,023,292.58	1,303,728,681.52	24,173,799,241.10
2. Increase for the year	942,556.51	2,412,143.60	23,702,393.53	27,057,093.64
(1) Purchase	942,556.51	2,412,143.60	18,513,974.06	21,868,674.17
(2) Transfer from construction in progress	-	-	5,188,419.47	5,188,419.47
3. Decrease for the period	9,878,501.55	-	-	9,878,501.55
(1) Disposal	-	-	-	-
(2) Transfer to investment properties	9,878,501.55	-	-	9,878,501.55
4. Effect of changes in foreign exchange	8,822,821.60	333,056,568.11	50,184,028.91	392,063,418.62
5. Balance at 30 June 2022	14,630,934,143.56	8,574,492,004.29	1,377,615,103.96	24,583,041,251.81
II. Accumulated depreciation				
1. Balance at 1 January 2022	3,711,905,647.14	1,519,335,933.88	467,145,279.15	5,698,386,860.17
2. Increase for the year	171,496,571.39	114,210,382.27	33,897,746.49	319,604,700.15
(1) Provision	171,496,571.39	114,210,382.27	33,897,746.49	319,604,700.15
3. Decrease for the period	2,585,076.75	-	-	2,585,076.75
(1) Disposal	-	-	-	-
(2) Transfer to investment properties	2,585,076.75	-	-	2,585,076.75
4. Effect of changes in foreign exchange	3,722,117.46	55,368,782.17	15,083,304.29	74,174,203.92
5. Balance at 30 June 2022	3,884,539,259.24	1,688,915,098.32	516,126,329.93	6,089,580,687.49
III. Impairment provision				
1. Balance at 1 January 2022	-	-	-	-
2. Increase for the period	-	-	-	-
3. Decrease for the period	-	-	-	-
4. Balance at 30 June 2022	-	-	-	-
IV. Book value				
1. Book value at 30 June 2022	10,746,394,884.32	6,885,576,905.97	861,488,774.03	18,493,460,564.32
2. Book value at 1 January 2022	10,919,141,619.86	6,719,687,358.70	836,583,402.37	18,475,412,380.93

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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 30 June 2022:

Item	Closing carrying amount	Opening carrying amount
Land use rights(Note)	1,849,091,435.77	1,882,080,080.20

Note: At 30 June 2022, the land use rights without ownership certificates mainly represent the land use rights for berth and storage yard within Chiwan Port area obtained by the Group from Nanshan Group, with an area of 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 918,521,317.23 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 cannot 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.

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

21. Development expenditure

Item	Opening balance	Increase in the current period	Decrease in the current period				Effect of changes in foreign exchange	Closing balance
			Transfer to intangible assets	Transfer to construction in progress	Transfer to fixed assets	Transfer to profit or loss for the period		
Portfolio ports project in Greater Bay Area	-	32,372,197.77	-	-	-	32,372,197.77	-	-
R&D of IoT application software system	-	5,827,326.58	-	-	-	5,827,326.58	-	-
R&D of port public information platform	-	5,671,032.24	-	-	-	5,671,032.24	-	-
R&D of intelligent gate system	-	5,358,771.30	-	-	-	5,358,771.30	-	-
Automation of RMG yard operation	-	4,612,340.96	-	-	-	4,612,340.96	-	-
Functionality enhancement project for the intelligent full-field transfer module for trailers	-	4,200,601.25	-	-	-	4,200,601.25	-	-
Development and update of wireless terminal production	-	4,005,763.13	-	-	-	4,005,763.13	-	-
R&D of remote-control RTG system for smash-proof safety protection of adjacent boxes	-	3,863,169.92	-	-	-	3,863,169.92	-	-
Smart port project	-	3,412,971.63	-	-	-	3,412,971.63	-	-
Smart gate project	-	3,262,340.85	-	-	-	3,262,340.85	-	-
R&D of autonomous safety protection system for gantry crane operation	-	3,078,355.71	-	-	-	3,078,355.71	-	-
Others	82,391,225.85	48,904,720.39	-	-	30,040,478.06	39,168,307.16	-	62,087,161.02
Total	82,391,225.85	124,569,591.73	-	-	30,040,478.06	114,833,178.50	-	62,087,161.02

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

22. Goodwill

(1) Carrying amount of goodwill

Investee	Opening balance	Increase	Decrease	Effect of changes in foreign exchange	Closing balance
TCP	2,329,133,573.36	-	-	275,832,272.60	2,604,965,845.96
Mega Shekou Container Terminals Limited	1,815,509,322.42	-	-	-	1,815,509,322.42
CMPort	993,992,000.00	-	-	-	993,992,000.00
Shantou Port	552,317,736.65	-	-	-	552,317,736.65
Zhanjiang Port (Group) Co., Ltd. ("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 Company Limited ("Ningbo Daxie")	188,497,194.41	-	-	-	188,497,194.41
Others	288,255,850.88	-	-	-	288,255,850.88
Total	6,994,823,986.40	-	-	275,832,272.60	7,270,656,259.00

(2) Provision for impairments of goodwill

Investee	Opening balance	Increase	Decrease	Effect of changes in foreign exchange	Closing balance
Zhanjiang Port	418,345,307.68	-	-	-	418,345,307.68
Shantou Port	552,317,736.65	-	-	-	552,317,736.65
Total	970,663,044.33	-	-	-	970,663,044.33

(3) Information of 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 30 June 2022, 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 for the period from 1 January to 30 June 2022 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.

23. Long-term prepaid expenses

Item	Opening balance (Restated)	Increase in the current period	Amortization in the current period	Other changes	Closing balance	Reason for other changes
Tonggu channel widening project (Note 1)	473,211,130.99	-	8,882,217.12	-	464,328,913.87	
West port area public channel widening project (Note 2)	252,759,769.78	-	3,320,513.98	-	249,439,255.80	
Dredging project	76,591,867.23	-	6,557,400.42	-	70,034,466.81	
Relocation project of Nanhai Rescue Bureau	38,661,479.90	-	553,684.20	-	38,107,795.70	
Leasehold improvement	20,786,525.04	6,913,245.53	1,385,481.07	-	26,314,289.50	
Others	113,983,768.58	16,256,254.17	16,592,176.39	-	113,647,846.36	
Total	975,994,541.52	23,169,499.70	37,291,473.18	-	961,872,568.04	

Note 1: This represent the Group's actual expenses on the Shenzhen West Port Area Tonggu Channel 210-270 Meters Widening Project. According to relevant resolutions of Shenzhen municipal government, the expenses incurred for the 210-240 Meters Widening Project are born by the enterprise and government on 60% to 40% principle, and the 240-270 Meters 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 life of 35 or 40 years using straight-line method since the completion of the two widening projects in 2008 and 2019, respectively.

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

23. Long-term prepaid expenses - continued

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	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Unrealized profit	766,887,701.51	187,276,045.72	769,833,723.80	187,934,375.63
Depreciation of fixed assets	174,288,428.11	38,493,103.34	174,310,058.63	38,498,510.97
Deductible losses	218,036,904.87	69,500,027.40	243,923,028.71	77,871,713.03
Provision for credit loss	134,776,259.10	22,673,991.19	134,107,345.89	22,607,019.97
Accrued and unpaid wages	132,072,868.68	31,869,261.11	133,228,573.09	32,069,398.58
Provisions	31,464,238.16	10,697,840.97	23,243,718.18	7,902,864.18
Deferred income	37,960,861.99	9,070,175.57	37,320,614.70	8,908,126.11
Amortization of computer	9,375,355.92	2,343,838.98	9,375,355.92	2,343,838.98
Organization costs	5,967,432.36	1,491,858.09	5,967,432.36	1,491,858.09
Provision for impairment losses of assets	3,858,354.37	964,588.59	3,858,354.37	964,588.59
Others	75,569,406.07	18,755,092.85	69,133,036.30	17,553,416.71
Total	1,590,257,811.14	393,135,823.81	1,604,301,241.95	398,145,710.84

(2) Deferred tax liabilities without offsetting

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Withholding dividend income tax	33,952,749,050.88	2,384,965,556.04	32,834,363,823.45	2,276,809,099.05
Fair value adjustment of assets acquired by business combination	7,824,115,963.67	1,784,128,784.33	7,922,514,263.15	1,794,717,729.81
Depreciation of fixed assets	896,683,494.88	240,925,764.77	855,120,746.48	226,223,855.58
Changes in fair value of other non-current financial assets	454,720,002.54	94,786,979.94	478,483,648.29	99,590,902.64
Changes in fair value of other equity investments	131,488,784.68	32,872,196.17	138,988,784.68	34,747,196.17
Others(Note)	1,161,023,182.22	122,937,763.19	1,101,926,283.77	118,328,687.36
Total	44,420,780,478.87	4,660,617,044.44	43,331,397,549.82	4,550,417,470.61

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.

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

24. Deferred income tax - continued

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

Item	Offset amount of deferred tax assets and liabilities in the current period	Deferred tax assets or liabilities after offsetting in the current period	Offset amount of deferred tax assets and liabilities in the prior period	Deferred tax assets or liabilities after offsetting in the prior period
Deferred tax assets	-	393,135,823.81	-	398,145,710.84
Deferred tax liabilities	-	4,660,617,044.44	-	4,550,417,470.61

(4) Details of unrecognized deferred tax assets

Item	Closing balance	Opening balance
Deductible temporary differences	960,300,792.58	944,129,558.25
Deductible losses	2,025,029,572.67	2,197,937,158.38
Total	2,985,330,365.25	3,142,066,716.63

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

(5) Deductible losses for unrecognized deferred tax assets will be expired in the following years:

Year	Closing balance	Opening balance
2022	321,213,089.46	418,419,582.20
2023	522,929,889.68	568,545,269.63
2024	472,227,487.08	501,044,247.06
2025	384,408,840.73	385,310,677.29
2026	147,209,763.68	300,322,682.88
2027	159,703,180.88	-
No expiration date	17,337,321.16	24,294,699.32
Total	2,025,029,572.67	2,197,937,158.38

25. Other non-current assets

Item	Closing balance	Opening balance
Advances of channel project (Note)	977,777,293.63	965,997,076.71
Prepayments of fixed assets	269,079,919.43	66,519,391.16
Prepayments of land use rights	132,334,704.86	132,334,704.86
Prepayments of terminal franchise	27,594,981.06	28,084,523.57
Others	54,532,290.51	38,157,256.39
Total	1,461,319,189.49	1,231,092,952.69
Less: Impairment provision	-	-
Book value	1,461,319,189.49	1,231,092,952.69

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

25. Other non-current assets - continued

Note: This represent 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 Company 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	14,281,113,052.95	12,450,169,472.03
Guaranteed loan (Note)	1,201,166,666.67	1,201,283,333.33
Total	15,482,279,719.62	13,651,452,805.36

Note: The loan is guaranteed by the Company.

(2) At 30 June 2022, the Group has no short-term borrowings that were overdue.

27. Notes payable

Category	Closing balance	Opening balance
Bank acceptance	-	-
Commercial acceptance	9,089,940.00	1,895,987.17
Total	9,089,940.00	1,895,987.17

28. Accounts payable

Item	Closing balance	Opening balance
Service fee	273,406,457.32	279,969,574.04
Material purchase	116,869,662.40	147,895,793.90
Construction fee	89,259,024.17	189,852,525.62
Equipment payments	24,795,168.16	34,478,229.18
Rental fee	7,049,888.69	6,226,422.72
Others	199,736,764.81	185,397,893.05
Total	711,116,965.55	843,820,438.51

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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)	634,699,330.97	89.25	751,095,352.31	89.01
More than 1 year but not exceeding 2 years (inclusive)	41,647,226.45	5.86	58,151,929.86	6.89
More than 2 years but not exceeding 3 years (inclusive)	9,263,026.05	1.30	8,515,047.38	1.01
More than 3 years	25,507,382.08	3.59	26,058,108.96	3.09
Total	711,116,965.55	100.00	843,820,438.51	100.00

(2) Significant accounts payable aged more than one year

Item	Amount	Aging	Reason for outstanding
Shenzhen Municipal Bureau of Land and Resources	21,642,795.50	More than 3 years	The government planning project has not been completed, and the certificates of property rights has not been processed.

29. Receipts in advance

Item	Closing balance	Opening balance
Rental fee received in advance	16,549,365.00	6,724,007.73
Administrative fee received in advance	3,216,243.41	2,163,886.70
Others	7,340,148.48	425,271.58
Total	27,105,756.89	9,313,166.01

(1) Aging analysis of receipts in advance

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year(inclusive)	27,090,006.89	99.94	9,283,472.35	99.68
More than 1 year but not exceeding 2 years (inclusive)	-	-	13,943.66	0.15
More than 2 years but not exceeding 3 years (inclusive)	-	-	-	-
More than 3 years	15,750.00	0.06	15,750.00	0.17
Total	27,105,756.89	100.00	9,313,166.01	100.00

(2) There is no significant receipts in advance aged more than one year at 30 June 2022.

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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
Service fee received in advance	124,781,626.22	47,772,567.97
Port charges received in advance	67,974,723.73	122,718,356.71
Warehousing fee received in advance	13,536,530.43	15,698,102.34
Others	19,058,094.47	10,595,498.24
Total	225,350,974.85	196,784,525.26
Less: Contract liabilities recognised in other non-current liabilities	-	-
Book value	225,350,974.85	196,784,525.26

(2) Amounts of significant movements in carrying amount of contract liabilities for the year and reasons thereof:

Item	Movements	Reason
Service fee received in advance	77,009,058.25	Fulfilment of performance obligations
Port charges received in advance	-54,743,632.98	Fulfilment of performance obligations
Total	22,265,425.27	

(3) There is no significant contract liabilities aged more than one year at 30 June 2022.

(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 fulfills its performance obligations.

(5) Revenue recognized in the current period and included in the opening carrying amount of contract liabilities

An amount of RMB 140,975,657.34 included in the book value of contract liabilities at the beginning of the period 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 119,807,526.78, contract liabilities arising from settled but unfinished construction resulting from the contract of receipt of service fee in advance amounting to RMB 12,165,227.34, contract liabilities arising from settled but unfinished construction resulting from the contract of receipt of warehousing fee in advance amounting to RMB 6,693,697.67 as well as contract liabilities arising from settled but unfinished construction resulting from other contracts amounting to RMB 2,309,205.55.

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

31. Employee benefits payable

(1) Details of employee benefits payable are as follows

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
1. Short-term benefits	808,913,314.49	1,646,317,477.64	1,710,267,801.10	744,962,991.03
2. Post-employment benefits - defined contribution plan	6,125,899.58	175,269,255.93	172,598,125.01	8,797,030.50
3. Termination benefits	5,900,000.00	4,367,856.76	6,963,585.38	3,304,271.38
4. Other benefits due within one year	-	1,610,139.31	1,610,139.31	-
5. Others	-522,798.60	2,097,499.84	2,049,426.48	-474,725.24
Total	820,416,415.47	1,829,662,229.48	1,893,489,077.28	756,589,567.67

(2) Short-term benefits

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Wages and salaries, bonuses, allowances and subsidies	783,600,775.04	1,361,312,365.51	1,429,114,909.30	715,798,231.25
II. Staff welfare	-	65,824,626.77	61,768,820.07	4,055,806.70
III. Social insurance charges	9,058,171.24	89,872,103.65	89,200,780.73	9,729,494.16
Including: Medical insurance	7,678,856.08	76,377,973.19	75,913,162.66	8,143,666.61
Work injury insurance	47,248.95	7,926,243.98	7,925,902.68	47,590.25
Others	1,332,066.21	5,567,886.48	5,361,715.39	1,538,237.30
IV. Housing funds	-74,747.24	93,795,256.89	93,563,731.80	156,777.85
V. Labor union and employee education funds	16,412,863.40	22,029,732.67	23,705,082.98	14,737,513.09
VI. Other short-term benefits	-83,747.95	13,483,392.15	12,914,476.22	485,167.98
Total	808,913,314.49	1,646,317,477.64	1,710,267,801.10	744,962,991.03

(3) Defined benefit plans

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Basic pension	5,795,491.40	134,348,034.87	133,040,828.75	7,102,697.52
II. Unemployment insurance	43,200.24	1,998,546.14	2,002,209.76	39,536.62
III. Enterprise annuity plan	287,207.94	38,922,674.92	37,555,086.50	1,654,796.36
Total	6,125,899.58	175,269,255.93	172,598,125.01	8,797,030.50

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. Except for the above-mentioned deposit fees, the Group have no outstanding contributions to be paid to the social security contributions and the unemployment insurance plan. The corresponding expenses are included in the current 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
Enterprise income tax	1,022,922,220.91	2,098,884,089.24
VAT	28,553,676.79	19,025,631.30
Others	92,015,700.53	44,809,531.14
Total	1,143,491,598.23	2,162,719,251.68

33. Other payables

(1) Summary of other payables

Item	Closing balance	Opening balance
Dividends payable	1,842,431,566.85	48,803,019.31
Other payables	1,642,654,215.34	2,091,305,321.77
Total	3,485,085,782.19	2,140,108,341.08

(2) Dividends payable

Item	Closing balance	Opening balance
Ordinary share dividends	1,842,431,566.85	48,803,019.31
Including: External entities (Note)	829,505,285.46	28,803,019.31
CHINA MERCHANTS UNION (BVI) LIMITED	510,276,268.24	-
Jingmao Guande Development Co., Ltd.	147,480,014.09	-
Ningbo Zhoushan	100,465,755.99	-
Zhanjiang Infrastructure Construction Investment Group Co., Ltd.	99,560,234.06	-
Hong Kong International Enterprises Co., Ltd.	77,735,005.59	-
Citic Port Invest Co., Ltd.	57,409,003.42	-
China Merchants Zhangzhou Development Zone Co., Ltd. (Note)	20,000,000.00	20,000,000.00

Note: As at 30 June 2022, the dividends payable over one year include RMB 20,000,000.00 due to China Merchants Zhangzhou Development Zone Co., Ltd., RMB 12,160,517.31 due to Dalian Port Container Development Co., Ltd. (hereinafter referred to as "Dalian Port Container"), RMB 3,972,477.39 due to Dalian Port Jifa Logistics Co., Ltd., which are dividends not yet received by the investors.

(3) Other payables

(a) Disclosure of other payables by nature

Item	Closing balance	Opening balance
Amount payable for construction and quality warranty	588,429,555.63	821,093,777.44
Deposits	194,712,014.30	446,198,541.16
Customer discount (Note)	216,471,669.77	102,393,978.35
Accrued expenses	99,371,673.74	198,863,463.79
Port construction and security fee	58,680,124.37	59,026,576.51
Balance of land use rights transfer	11,295,700.00	11,295,700.00
Others	473,693,477.53	452,433,284.52
Total	1,642,654,215.34	2,091,305,321.77

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

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

33. Other payables - continued

(3) Other payables - continued

(b) Significant other payables with aging over 1 year

Company name	Closing balance	Aging	Reason for being outstanding or carried forward
The Second Engineering Company of CCCC Fourth Harbor Engineering Co., Ltd.	85,015,164.93	More than 1 year but not exceeding 2 years	To be paid upon confirmation by both parties
Shenzhen Transportation Commission	79,639,296.08	More than 2 years but not exceeding 3 years; More than 3 years	To be paid upon confirmation by both parties
Zhenhua Port Machinery Company Limited	34,239,544.52	More than 3 years	To be paid upon confirmation by both parties
Shantou Municipal Transport Bureau	31,358,355.47	More than 3 years	To be paid upon confirmation by both parties
Zhanjiang Municipal Transport Bureau	30,958,309.85	More than 1 year but not exceeding 2 years; More than 2 years but not exceeding 3 years	To be paid upon confirmation by both parties
Guangdong Jiaye Reserve Logistics Co., Ltd.	25,000,000.00	More than 2 years but not exceeding 3 years	Contractual settlement conditions have not been met
Qingdao Maritime Safety Administration	20,713,982.12	More than 3 years	To be paid upon confirmation by both parties
China First Metallurgical Group Co., Ltd.	16,798,178.60	More than 1 year but not exceeding 2 years; More than 2 years but not exceeding 3 years; More than 3 years	Contractual settlement conditions have not been met
Total	323,722,831.57		

34. Non-current liabilities due within one year

Item	Closing balance	Opening balance
Long-term loans due within one year(Note VIII 36)	1,323,805,705.97	1,187,781,073.61
Including: Credit loan	460,874,553.85	399,437,084.19
Guaranteed loan	187,292,141.51	158,812,554.95
Mortgage and pledged loan	675,639,010.61	629,531,434.47
Bonds payable due within one year(Note VIII 37)	883,327,840.24	6,554,177,357.66
Lease liabilities due within one year(Note VIII 38)	374,351,389.39	298,117,295.41
Long-term payable due within one year(Note VIII 39)	144,065,314.37	139,696,643.49
Long-term employee benefits payable due within one year(Note VIII 40)	64,306,914.00	64,306,914.00
Other non-current liabilities due within one year(Note VIII 43)	24,130,000.00	24,130,000.00
Total	2,813,987,163.97	8,268,209,284.17

35. Other current liabilities

Item	Closing balance	Opening balance
Short-term bonds payable	5,019,617,260.31	2,002,416,438.36
Accrued professional agency fee	125,096,529.17	128,664,439.94
Others	18,861,958.58	27,416,897.55
Total	5,163,575,748.06	2,158,497,775.85

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

35. Other current liabilities - continued

Changes of short-term bonds payable:

Name of bond	Face value	Date of issue	Term of the bond	Amount of issue	Opening balance	Amount issued in the current period	Interest accrued based on par value	Discount or premium amortization	Repayment in the current period	Closing balance
2.45% RMB 2 billion Super & Short-term Commercial Paper	2,000,000,000.00	2021-12-13	90 days	2,000,000,000.00	2,002,416,438.36	-	9,665,753.42	-	2,012,082,191.78	-
2.32% RMB 2 billion Super & Short-term Commercial Paper	2,000,000,000.00	2022-1-17	90 days	2,000,000,000.00	-	2,000,000,000.00	11,383,890.41	-	2,011,383,890.41	-
2.15% RMB 1 billion Super & Short-term Commercial Paper	1,000,000,000.00	2022-3-2	180 days	1,000,000,000.00	-	1,000,000,000.00	7,009,589.05	-	-	1,007,009,589.05
2.13% RMB 2 billion Super & Short-term Commercial Paper	2,000,000,000.00	2022-3-28	180 days	2,000,000,000.00	-	2,000,000,000.00	10,854,246.59	-	-	2,010,854,246.59
2.00% RMB 2 billion Super & Short-term Commercial Paper	2,000,000,000.00	2022-6-14	180 days	2,000,000,000.00	-	2,000,000,000.00	1,753,424.67	-	-	2,001,753,424.67
Total	9,000,000,000.00			9,000,000,000.00	2,002,416,438.36	7,000,000,000.00	40,666,904.14	-	4,023,466,082.19	5,019,617,260.31

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

36. Long-term borrowings

Item	Closing balance	Opening balance	Range of year-end interest rate (%)
Credit borrowings	6,263,701,606.06	5,366,543,524.76	1.20%-4.80%
Guaranteed borrowings (Note 1)	982,862,131.51	1,076,679,935.08	1.20%-14.40%
Mortgage borrowings (Note 2)	1,654,283,225.04	1,889,397,484.66	3.41%-4.65%
Total	8,900,846,962.61	8,332,620,944.50	1.20%-14.40%
Less: Long-term borrowings due within one year	1,323,805,705.97	1,187,781,073.61	— —
Including: Credit borrowings	460,874,553.85	399,437,084.19	— —
Guaranteed borrowings	187,292,141.51	158,812,554.95	— —
Mortgage borrowings	675,639,010.61	629,531,434.47	— —
Long-term borrowings due after one year	7,577,041,256.64	7,144,839,870.89	— —

Note 1: The loan was guaranteed by Shenzhen Magang Cangma Co., Ltd, China Merchants Port Services (Shenzhen) Co., Ltd, CMPort and Guangdong Zhanjiang Port Logistics Co., Ltd.

Note 2: As at 30 June 2022, the Group obtained the long-term loan of RMB1,654,283,225.04 (31 December 2021: RMB 1,889,397,484.66) with its entire equity in Colombo International Container Terminals Limited (hereinafter referred to as "CICT") and Thesar Maritime Limited (hereinafter referred to as "TML"), and the land use right, fixed assets and construction in progress held by Guangdong Yide Port Co., Ltd. (hereinafter referred to as "Yide Port"), the land use right of Shenzhen Haixing Harbor Development Co., Ltd. (hereinafter referred to as "Shenzhen Haixing"), as well as the land with property right and fixed assets of China Merchants Port (Zhoushan) RoRo Terminal Co., Ltd. (hereinafter referred to as "Zhoushan RoRo Terminal"), mortgaged as collaterals.

Details of mortgage and pledged borrowings are as follows:

Company name	Closing balance	Opening balance	Mortgages and pledges
China Development Bank Corporation	632,008,053.04	747,186,761.93	The Group's entire equity in CICT
International Finance Corporation	171,866,042.04	230,966,536.60	The Group's entire equity in TML
African Development Bank	78,914,741.50	106,074,913.93	
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.	65,027,311.28	87,410,830.23	
The Opec Fund For International Development	55,704,747.06	74,876,376.58	
Societe de Promotion et de Participation pour la Cooperation Economique S.A.	55,743,903.11	74,932,105.74	
Deutsche Investitions-und Entwicklungsgesellschaft MBH	46,420,373.79	62,397,008.21	
Bank of China Qianhai Shekou Branch	284,443,029.75	241,370,822.03	
China Construction Bank Shunde Branch	254,144,329.03	264,182,129.41	Land use rights, fixed assets and construction in progress of Yide Port (see Note (VIII) 62)
China Mingsheng Bank Zhoushan Branch	10,010,694.44	-	Land use rights and fixed assets of Zhoushan RoRo Terminal (see Note (VIII) 62)
Total	1,654,283,225.04	1,889,397,484.66	

Note: See Note (VIII) 62 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	6,109,537,705.29	5,814,296,318.30
5.000%, USD 600 million corporate bond	4,054,499,710.36	3,859,622,116.07
4.750%, USD 500 million corporate bond	3,398,249,302.86	3,236,350,690.37
4.000%, USD 500 million corporate bond	3,340,477,474.45	-
3.360%, RMB 2 billion corporate bond	2,065,911,232.87	2,032,587,397.26
3.520%, RMB 2 billion corporate bond	2,014,658,630.13	2,050,147,945.19
IPCA + 7.8164%, BRL 300 million corporate bond	542,021,815.00	438,789,671.67
5.000%, USD 500 million corporate bond	-	3,207,848,098.69
4.890%, RMB 2.5 billion corporate bond	-	2,585,407,534.25
Total	21,525,355,870.96	23,225,049,771.80
Less: Bonds payable due within one year	883,327,840.24	6,554,177,357.66
Bonds payable due after one year	20,642,028,030.72	16,670,872,414.14

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

37. Bonds payable - continued

(2) Changes of bonds payable

Name of bond	Face value	Date of issue	Term of the bond	Amount of issue	Opening balance	Amount issued in the current period	Interest accrued based on par value	Discount or premium amortization	Repayment in the current period	Effect of changes in foreign exchange	Closing balance
4.375%, USD 900 million corporate bond	USD900,000,000.00	2018-08-06	5 years	USD900,000,000.00	5,814,296,318.30	-	126,955,531.54	5,246,925.41	126,877,175.97	289,916,106.01	6,109,537,705.29
5.000%, USD 600 million corporate bond	USD600,000,000.00	2018-08-06	10 years	USD600,000,000.00	3,859,622,116.07	-	96,728,024.18	2,450,902.72	96,668,324.55	192,366,991.94	4,054,499,710.36
4.750%, USD 500 million corporate bond	USD500,000,000.00	2015-08-03	10 years	USD500,000,000.00	3,236,350,690.37	-	76,102,335.31	1,151,511.22	76,924,213.56	161,568,979.52	3,398,249,302.86
4.000%, USD 500 million corporate bond	USD500,000,000.00	2022-06-01	5 years	USD500,000,000.00	-	3,351,484,939.46	10,679,778.85	187,869.09	-	-21,875,112.95	3,340,477,474.45
3.360%, RMB 2 billion corporate bond	RMB2,000,000,000.00	2020-07-07	3 years	RMB2,000,000,000.00	2,032,587,397.26	-	65,911,232.87	-	32,587,397.26	-	2,065,911,232.87
3.520%, RMB 2 billion corporate bond	RMB2,000,000,000.00	2021-04-14	3 years	RMB2,000,000,000.00	2,050,147,945.19	-	14,658,630.13	-	50,147,945.19	-	2,014,658,630.13
IPCA + 7.8164%, BRL 300 million corporate bond	BRL 299,632,900.00	2016-11-07	6 years	BRL 299,632,900.00	438,789,671.67	-	45,618,109.23	4,025,800.12	-	53,588,233.98	542,021,815.00
5.000%, USD 500 million corporate bond	USD 500,000,000.00	2012-05-04	10 years	USD 500,000,000.00	3,207,848,098.69	-	53,981,908.57	2,287,423.20	3,328,702,116.38	64,584,685.92	-
4.890%, RMB 2.5 billion corporate bond	RMB 2,500,000,000.00	2017-04-21	5 years	RMB 2,500,000,000.00	2,585,407,534.25	-	36,842,465.75	-	2,622,250,000.00	-	-
Total					23,225,049,771.80	3,351,484,939.46	527,478,016.43	15,350,431.76	6,334,157,172.91	740,149,884.42	21,525,355,870.96
Less: Bonds payable due within one year					6,554,177,357.66	-	-	-	-	-	883,327,840.24
Bonds payable due after one year					16,670,872,414.14	-	-	-	-	-	20,642,028,030.72

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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
Lease payment	2,169,995,959.09	2,060,643,997.13
Unrecognized financing cost	-735,464,192.26	-707,331,795.63
Total	1,434,531,766.83	1,353,312,201.50
Less: Lease liabilities due within one year	374,351,389.39	298,117,295.41
Lease liabilities due after one year	1,060,180,377.44	1,055,194,906.09

(2) Maturity of lease liabilities

Item	Closing balance
Minimum lease payments under non-cancellable leases:	
1 st year subsequent to the balance sheet date	439,406,737.60
2 nd year subsequent to the balance sheet date	325,037,704.15
3 rd year subsequent to the balance sheet date	78,604,527.55
Subsequent periods	1,326,946,989.79
Total	2,169,995,959.09

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	3,795,229,899.97	3,540,616,228.99
Special payables	18,004,727.43	21,259,780.90
Total	3,813,234,627.40	3,561,876,009.89
Less: Long-term payables due within one year	144,065,314.37	139,696,643.49
Long-term payables due after one year	3,669,169,313.03	3,422,179,366.40

(2) Long-term payables

Item	Closing balance	Opening balance
Terminal management rights (Note 1)	3,530,551,003.02	3,125,647,576.58
Payable to minority shareholders of subsidiaries (Note 2)	213,540,487.14	411,858,969.58
Others	51,138,409.81	3,109,682.83
Total	3,795,229,899.97	3,540,616,228.99
Less: Long-term payables due within one year	144,065,314.37	139,696,643.49
Long-term payables due after one year	3,651,164,585.60	3,400,919,585.50

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

39. Long-term payables - continued

(2) Long-term payables – continued

Note 1: As at 12 August 2011, the Group reached a 35-year agreement of building, operation and transfer with Sri Lanka Port Authority through a subsidiary CICT, on the building, operation, management and development of the Colombo Port South Container Terminal (hereinafter referred to as for "BOT"). The purchase amount of above-mentioned terminal operating rights is determined by discounting the amount to be paid in the future using the prevailing market interest rate according to the BOT agreement. As of 30 June 2022, the amount payable for the purchase of terminal operation rights is RMB 822,335,311.18.

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 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 readjusted the royalties using the IPCA index. As at 30 June 2022, the amount of royalty payable was RMB 2,708,215,691.84.

Note 2: It is an unsecured loan from minority shareholder of Thesar Maritime Limited, a subsidiary of the Company, with an annual interest rate of 4.65%.

(3) Special payables

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Reason
Refunds of harbor construction fee	12,675,502.52	-	3,411,635.36	9,263,867.16	Note 1
Employee housing fund	4,686,678.97	244,274.89	50.00	4,930,903.86	Note 2
Model worker innovation studio	3,897,599.41	-	87,643.00	3,809,956.41	
Total	21,259,780.90	244,274.89	3,499,328.36	18,004,727.43	

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.

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

39. Long-term payables - continued

(3) Special payables - continued

Note 2: This represents 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	459,842,939.67	463,858,274.44
Termination benefits	67,348,606.72	71,467,335.47
Others (Note)	98,901,244.28	117,662,796.72
Total	626,092,790.67	652,988,406.63
Less: Long-term employee benefits payable due within one year	64,306,914.00	64,306,914.00
Long-term employee benefits payable due after one year	561,785,876.67	588,681,492.63

Note: It is the employee resettlement cost related to land acquisition and reserve of Shantou Port, a subsidiary of the Company.

(2) Changes of defined benefits plan

Present value of defined benefits plan obligation:

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Opening balance	463,858,274.44	429,830,989.42
II. Defined benefits cost included in profit or loss for the period	10,819,999.96	12,698,930.72
1. Current service cost	3,684,999.98	4,933,930.72
2. Past service cost	-	-
3. Interest adjustment	7,134,999.98	7,765,000.00
III. Defined benefits cost included in other comprehensive income	-4,486.41	-200,890.65
1. Actuarial gains (losses)	-	-
2. Effect of exchange rate changes	-4,486.41	-200,890.65
IV. Other changes	-14,830,848.32	-14,847,531.25
1. Benefits paid	-14,830,848.32	-14,847,531.25
V. Closing balance	459,842,939.67	427,481,498.24

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

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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 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
Pending litigation	225788	58826		25392	31,464,238.16	Note
Other	108821		108821		-	
Total	224709	58826	108821	25392	31,464,238.16	

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	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Government grants	1,075,566,122.15	418,200.00	22,802,653.80	1,053,181,668.35
Unrealized sale-and-leaseback income	391,762.76	-	259,468.68	132,294.08
Total	1,075,957,884.91	418,200.00	23,062,122.48	1,053,313,962.43

Items involving government grants are as follows:

Liabilities	Opening balance	Increase	Recognized in Other comprehensive income	Closing balance	Related to assets /related to income
Refund from marine reclamation land	336,471,484.55	-	9,674,583.96	326,796,900.59	Related to assets
Tonggu channel widening project(Note)	262,314,289.68	-	3,599,086.76	258,715,202.92	Related to assets
Special subsidy for facilities and equipment	233,339,756.18	-	4,730,463.54	228,609,292.64	Related to assets
Western port area western public channel widening project (Note)	208,661,435.58	-	2,719,858.14	205,941,577.44	Related to assets
Government subsidies for intelligent system	13,471,673.46	418,200.00	1,293,489.54	12,596,383.92	Related to assets
Refund of land transfer charges	6,301,466.61	-	133,600.02	6,167,866.59	Related to assets
Green low carbon port project	140,390.02	-	140,390.02	-	Related to assets
Others	14,865,626.07	-	511,181.82	14,354,444.25	Related to assets
Total	1,075,566,122.15	418,200.00	22,802,653.80	1,053,181,668.35	

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

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

43. Other non-current liabilities

Item	Closing balance	Opening balance
Actuarial expenses for pension treatment of staff in Public Security Bureau (Note 1)	179,619,999.98	176,939,999.96
Berth priority call right (Note 2)	7,037,835.97	9,595,454.89
Others	1,121,355.99	660,123.68
Total	187,779,191.94	187,195,578.53
Less: Other non-current liabilities due within one year	24,130,000.00	24,130,000.00
Including: Actuarial expenses for pension treatment of staff in Public Security Bureau (Note 1)	24,130,000.00	24,130,000.00
Other non-current liabilities due after one year	163,649,191.94	163,065,578.53

Note 1: Zhanjiang Port, a subsidiary of the Company, transferred the police station of Zhanjiang Port to the People's Government of Zhanjiang in accordance with the Notice of Issuing the Deepening Reform Plan for the Management System of Gotown Public Security (State Commission Office of Public Sectors Reform [2017] No. 327) and the Notice of Issuing the Reform Implementation Plan for the Management System of Gotown Public Security (Yue Ji Bian Ban Fa [2018] No. 221). Policemen on the payroll of the original Zhanjiang Port Police Station will be transitioned to be civil servants per national regulations, retired policemen will be included in the scope of pension insurance of Zhanjian government departments and public institutions, where the difference of pension benefits between the original standard and the standard for policemen of Zhanjiang City (hereinafter referred to as "difference of pension benefits") will be borne by Zhanjiang Port. Thus, Zhanjiang Port made a provision of RMB 179,619,999.98 for the related liability.

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. For the period from 1 January to 30 June 2022, the amount included in operating income was RMB 2,557,618.92.

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

44. Share capital

Item	Opening balance	Changes for the period					Closing balance
		New issue of share	Bonus issue	Capitalization of surplus reserve	Others	Sub-total	
For the period from 1 January to 30 June 2022							
I. Restricted tradable shares							
1. State-owned shares	-	-	-	-	-	-	-
2. State-owned legal person shares	-	-	-	-	-	-	-
3. Other domestic shares	9,821.00	-	-	-	-2,455.00	-2,455.00	7,366.00
4. Foreign shares	1,148,648,648.00	-	-	-	-	-	1,148,648,648.00
Total restricted tradable shares	1,148,658,469.00	-	-	-	-2,455.00	-2,455.00	1,148,656,014.00
II. Non-restricted tradable shares							
1. Ordinary shares denominated in RMB	593,820,070.00	-	-	-	325.00	325.00	593,820,395.00
2. Foreign capital shares listed domestically	179,886,585.00	-	-	-	2,130.00	2,130.00	179,888,715.00
3. Foreign capital shares listed overseas	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-
Total non-restricted tradable shares	773,706,655.00	-	-	-	2,455.00	2,455.00	773,709,110.00
III. Total shares	1,922,365,124.00	-	-	-	-	-	1,922,365,124.00

Item	Opening balance	Changes for the period					Closing balance
		New issue of share	Bonus issue	Capitalization of surplus reserve	Others	Sub-total	
For the year ended 31 December 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

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

45. Capital reserve

Item	Opening balance	Increase	Decrease	Closing balance
For the period from 1 January to 30 June 2022				
Capital premium	23,189,922,809.62	239,845,666.58	-	23,429,768,476.20
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	13,302,937,205.73	-	-	13,302,937,205.73
Differences arising from acquisition of minority interests(Note 1)	1,215,209,939.74	239,845,666.58	-	1,455,055,606.32
Others	1,658,783,180.21	-	-	1,658,783,180.21
Other capital reserve	402,779,949.08	15,431,560.46	1,245,688.61	416,965,820.93
Including: Transfer from capital reserve under the previous accounting system	-2,781,133.00	-	-	-2,781,133.00
Share based payment without exercise(Note 2)	9,956,938.60	3,448,276.71	-	13,405,215.31
Other changes in owners' equity of the investee under equity method other than changes in net profit or loss, profit distribution and other comprehensive income	395,604,143.48	11,983,283.75	-	407,587,427.23
Others	-	-	1,245,688.61	-1,245,688.61
Total	23,592,702,758.70	255,277,227.04	1,245,688.61	23,846,734,297.13

Note 1: The Company and its subsidiary, Port Development (Hong Kong) Co., Ltd., ("Port Development (Hong Kong)") increased the holding of ordinary shares in CMPort, which increased the capital reserve by RMB 239,845,666.58 in the current year. Refer to Note (X) 2 for details.

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

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

46. Other comprehensive income

Item	Opening balance	Amount incurred in the period					Less: Other comprehensive income transfer to capital reserve	Closing balance
		Pre-tax amount for the period	Less: Amount included in other comprehensive income in the prior periods transferred to profit or loss this period	Less: Income tax expense	Post-tax income attributable to owners of the Company	Post-tax income attributable to minority shareholders		
For the period from 1 January to 30 June 2022:								
I. Other comprehensive income that will not be reclassified subsequently to profit or loss	81,233,996.26	-177,468,679.49	-	471,760.58	-76,728,084.39	-101,212,355.68	7,513,669.91	-3,007,758.04
Including: Changes arising from rereasurement of defined benefits plan	2,603,415.85	-	-	-	-	-	-	2,603,415.85
Other comprehensive income that can't be transferred to profit or loss under equity method	2,643,088.68	-179,833,765.49	-	-	-78,616,754.21	-101,217,011.28	-	-75,973,665.53
Changes in fair value of other equity instruments	75,987,491.73	2,365,086.00	-	471,760.58	1,888,669.82	4,655.60	7,513,669.91	70,362,491.64
II. Other comprehensive income that will be reclassified subsequently to profit or loss	-971,359,314.44	619,669,556.34	-	-	58,032,022.74	561,637,533.60	-	-913,327,291.70
Including: Other comprehensive income that may be transferred to profit or loss under equity method	49,431,519.10	-266,312,840.26	-	-	-117,324,901.44	-148,987,938.82	-	-67,893,382.34
Translation differences of financial statements denominated in foreign currencies	-1,020,790,833.54	885,982,396.60	-	-	175,356,924.18	710,625,472.42	-	-845,433,909.36
Total other comprehensive income	-890,125,318.18	442,200,876.85	-	471,760.58	-18,696,061.65	460,425,177.92	7,513,669.91	-916,335,049.74
For the year ended 31 December 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 rereasurement 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

47. Special reserve

Item	Opening balance	Increase	Decrease	Closing balance
For the period from 1 January to 30 June 2022				
Production safety reserve	9,184,429.12	32,027,158.31	8,895,751.51	32,315,835.92

48. Surplus reserve

Item	Opening balance	Increase	Decrease	Closing balance
For the period from 1 January to 30 June 2022				
Statutory surplus reserve	961,182,562.00	-	-	961,182,562.00

49. Unappropriated profit

Item	Amount	Proportion of appropriation or allocation
For the period from 1 January to 30 June 2022		
Unappropriated profit at the beginning of period before adjustment	14,205,879,106.49	
Add: Adjustment of unappropriated profit at the beginning of the period	-	
Unappropriated profit at the beginning of period after adjustment	14,205,879,106.49	
Add: Net profit attributable to shareholders of the Company for the period	1,981,861,324.62	
Less: Appropriation to statutory surplus reserve	-	
Appropriation to discretionary surplus reserve	-	
Appropriation to general risk reserve	-	
Ordinary shares' dividends payable	826,617,003.32	Note
Pension Benefits	-	
Others	-7,513,669.91	
Unappropriated profit at the end of the period	15,368,637,097.70	

Item	Amount	Proportion of appropriation or allocation
For the year ended 31 December 2021		
Unappropriated profit at the end of prior year before adjustment	12,316,177,395.17	
Add: Adjustment of unappropriated profit at the beginning of the year	12,942,703.53	
Including: Changes in scope of consolidation of enterprises under common control	12,942,703.53	
Unappropriated profit at the beginning of the period after adjustment (restated)	12,329,120,098.70	
Add: Net profit attributable to shareholders of the Company for the year	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	
Pension benefits	3,525,104.12	
Others	4,554,105.32	
Unappropriated profit at the end of the year	14,205,879,106.49	

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

49. Unappropriated profit - continued

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

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	
	Income	Cost	Income	Cost
Principal operating	8,082,386,860.84	4,522,454,260.85	7,253,456,936.53	4,084,989,279.30
Other operating	68,075,506.35	114,914,620.80	86,485,925.73	113,461,884.97
Total	8,150,462,367.19	4,637,368,881.65	7,339,942,862.26	4,198,451,164.27

(2) Revenue from contracts

Categories of contracts	Ports operation	Bonded logistics operation	Other operation	Total
Mainland China, Hong Kong and Taiwan area	5,943,495,002.29	188,618,709.21	68,075,506.35	6,200,189,217.85
- Pearl River Delta	3,437,254,973.24	117,533,542.53	68,075,506.35	3,622,864,022.12
- Yangtze River Delta	649,729,096.28	-	-	649,729,096.28
- Bohai Rim	33,866,877.90	71,085,166.68	-	104,952,044.58
- Other areas	1,822,644,054.87	-	-	1,822,644,054.87
Other countries	1,929,566,724.83	20,706,424.51	-	1,950,273,149.34
Total	7,873,061,727.12	209,325,133.72	68,075,506.35	8,150,462,367.19

(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 fulfillment 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.

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(VIII) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS - continued**50. Operating income and operating costs - continued****(3) Description of performance obligations - continued**

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 period, 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. 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).

51. Taxes and levies

Item	Amount incurred in the current period	Amount incurred in the prior period
Property tax	36,445,186.60	34,695,044.14
Land use tax	18,256,154.56	18,759,104.16
City construction and maintenance tax	4,410,503.24	4,645,878.43
Education surcharges and local education surcharges	3,271,326.62	3,499,847.04
Stamp duty	2,171,053.36	1,588,858.62
Others (Note)	70,960,315.69	24,482,902.09
Total	135,514,540.07	87,671,634.48

Note: Others are mainly: (1) 2 taxes, the Program of Social Integration and Contribution for the Financing of Social Security and Tax on Services, with total amount of BRL 53,143,988.38 (equivalent to RMB 67,784,031.58) assumed by Company's subsidiary TCP in the current period. The total amount is; and (2) the environmental protection tax of RMB 2,565,799.05 assumed by Zhanjiang Port, a subsidiary of the company, in the current period.

52. Administrative expenses

Item	Amount incurred in the current period	Amount incurred in the prior period
Employee's salary	602,477,006.88	571,878,311.76
Depreciation expenses	39,373,984.62	36,293,887.29
Amortization of intangible assets	28,961,337.07	31,103,215.97
Fees paid to agencies	35,451,603.67	21,580,976.43
Others	106,238,728.31	105,513,581.92
Total	812,502,660.55	766,369,973.37

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

53. Financial expenses

Item	Amount incurred in the current period	Amount incurred in the prior period
Interest expenses	1,117,272,966.05	894,059,966.10
Less: Capitalized interest expenses	14,559,885.48	43,265,921.33
Less: Interest income	212,820,789.37	183,191,011.93
Interest expenses of lease liabilities	38,284,349.10	41,716,504.99
Handling fee	12,011,540.57	8,429,111.68
Exchange differences	409,143,801.31	8,584,164.43
Others	2,613,065.49	3,776,199.94
Total	1,351,945,047.67	730,109,013.88

54. Other income

Item	Amount incurred in the current period	Amount incurred in the prior period
Subsidy for business development	31,566,099.04	251,275,221.00
Transferred from deferred income(Note VIII 42)	22,802,653.80	21,019,719.24
Additional deduction of VAT	14,149,044.01	12,256,071.53
Subsidy for business operation	8,918,543.30	2,158,465.47
Subsidy for job stabilization	4,738,985.48	13,934,992.63
Special fund for innovation	1,911,900.00	1,674,200.00
Refund of withholding tax	1,418,500.68	1,751,374.91
Others	1,975,098.34	1,912,213.84
Total	87,480,824.65	305,982,258.62

55. Investment income

(1) Details of investment income

Item	Amount incurred in the current period	Amount incurred in the prior period
Long-term equity investments income under equity method	4,211,173,480.05	3,557,359,417.25
Including: Long-term equity investments income of associated enterprises under equity method	4,013,474,427.71	3,462,322,244.32
Including: Long-term equity investments income of joint venture under equity method	197,699,052.34	95,037,172.93
Investment income from disposal of long-term equity investment	-43,817.42	-
Investment income on held-for-trading financial assets	143,904,101.39	7,908,358.90
Investment income on other non-current financial assets	-	40,188,401.29
Dividend income on other equity instruments	240,001.47	460,000.00
Interest income on debt investments	-	3,827,414.15
Total	4,355,273,765.49	3,609,743,591.59

There is no significant restriction on the remittance of the Group's investment income.

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

55. Investment income - continued

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

Investee	Amount incurred in the current period	Amount incurred in the prior period	Reason for changes
Shanghai Port Group	2,960,021,044.89	2,327,928,232.22	Changes in net profit of investee
Port De Djibouti S.A	511,374,203.72	1,166,486.11	Changes in net profit of investee
Terminal Link SAS	198,772,626.71	182,473,114.97	Changes in net profit of investee
Ninbo Zhoushan	125,568,457.33	107,573,645.07	Changes in net profit of investee
Nanshan Group	50,936,344.06	560,718,761.21	Changes in net profit of investee
Liaoning Port	83,953,806.32	91,600,129.01	Changes in net profit of investee
Modern Terminals Limited	67,145,545.55	41,893,785.31	Changes in net profit of investee
Qingdao Qianwan United Container Terminal Co., Ltd.	56,430,615.96	30,849,525.86	Changes in net profit of investee
Euro-Asia Oceangate S. à r.l.	48,659,755.96	35,657,835.28	Changes in net profit of investee
Shenzhen China Merchants Qianhai Industrial Development Co., Ltd.	13,281,800.00	108,224,200.00	Changes in net profit of investee
Others	95,029,279.55	69,273,702.21	Changes in net profit of investee
Total	4,211,173,480.05	3,557,359,417.25	

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	8,456,691.77	7,839.21
Other non-current financial assets	-46,482,804.35	-45,536,366.63
Including: Financial assets at fair value through profit or loss	-46,482,804.35	-45,536,366.63
Other non-current liabilities	-	-443,004,339.03
Including: Financial liabilities at fair value through profit or loss	-	-443,004,339.03
Total	-38,026,112.58	-488,532,866.45

57. Gains(Losses) on impairment of credit

Item	Amount incurred in the current period	Amount incurred in the prior period
I. Gains(Losses) on impairment of credit of accounts receivable	2,604,456.88	-1,176,139.34
II. Gains(Losses) on impairment of credit of other receivables	449,134.32	-1,724,448.07
III. Gains(Losses) on impairment of credit of long-term receivables	-171,178.59	314,255.21
Total	2,882,412.61	-2,586,332.20

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

58. 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 period
Gains(Losses) on disposal of non-current assets	-207,276.37	9,432,717.92	-207,276.37
Including: Gains(Losses) on disposal of fixed assets	-723,828.56	12,639,946.67	-723,828.56
Gains(Losses) on disposal of intangible	-	-3,516,976.79	-
Other income	516,552.19	309,748.04	516,552.19

59. 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 period
Government grants	1,261,712.56	358,210.35	1,261,712.56
Insurance compensation received	375,097.87	325,396.51	375,097.87
Gains from scrapping of non-current assets	1,440,232.40	2,379,435.54	1,440,232.40
Compensation received for contracts violation	3,789,301.53	924,253.93	3,789,301.53
Exempted current accounts	4,634,628.05	1,365,449.42	4,634,628.05
Others	8,691,953.98	23,634,923.98	8,691,953.98
Total	20,192,926.39	28,987,669.73	20,192,926.39

60. 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
External donations	231,477.20	526,437.28	231,477.20
Losses on retirement of non-current assets	2,984,083.67	7,080,879.70	2,984,083.67
Compensation, liquidated damages and penalties	-	553,684.53	-
Litigation losses	16,732,991.55	4,265,352.56	16,732,991.55
Others	318,905.87	1,897,510.20	318,905.87
Total	20,267,458.29	14,323,864.27	20,267,458.29

61. Income tax expenses

Item	Amount incurred in the current period	Amount incurred in the prior period
Current tax expenses	553,914,215.26	596,520,712.86
Deferred tax expenses	71,729,502.16	46,917,882.26
Total	625,643,717.42	643,438,595.12

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

61. Income tax expenses - continued

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

Item	Amount incurred in the current period
Accounting profit	5,505,627,140.65
Income tax expenses calculated at 25%	1,376,406,785.16
Effect of non-deductible cost, expenses and losses	118,798,305.95
Accrued income tax expenses	217,881,366.51
Effect of deductible temporary differences and deductible losses for which the deferred tax assets are not recognized in current year	70,318,343.37
Effect of tax-free income (Note)	-381,667,668.52
Effect of tax incentives and changes of tax rate	-214,945,935.09
Effect of different tax rates of subsidiaries operating in other jurisdictions	-515,800,679.73
Effect of utilizing deductible losses for which the deferred tax assets were not recognized in prior period	-45,782,521.71
Effect of adjustments to prior-year income tax	-2,650,876.87
Changes in the opening balance of deferred tax assets/ liabilities due to tax adjustments	-
Others	3,086,598.35
Income tax expenses	625,643,717.42

Note: This mainly represents the tax effect on investment income from joint venture and associates.

62. Assets with restricted ownership or use right

Item	Closing balance	Opening balance
Equity investment in CICT (Note 1)	2,396,373,362.14	2,026,382,103.10
Fixed assets (Note 2)	272,372,129.67	278,015,952.68
Equity investment in TML (Note 1)	213,575,808.71	411,893,452.06
Intangible assets (Note 2)	209,640,890.21	212,232,642.30
Cash and bank balances (Note 3)	13,071,525.94	12,830,212.33
Construction in progress (Note 2)	11,748,467.79	12,388,924.87
Total	3,116,782,184.46	2,953,743,287.34

Note 1: Details of mortgaged equity and interests are set out in Note (VIII) 36.

Note 2: Yide Port mortgaged its land with property right, fixed assets and construction in progress to obtain bank borrowings; Shenzhen Haixing mortgaged its land with property right to obtain bank borrowings, Zhoushan RoRo Terminal mortgaged its land with property right and fixed assets to obtain bank borrowings. Details of mortgage borrowings are set out in Note (VIII) 36.

Note 3: Details of restricted cash and bank balances are set out in Note (VIII) 1.

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

63. Other comprehensive income

Details are set out in Note (VIII) 46.

64. 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
Government grants	42,016,594.20	271,313,303.29
Interest income	92,837,488.11	75,974,603.30
Guarantees and deposits	26,742,477.96	20,852,450.76
Rentals	2,869,149.16	4,157,219.40
Insurance compensation	1,210,988.68	1,932,522.06
Harbor construction fee and service charge refund	-	124,986.79
Others	282,982,833.45	229,171,279.38
Total	448,659,531.56	603,526,364.98

(2) Other cash payments relating to operating activities

Item	Amount incurred in the current period	Amount incurred in the prior period
Advance payment	188,969,753.65	127,724,052.53
Operating expenses such as operating costs and administration expense etc.	110,138,728.88	76,583,283.18
Guarantees and deposits	15,253,990.79	17,586,204.25
Harbour dues on cargo	6,923,999.90	6,404,202.74
Rentals	13,157,361.39	5,187,155.54
Port charges	3,234,003.82	4,837,252.74
Port construction fee	-	252,673.92
Others	73,444,972.12	169,468,219.41
Total	411,122,810.55	408,043,044.31

(3) Other cash receipts relating to investing activities

Item	Amount incurred in the current period	Amount incurred in the prior period
Receipt of project advance interest	81,787,395.95	81,714,623.32
Recovery of project advance principal	-	179,352,864.40
Recovery of loans	-	9,462,511.39
Others	12,778,782.74	85,123,172.47
Total	94,566,178.69	355,653,171.58

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

64. 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
Taxes relating to land purchase and reserve paid to Antongjie Terminal Storage Service (Shenzhen) Co., Ltd ("Antongjie")	947,523,385.44	-
Staff relocation costs relating to land purchase and reserve paid to Shantou Port	18,761,552.44	11,284,795.93
Others	1,427,796.54	104.00
Total	967,712,734.42	11,284,899.93

(5) Other cash receipts relating to financing activities

Item	Amount incurred in the current period	Amount incurred in the prior period
Receipt of leaseback payments	50,000,000.00	-
Others	2,897,609.21	-
Total	52,897,609.21	-

(6) Other cash payments relating to financing activities

Item	Amount incurred in the current period	Amount incurred in the prior period
Rental payments	129,259,179.22	161,265,078.92
Amounts paid by the Company to acquire equity of minority interests	74,787,051.66	-
Payments for financing costs	16,628,834.22	982,254.76
SINOSURE insurance premium paid for the loans from China Development Bank	2,352,053.94	1,748,638.84
Dalian Port Logistics Network Co., Ltd. ("Port Logistics")	-	8,748,637.26
Others	1,950,000.00	169,770.3
Total	224,977,119.04	172,761,586.81

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

65. 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
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	4,879,983,423.23	4,264,261,244.83
Add: Provision for impairment losses of assets	-	-
Provision for impairment losses of credit	-2,882,412.61	2,586,332.20
Depreciation of fixed assets	993,740,407.62	914,300,614.45
Depreciation of investment property	92,083,960.88	94,835,428.40
Depreciation of right-of-use assets	174,019,155.17	166,527,483.26
Amortization of intangible assets	319,604,700.15	303,613,191.00
Amortization of long-term prepaid expenses	37,291,473.18	23,468,890.89
Losses (gains) on disposal of fixed assets, intangible assets and other long-term assets	207,276.37	-9,432,717.92
Losses on retirement of fixed assets, intangible assets and other long-term assets	1,543,851.27	4,701,444.16
Losses on changes in fair value	38,026,112.58	488,532,866.45
Financial expenses	1,456,795,942.93	799,077,760.88
Investment income	-4,355,273,765.49	-3,609,743,591.59
Decrease (increase) in deferred tax assets	5,009,887.03	-69,535,313.14
Increase in deferred tax liabilities	5,429,041.83	116,453,195.40
Decrease (increase) in inventories	-24,682,369.59	4,815,029.15
Increase in operating receivables	-487,958,209.89	-1,125,312,552.90
Increase in operating payables	88,312,702.43	565,811,102.44
Net cash flows from operating activities	3,221,251,177.09	2,934,960,407.96
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 under finance lease	-	-
3. Net changes in cash and cash equivalents:		
Closing balance of cash	14,123,520,754.66	9,347,523,070.31
Less: Opening balance of cash	12,727,355,238.36	11,898,618,327.29
Add: Closing balance of cash equivalents	-	-
Less: Opening balance of cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	1,396,165,516.30	-2,551,095,256.98

(2) Cash and cash equivalents

Item	Closing balance	Opening balance
I. Cash	14,123,520,754.66	12,727,355,238.36
Including: Cash on hand	317,164.88	501,446.73
Bank deposits	13,797,566,826.58	12,353,104,402.58
Other monetary funds	325,636,763.20	373,749,389.05
II. Cash equivalents	-	-
III. Closing balance of cash and cash equivalents	14,123,520,754.66	12,727,355,238.36

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

66. Foreign currency monetary items

Item	Closing balance of original currency	Exchange rate	Closing amount in RMB
Cash and bank balances			
Including: HKD	46,141,253.16	0.8517	39,298,505.32
USD	131,054,751.49	6.6850	876,101,013.71
EUR	116,507,279.06	7.0643	823,042,371.46
RMB	90,541,744.00	1.0000	90,541,744.00
Accounts receivable			
Including: HKD	1,125,943.66	0.8517	958,966.22
USD	6,597,534.73	6.6850	44,104,519.67
EUR	20,928,240.21	7.0643	147,843,367.32
Other receivables			
Including: HKD	97,795,500.00	0.8517	83,292,427.35
USD	106,814,871.25	6.6850	714,057,414.31
EUR	3,579,814.27	7.0643	25,288,881.95
RMB	668,251,139.23	1.0000	668,251,139.23
Other non-current assets			
Including: EUR	3,891,433.75	7.0643	27,490,255.44
Short-term borrowings			
Including: HKD	800,000,000.00	0.8517	681,360,000.00
USD	45,000,000.00	6.6850	300,825,000.00
RMB	2,922,260,000.00	1.0000	2,922,260,000.00
Accounts payable			
Including: HKD	1,366,414.90	0.8517	1,163,775.57
EUR	4,342,355.57	7.0643	30,675,702.45
RMB	300,000.00	1.0000	300,000.00
Other payables			
Including: HKD	39,816,067.41	0.8517	33,911,344.61
USD	68,594,172.22	6.6850	458,552,041.29
EUR	130,927,404.23	7.0643	924,910,461.70
RMB	9,636,097.68	1.0000	9,636,097.68
Non-current liabilities due within one year			
Including: USD	9,571,030.80	6.6850	63,982,340.88
Long-term borrowings			
Including: USD	209,200,000.00	6.6850	1,398,502,000.00
EUR	66,937,500.00	7.0643	472,866,581.25
RMB	670,000,000.00	1.0000	670,000,000.00
Bonds payable			
Including: USD	2,489,458,194.57	6.6850	16,642,028,030.72
Long-term payables			
Including: HKD	4,204,746,793.15	0.8517	3,581,182,843.73

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

67. Government grants

(1) New government grants for the period

Type	Amount	Item	Account	Amount included in profit or loss for the period
Related to income	31,566,099.04	Subsidy for business development	Other income	31,566,099.04
Related to income	8,918,543.30	Subsidy for business operation	Other income	8,918,543.30
Related to income	4,738,985.48	Subsidy for job stabilization	Other income	4,738,985.48
Related to income	1,911,900.00	Special fund for innovation	Other income	1,911,900.00
Related to income	1,975,098.34	Others	Other income	1,975,098.34
Related to income	1,261,712.56	Others	Non-operating income	1,261,712.56
Related to assets	418,200.00	Government subsidies for intelligent system	Deferred income	-
Total	50,790,538.72			50,372,338.72

68. Lease

(1) Lessor under operating lease

Item	Amount
I. Revenue	
Lease income	205,040,580.07
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	304,563,408.38
2 nd year	161,760,881.59
3 rd year	124,886,289.84
4 th year	110,117,020.83
5 th year	104,050,301.27
Over 5 years	254,322,257.57

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 days 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

68. Lease - continued

(2) Lessee

Item	Amount
Interest expense on lease liabilities	38,284,349.10
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	29,143,920.78
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	1,491,716.96
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	6,965,841.44
Total cash outflows relating to lease	135,717,792.79
Profit(loss) arising from sale and leaseback transactions	667,508.53
Cash inflows from sale and leaseback transactions	50,000,000.00
Cash outflows from sale and leaseback transactions	110,818,330.25
Others	-

(IX) CHANGES IN SCOPE OF CONSOLIDATION

1. Business combination not involving enterprises under common control

The Group has no business combination not involving enterprises under common control in the current period.

2. Business combination involving enterprises under common control

The Group has no business combination involving enterprises under common control in the current period.

3. Reverse purchase

The Group has no reverse purchase in the current period.

4. Disposal of subsidiary

There is no loss of control over the disposal of subsidiary investment in the Group in the current period.

5. Changes in scope of consolidation for other reasons

The Group has no changes in scope of consolidation for other reasons other than the establishment of new subsidiaries in the current period.

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(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)	Proportion of ownership interest (%)		Acquisition method
					Direct	Indirect	
Shenzhen Chiwan International Freight Agency Co., Ltd.	Shenzhen, PRC	Shenzhen, PRC	Logistics support services	550.00	100.00	-	Investment establishment
Chiwan Wharf (Hong Kong) Co., Ltd. ("Chiwan Wharf (Hong Kong)")	Hong Kong, PRC	Hong Kong, PRC	Investment holding	HKD1,000,000.00	100.00	-	Investment establishment
Dongguan Chiwan Warf Co., Ltd.	Dongguan, PRC	Dongguan, PRC	Logistics support services	45,000.00	85.00	-	Investment establishment
Dongguan Chiwan Terminal Co., Ltd.	Dongguan, PRC	Dongguan, PRC	Logistics support services	40,000.00	100.00	-	Investment establishment
Shenzhen Chiwan Harbor Container Co. Ltd.	Shenzhen, PRC	Shenzhen, PRC	Logistics support services	28,820.00	100.00	-	Business combination involving enterprises under common control
Shenzhen Chiwan Port Development Co., Ltd.	Shenzhen, PRC	Shenzhen, PRC	Logistics support services	10,000.00	100.00	-	Business combination involving enterprises under common control
Chiwan Container Terminal Co., Ltd.	Shenzhen, PRC	Shenzhen, PRC	Logistics support services	USD95,300,000.00	55.00	20.00	Business combination involving enterprises under common control
Shenzhen Chiwan Tugboat Co., Ltd.	Shenzhen, PRC	Shenzhen, PRC	Logistics support services	2,400.00	100.00	-	Business combination involving enterprises under common control
Chiwan Shipping (Hong Kong) Limited	Hong Kong, PRC	Hong Kong, PRC	Logistics support services	HKD800,000.00	100.00	-	Business combination involving enterprises under common control
China Merchants Port (Zhoushan) RoRo Logistics Co., Ltd	PRC	PRC	Logistics support services	17,307.86	51.00	-	Assets acquisition
CMPort(Note 1)	Hong Kong, PRC	Hong Kong, PRC	Investment holding	HKD 44,016,586,600.00	43.85	-	Business combination involving enterprises under common control
China Merchants Container Services Limited	Hong Kong	Hong Kong	Logistics support services	HKD500,000.00	-	100.00	Business combination involving enterprises under common control
China Merchants International (China) Investment Co., Ltd.	PRC	PRC	Investment holding	USD67,400,000.00	-	100.00	Business combination involving enterprises under common control
Qingdao Port Merchants International Container Terminal Co., Ltd.	PRC	PRC	Logistics support services	USD206,300,000.00	-	100.00	Business combination involving enterprises under common control
China Merchants International Terminal (Qingdao) Co., Ltd.	PRC	PRC	Logistics support services	USD44,000,000.00	-	90.10	Business combination involving enterprises under common control
China Merchants Bonded Logistics Co., Ltd.	PRC	PRC	Logistics support services	70,000.00	40.00	60.00	Business combination involving enterprises under common control
China Merchants Port Services (Shenzhen) Co., Ltd.	PRC	PRC	Logistics support services	55,000.00	-	100.00	Business combination involving enterprises under common control
Shekou Container Terminals Ltd.	PRC	PRC	Logistics support services	HKD618,201,200.00	-	100.00	Business combination involving enterprises under common control
Shenzhen Lianyunjie Container Terminals Co., Ltd	PRC	PRC	Logistics support services	60,854.90	-	100.00	Business combination involving enterprises under common control
Anxunjie Container Terminals (Shenzhen) Co., Ltd.	PRC	PRC	Logistics support services	127,600.00	-	100.00	Business combination involving enterprises under common control
Shenzhen Haiqin Engineering Management Co., Ltd	PRC	PRC	Engineering supervision services	300.00	-	100.00	Business combination involving enterprises under common control
Shenzhen Haixing	PRC	PRC	Logistics support services	53,072.92	-	67.00	Business combination involving enterprises under common control
Magang Cangma	PRC	PRC	Logistics support services	33,500.00	-	100.00	Business combination involving enterprises under common control
Shenzhen Mawan Ganghang Co., Ltd.	PRC	PRC	Logistics support services	20,000.00	-	100.00	Business combination involving enterprises under common control
Shenzhen Zhongzhi Investment Co., Ltd.	PRC	PRC	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)	Proportion of ownership interest (%)		Acquisition method
					Direct	Indirect	
Shenzhen Haixing Logistics Development Co., Ltd.	PRC	PRC	Logistics support services	7,066.79	-	67.00	Business combination involving enterprises under common control
Shenzhen Lianyongtong Terminal Co., Ltd.	PRC	PRC	Logistics support services	USD7,000,000.00	-	100.00	Business combination involving enterprises under common control
Shenzhen Lianda Tugboat Co., Ltd.	PRC	PRC	Logistics support services	200.00	-	60.29	Business combination involving enterprises under common control
Zhangzhou Zhongli Outer Wheel Tally Co., Ltd.	PRC	PRC	Logistics support services	200.00	-	84.00	Business combination involving enterprises under common control
Xiamenwan Port Affairs (Note 2)	PRC	PRC	Logistics support services	44,450.00	-	31.00	Business combination involving enterprises under common control
Zhangzhou China Merchants Port Co., Ltd.	PRC	PRC	Logistics support services	116,700.00	-	60.00	Business combination involving enterprises under common control
Zhangzhou China Merchants Tugboat Company Limited	PRC	PRC	Logistics support services	1,500.00	-	70.00	Business combination involving enterprises under common control
China Merchants International Technology Company Limited ("CMIT")	PRC	PRC	IT services	8,784.82	13.18	43.74	Business combination involving enterprises under common control
DPN	PRC	PRC	IT services	3,200.00	-	79.03	Business combination involving enterprises under common control
Yingkou Gangxin	PRC	PRC	IT services	800.00	-	100.00	Business combination involving enterprises under common control
ATJ	PRC	PRC	Preparation for warehousing projects	HKD100,000,000.00	-	100.00	Business combination involving enterprises under common control
ASJ	PRC	PRC	Preparation for warehousing projects	HKD100,000,000.00	-	100.00	Business combination involving enterprises under common control
Anyunjie Port Warehousing Service (Shenzhen) Co., Ltd.	PRC	PRC	Preparation for warehousing projects	6,060.00	-	80.00	Business combination involving enterprises under common control
Yide Port	PRC	PRC	Logistics support services	21,600.00	-	51.00	Business combination involving enterprises under common control
Mega Shekou Container Terminals Limited	British Virgin Islands	British Virgin Islands	Investment holding	USD120.00	-	80.00	Business combination involving enterprises under common control
TML	Cyprus	Cyprus	Investment holding	EUR5,000.00	-	50.00	Business combination involving enterprises under common control
CICT	Sri Lanka	Sri Lanka	Logistics support services	USD150,000,100.00	-	85.00	Business combination involving enterprises under common control
Lome Container Terminal S.A.	Government of Republic of Togo	Government of Republic of Togo	Logistics support services	FCFA200,000,000.00	-	100.00	Business combination involving enterprises under common control
Gainpro Resources Limited	British Virgin Islands	British Virgin Islands	Investment holding	USD1.00	-	76.50	Business combination involving enterprises under common control
Shenzhen Jinyu Rongtai Investment Development Co., Ltd.	PRC	PRC	Lease of property etc.	80,000.00	-	100.00	Business combination involving enterprises under common control
Shenzhen Merchants Qianhaiwan Real Estate Co., Ltd.	PRC	PRC	Lease of property etc.	20,000.00	-	100.00	Business combination involving enterprises under common control
Shantou Port	PRC	PRC	Logistics support services	12,500.00	-	60.00	Business combination involving enterprises under common control
Hambantota International Port Group (Private) Limited	Sri Lanka	Sri Lanka	Logistics support services	USD794,000,000.00	-	85.00	Business combination involving enterprises under common control
China Merchants Holdings (Djibouti) FZE	Djibouti	Djibouti	Logistics support services	USD38,140,000.00	-	100.00	Business combination involving enterprises under common control
Xinda Resources Limited ("Xinda")	British Virgin Islands	British Virgin Islands	Investment holding	USD107,620,000.00	-	77.45	Business combination involving enterprises under common control
Kong Rise Development Limited	Hong Kong, PRC	Hong Kong, PRC	Investment holding	USD107,620,000.00	-	100.00	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)	Proportion of ownership interest (%)		Acquisition method
					Direct	Indirect	
TCP	Brazil	Brazil	Logistics support services	BRL68,851,600.00	-	100.00	Business combination not involving enterprises under common control
Zhanjiang Port	PRC	PRC	Logistics support services	587,420.91	30.78	27.58	Business combination not involving enterprises under common control
Zhanjiang Port International Container Terminal Co., Ltd	PRC	PRC	Logistics support services	60,000.00	-	80.00	Business combination not involving enterprises under common control
Zhanjiang Port Petrochemical Terminal Co., Ltd.	PRC	PRC	Logistics support services	18,000.00	-	50.00	Business combination not involving enterprises under common control
China Ocean Shipping Tally Co., Ltd., Zhanjiang	PRC	PRC	Logistics support services	300.00	-	84.00	Business combination not involving enterprises under common control
Zhanjiang Port Donghaidao Bulk Cargo Terminal Co., Ltd.	PRC	PRC	Logistics support services	5,000.00	-	100.00	Business combination not involving enterprises under common control
Guangdong Zhanjiang Port Logistics Co., Ltd.	PRC	Shantou, PRC	Logistics support services	10,000.00	-	100.00	Business combination not involving enterprises under common control
Zhanjiang Port Haichuan Trading Co., Ltd.	Hong Kong, PRC	Hong Kong, PRC	Logistics support services	200.00	-	100.00	Business combination not involving enterprises under common control
Ningbo Daxie(Note 3)	PRC	PRC	Logistics support services	1,20,909.00	-	45.00	Business combination not involving enterprises under common control
Shantou Seaport Tugboat Service Co. LTD	PRC	PRC	Logistics support services	1,000.00	-	100.00	Investment establishment
Guangdong Zhanjiang Port Longteng Shipping Co. LTD	PRC	PRC	Logistics support services	9,000.00	-	70.00	Business combination not involving enterprises under common control
Direcet Achieve Investments Limited	Hong Kong, PRC	Hong Kong, PRC	Investment holding	USD 814,781,300.00	-	100.00	Business combination involving enterprises under common control
Sanya Merchants Port Development Co., Ltd.	PRC	PRC	Logistics support services	1,000.00	51.00	-	Investment establishment
Port Development (Hong Kong) (Note 4)	Hong Kong, PRC	Hong Kong, PRC	Investment holding	2,768,291.56	100.00	-	Investment establishment
Malai Storage (Shenzhen) Co., Ltd.	Shenzhen, PRC	Shenzhen, PRC	Holding Qianhai Properties	139,914.10	-	100.00	Business combination involving enterprises under common control

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 March 2022, the Company transferred its 43.00% equity in CMPort to Port Development (Hong Kong), a wholly-owned subsidiary in Hong Kong. In the first half of 2022, the Company and Port Development (Hong Kong) purchased 25,334,000 ordinary shares of CMPort via secondary market. After the transaction, the Group's ordinary shares in CMPort changed from 1,634,643,473 shares to 1,659,977,473 shares and the proportion of which to the total number of ordinary shares issued was changed from 43.18% to 43.85%. The proportion of ordinary shares held by CMHK in CMPort to the total number of ordinary shares issued was 21.98%. Therefore, the Group holds up to 65.83% voting power of CMPort and is able to exert control over it.

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(X) EQUITY IN OTHER ENTITIES - continued

1. Interests in subsidiaries - continued

(1) Composition of the Group - continued

Note 2: 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 29.00% equity of ZCMG to the Group for operation and management. Therefore, the Group has 60.00% voting power of ZCMG and includes it in the scope of consolidated financial statements.

Note 3: Cyber Chic Company Limited, a subsidiary of the Company, entered into a Cooperation Agreement with Ningbo Zhoushan, according to which Cyber Chic Company Limited and Ningbo Zhoushan will negotiate and communicate with each other to reach a concerted action before exercising their shareholder rights. In the event that both parties to the Agreement fail to reach a consensus on matters such as the operation and management of Ningbo Daxie, the opinion of Cyber Chic Company Limited shall prevail. After the signing of the Cooperation Agreement, Cyber Chic Company Limited and Ningbo Zhoushan together own more than 50% equity of Ningbo Daxie. Therefore, the Group is able to exert control over it and includes it in the scope of consolidated financial statements.

Note 4: Port Development (Hong Kong) is a limited liability company incorporated by the Company on 16 February 2022 in Hong Kong, the PRC and has a registered capital equivalent to RMB 27,682,915,553.41.

(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 period	Dividends distributed to minority shareholders in the current period	Balance of minority interests at the end of the period
CMPort	56.15	2,799,753,661.34	274,671,990.28	66,495,400,621.76

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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	11,799,213,351.30	134,510,303,382.62	146,309,516,733.92	15,050,468,055.36	30,238,727,766.98	45,289,195,822.34	12,688,479,912.82	129,676,976,538.08	142,365,456,450.90	17,301,652,593.00	26,291,693,462.84	43,593,346,055.84

Name of the subsidiary	Amount incurred in the current period				Amount incurred in the prior period			
	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	5,454,127,408.32	4,517,046,368.18	5,248,402,438.99	2,560,440,425.29	4,722,661,879.99	3,924,079,558.91	3,595,625,905.94	2,188,410,312.61

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

See Note (X) 1 (1) for details.

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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 - continued

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

Item	CMPort
Purchase cost	
- Cash	287,664,615.60
- Non-cash assets	-
Total purchase cost	287,664,615.60
Less: Share of net assets of subsidiaries calculated according to the proportion of equity acquired	527,510,282.18
Difference	-239,845,666.58
Including: Adjusted capital reserve	239,845,666.58
Adjusted surplus reserve	-
Adjusted undistributed 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						
Shanghai International Port (Group) Co., Ltd.	Shanghai, PRC	Shanghai, PRC	Port and container terminal business	-	28.05	Equity method

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(X) EQUITY IN OTHER ENTITIES - continued**4. Key financial information of material associates**

Item	Shanghai Port Group	
	Closing balance/Amount incurred in the current period	Opening balance/Amount incurred in the prior period
Current assets	52,002,818,110.05	50,550,358,636.59
Including: Cash and cash equivalents	28,899,093,341.46	28,494,577,716.81
Non-current assets	123,954,416,521.09	120,237,119,876.27
Total assets	175,957,234,631.14	170,787,478,512.86
Current liabilities	20,422,902,896.63	29,281,912,321.67
Non-current liabilities	41,557,400,163.30	33,699,936,944.88
Total liabilities	61,980,303,059.93	62,981,849,266.55
Minority interests	8,077,848,782.92	8,014,833,731.08
Equity attributable to shareholders of the Company	105,899,082,788.29	99,790,795,515.23
Share of net assets calculated based on the proportion of ownership interests	29,715,282,630.39	26,584,267,925.26
Adjustments		
-Goodwill	2,491,068,908.80	2,066,192,806.75
-Others	-84,268,034.28	193,346,651.68
Carrying amounts of equity investments in associates	32,122,083,504.91	28,843,807,383.69
Fair value of publicly quoted equity investments in associates	38,077,553,886.35	33,990,040,779.28
Operating income	20,094,438,005.89	17,362,678,537.04
Net profit	11,182,647,136.56	9,168,282,128.06
Other comprehensive income	-375,283,422.31	-8,803,490.60
Total comprehensive income	10,807,363,714.25	9,159,478,637.46
Dividends received from associates in the current year	1,240,949,440.54	793,927,959.22

5. Summarized financial information of immaterial associates and joint ventures

	Closing balance / Amount incurred in the current period	Opening balance/ Amount incurred in the prior period
Joint ventures:		
Total carrying amount of investments	9,490,794,161.58	8,540,003,758.64
Aggregate of following items calculated based on the proportion of ownership interest		
- Net profit	197,699,052.34	95,037,172.93
- Other comprehensive income	-	-
- Total comprehensive income	197,699,052.34	95,037,172.93
Associates:		
Total carrying amount of investments	32,928,324,041.67	32,969,640,682.19
Aggregate of following items calculated based on the proportion of ownership interest		
- Net profit	1,053,453,382.82	1,134,394,012.10
- Other comprehensive income	-96,067,083.31	-53,669,400.39
- Total comprehensive income	957,386,299.51	1,080,724,611.71

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

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(XI) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

1. Currency risk

Currency risk is the risk that losses will occur because of changes in foreign exchange rates. The Group's exposure to the currency risk is primarily associated with HKD, USD and EUR. Except for part of the purchases and sales, the Group's other principal activities are denominated and settled in RMB. As at 30 June 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	180,901,231.02	304,226,402.75
Accounts receivable	45,066,576.46	37,640,821.94
Other receivables	741,492,337.28	292,001,737.01
Short-term borrowings	3,603,620,000.00	653,200,000.00
Accounts payable	1,463,775.57	3,534,444.32
Other payables	18,789,193.28	131,844,034.16
Non-current liabilities due within one year	-	2,585,407,534.25
Long-term borrowings	670,000,000.00	670,000,000.00

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.

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	The current period		The prior period	
		Effect on profits	Effect on shareholders' equity	Effect on profits	Effect on shareholders' equity
All foreign currencies	5% increase against RMB	-142,170,160.72	-142,170,160.72	-37,283,559.46	-37,283,559.46
All foreign currencies	5% decrease against RMB	142,170,160.72	142,170,160.72	37,283,559.46	37,283,559.46
All foreign currencies	5% increase against USD	5,174,284.81	5,174,284.81	1,204,140.69	1,204,140.69
All foreign currencies	5% decrease against USD	-5,174,284.81	-5,174,284.81	-1,204,140.69	-1,204,140.69
All foreign currencies	5% increase against HKD	-208,703,403.25	-208,703,403.25	-161,772,050.17	-161,772,050.17
All foreign currencies	5% decrease against HKD	208,703,403.25	208,703,403.25	161,772,050.17	161,772,050.17
All foreign currencies	5% increase against EUR (including FCFA)	319,495.78	319,495.78	29,661,962.11	29,661,962.11
All foreign currencies	5% decrease against EUR (including FCFA)	-319,495.78	-319,495.78	-29,661,962.11	-29,661,962.11

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(XI) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued

2. Interest rate risk - changes in cash flows

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

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	The current period		The prior period	
		Effect on profits	Effect on shareholders' equity	Effect on profits	Effect on shareholders' equity
Short-term borrowings and long-term borrowings	1% increase	-206,916,565.57	-206,916,565.57	-103,396,518.44	-103,396,518.44
Short-term borrowings and long-term borrowings	1% decrease	206,916,565.57	206,916,565.57	103,396,518.44	103,396,518.44

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 utilization of bank borrowings and ensures compliance with loan covenants.

As at 30 June 2022, the Group had total current liabilities in excess of total current assets of RMB 5,208,299,165.95. On 30 June 2022, the Group had available and unused line of credit amounting to RMB 62,195,186,155.77, which is greater than the balance of the net current liabilities. Therefore, the Group's management believes that the Group has no significant liquidity risk.

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(XI) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued**3. Liquidity risk - continued**

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	15,482,279,719.62	15,701,949,471.86	15,701,949,471.86	-	-
Notes payable	9,089,940.00	9,089,940.00	9,089,940.00	-	-
Accounts payable	711,116,965.55	711,116,965.55	711,116,965.55	-	-
Other payables	3,485,085,782.19	3,485,085,782.19	3,485,085,782.19	-	-
Non-current liabilities due within one year	2,725,550,249.97	2,931,506,934.63	2,931,506,934.63	-	-
Other current liabilities	5,163,575,748.06	5,165,445,824.77	5,165,445,824.77	-	-
Long-term borrowings	7,577,041,256.64	8,501,656,958.55	-	6,691,876,951.47	1,809,780,007.08
Bonds payable	20,642,028,030.72	22,725,304,234.81	-	15,080,562,028.34	7,644,742,206.47
Lease liabilities	1,060,180,377.44	1,730,589,221.49	-	497,661,544.57	1,232,927,676.92
Long-term payables	3,669,169,313.03	3,718,817,760.80	-	321,077,054.36	3,397,740,706.44

(XII) DISCLOSURE OF FAIR VALUE**1. Closing balance of assets and liabilities measured at fair value**

Item	Fair value at closing balance			
	Level 1	Level 2	Level 3	Total
Measurements at fair value continuously				
Held-for-trading financial assets	157,609.38	5,272,751,702.75	-	5,272,909,312.13
Receivables financing	-	-	191,399,515.52	191,399,515.52
Other equity instrument investments	-	-	171,625,961.43	171,625,961.43
Other non-current financial assets	792,077,911.87	-	26,791,381.35	818,869,293.22
Total assets measured at fair value continuously	792,235,521.25	5,272,751,702.75	389,816,858.30	6,454,804,082.30

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 Shanghai Stock Exchange and Hong Kong Stock Exchange at 30 June 2022.

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 the period	Valuation techniques	Inputs
Held-for-trading financial assets	5,272,751,702.75	Cash flow discounting	Expected rate of return

During the valuation, the Group needs to make estimates in respect of market volatility and relevance etc., select appropriate discount rate and take into consideration of adjustment of discount and premium.

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(XII) DISCLOSURE OF FAIR VALUE - continued

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 the period	Valuation techniques	Inputs
Receivables financing	191,399,515.52	Cash flow discounting	Discount rate
Other equity instrument investments	171,625,961.43	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.

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 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.

The fair value of bonds payable traded in active market is determined at the quoted price in the active market. The fair values of long-term borrowings, long-term payables and bonds payable not traded in active market are determined at the present value of contractual future cash flows discounted using the interest rate for providing nearly the same cash flows to entity with comparable credit rating under the same conditions.

(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)

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(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

1. Parent of the Company - continued

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 Co., Ltd. (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.

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 West Port United Wharf Co., Ltd.	Joint venture
Qingdao Qianwan New United Container Terminal Co., Ltd.	Joint venture
China Ocean Shipping Agency (Zhanjiang) Co., Ltd.	Joint venture
Yantai Port Group Laizhou Port Co., Ltd.	Joint venture
Qingdao Qianwan United Container Terminal Co., Ltd.	Joint venture
Qingdao Wutong Century Supply Chain Co., Ltd.	Joint venture
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
Shenzhen Baohong Technology Co., Ltd.	Associate
Tianjin Haitian Bonded Logistics Co., Ltd.	Associate
Merchants Port City	Associate
Zhanjiang Xiangang United Development 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
COSCO Logistics (Zhanjiang) Co., Ltd.	Associate
Liaoning Port and its subsidiaries	Associate, Controlled by the same ultimate controlling shareholder
Ningbo Zhoushan	Associate
Shenzhen Chiwan Oriental Logistics Co., Ltd.	Associate
Dalian Port Communications Engineering Co., Ltd.	Associate

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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
Djibouti International Hotel Company	Minority shareholder of subsidiary
Zhanjiang Infrastructure Construction Investment Group Co., Ltd.	Minority shareholder of subsidiary
Zhoushan Blue Ocean Investment Co., Ltd.	Minority shareholder of subsidiary
China COSCO Shipping Group and its subsidiaries (Note1)	Same related natural person
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
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
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
Shenzhen West Port Security Service 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 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 Ocean Shipping Tally Shenzhen Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants International Cold Chain (Shenzhen) Company Limited	Controlled by the same ultimate controlling shareholder
China Merchants Group Finance Company Limited	Controlled by the same ultimate controlling shareholder
China Merchants Port Investment Development Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinoway Shipping Ltd.	Controlled by the same ultimate controlling shareholder
CMPort Chuangrong (Shenzhen) Technology Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans Central China Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Finance Lease (Tianjin) 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
Sinotrans Container Lines (Hong Kong) Company Limited	Controlled by the same ultimate controlling shareholder
China Merchants Zhangzhou Development Zone Power Supply Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Traffic Import and Export Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Marine Shipping Guangdong Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans Container Lines Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Heavy Industry (Jiangsu) Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinotrans (HK) Shipping Limited	Controlled by the same ultimate controlling shareholder
Qingdao Sinotrans Mining Technology Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dalian Container Terminal Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Securities 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
Panjin Port Group 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
Liaogang Holding (Yingkou) Co., Ltd	Controlled by the same ultimate controlling shareholder
Liaoning Electronic Port Co., Ltd	Controlled by the same ultimate controlling shareholder
Yingkou New Port Ore Terminal Co., Ltd.	Controlled by the same ultimate controlling shareholder
Yingkou Port Group and its subsidiaries	Controlled by the same ultimate controlling shareholder
Liaoning Port Group Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Yangtze River Shipping Co., Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Controlled by the same ultimate controlling shareholder
Yingkou Port Group Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dandong Port Group Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dalian Port Container	Controlled by the same ultimate controlling shareholder
Shenzhen Nanyou (Holdings) Ltd.	Controlled by the same ultimate controlling shareholder
China Merchants Apartment Development (Shenzhen) Co., Ltd.	Controlled by the same ultimate controlling shareholder
Jifa Logistics	Controlled by the same ultimate controlling shareholder
Orienture Holdings Company Limited	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 Merchants Finance Lease (Shanghai) Co., Ltd.	Controlled by the same ultimate controlling shareholder
Dalian Port Group Co., Ltd.	Controlled by the same ultimate controlling shareholder
Khor Ambado FZCo	Significantly influenced by the ultimate controlling shareholder
China Merchants Bank Co., Ltd.	Significantly influenced by the ultimate controlling shareholder
Antong Holdings Co., Ltd. and its subordinate companies (Note 2)	Other related parties

Note1: 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 relationship between the Company and China COSCO Shipping Corporation Limited exists from 31 January 2020 to 31 January 2021.

Note2: Fujian Zhaohang Logistics Management Partnership (Limited Partnership), which is a joint venture of the Company, is an actual controller of Antong Holdings Co., Ltd.

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
Receipt of service:				
China Merchants Bank Co., Ltd.	Purchase of structured deposits	Negotiation	1,000,000,000.00	1,000,000,000.00
Shenzhen Bay Electricity Industry Co., Ltd.	Service expenditure	Negotiation	27,561,760.64	23,540,775.37
Nanshan Group and its subsidiaries	Service expenditure	Negotiation	8,859,744.23	2,229,485.70
Qingdao Qianwan West Port United Wharf Co., Ltd.	Service expenditure	Negotiation	8,365,470.62	7,456,011.20
Ningbo Zhoushan	Service expenditure	Negotiation	7,859,747.95	-
Shenzhen West Port Security Service Co., Ltd.	Service expenditure	Negotiation	5,661,635.33	4,195,429.30
Shenzhen Chiwan Oriental Logistics Co., Ltd.	Service expenditure	Negotiation	4,263,289.81	2,332,826.73
Hoi Tung (Shanghai) Company Limited	Service expenditure	Negotiation	3,971,930.07	8,531,341.56
Yiu Lian Dockyards Limited	Service expenditure	Negotiation	3,807,933.17	3,623,433.09
China Marine Shipping Guangdong Co., Ltd.	Service expenditure	Negotiation	2,578,833.07	1,542,016.89
China Merchants Zhangzhou Development Zone Power Supply Co., Ltd.	Service expenditure	Negotiation	2,443,269.20	2,166,324.95
Yingkou Port Group and its subsidiaries	Service expenditure	Negotiation	2,043,787.06	1,691,743.27
China Merchants Property Management (Shenzhen) Co., Ltd.	Service expenditure	Negotiation	1,921,021.77	2,679,300.52
China Marine Shipping Agency Shenzhen Co., Ltd.	Service expenditure	Negotiation	1,323,605.65	1,022,766.82
COSCO Logistics (Zhanjiang) Co., Ltd.	Service expenditure	Negotiation	1,278,998.39	568,369.15
China Ocean Shipping Tally Shenzhen Co., Ltd.	Service expenditure	Negotiation	1,182,219.25	828,352.57
China Merchant Food (China) Co., Ltd.	Service expenditure	Negotiation	219,125.15	1,201,759.76
Shenzhen Qianhai Shekou Free Trade Investment Development Co. Ltd.	Service expenditure	Negotiation	-	1,559,726.18
Other related parties	Service expenditure	Negotiation	6,018,119.16	6,234,466.92
China Merchants Group Finance Company Limited	Interest payments	Negotiation	44,331,121.77	30,389,688.50
China Merchants Bank Co., Ltd.	Interest payments	Negotiation	4,008,117.76	3,268,813.97
Nanshan Group and its subsidiaries	Property utilities	Negotiation	245,927.93	290,902.36
Total			1,137,945,657.98	1,105,353,534.81

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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
Rendering of service:				
China Marine Shipping Agency Ningbo Co., Ltd.	Service revenue	Negotiation	106,096,787.01	-
COSCO Logistics (Zhanjiang) Co., Ltd.	Service revenue	Negotiation	93,854,144.35	88,294,684.14
Antong Holdings Co., Ltd. and its subordinate companies	Service revenue	Negotiation	57,252,837.30	98,541,945.59
Liaoning Port and its subsidiaries	Service revenue	Negotiation	50,771,513.32	19,864,136.94
China Ocean Shipping Agency (Zhanjiang) Co., Ltd.	Service revenue	Negotiation	29,767,054.90	25,067,430.42
China Marine Shipping Agency Guangdong Co., Ltd.	Service revenue	Negotiation	28,379,378.60	38,552,309.99
Qingdao Qianwan United Container Terminal Co., Ltd.	Service revenue	Negotiation	27,999,029.61	22,637,413.70
Yingkou Port Group and its subsidiaries	Service revenue	Negotiation	25,735,822.73	16,175,416.62
China Merchants International Shipping Agency (Shenzhen) Co., Ltd.	Service revenue	Negotiation	14,952,848.57	9,322,068.75
Yiu Lian Dockyards (Shekou) Limited	Service revenue	Negotiation	7,624,158.50	7,465,890.54
Sinoway Shipping Ltd.	Service revenue	Negotiation	6,695,198.11	51,910.38
Liaoning Port Group Co., Ltd.	Service revenue	Negotiation	4,971,803.76	6,851,108.81
CMPort Chuangrong (Shenzhen) Technology Co., Ltd.	Service revenue	Negotiation	4,622,170.92	-
Sinotrans Central China Co., Ltd.	Service revenue	Negotiation	4,226,183.28	-
Sinotrans Container Lines Co., Ltd.	Service revenue	Negotiation	4,203,154.01	137,305.63
Qingdao Bonded Logistics Park Sinotrans Warehousing Logistics Co., Ltd.	Service revenue	Negotiation	3,183,820.61	1,166,773.53
China Ocean Shipping Agency Shenzhen	Service revenue	Negotiation	2,841,490.56	2,099,723.96
China Yangtze River Shipping Co., Ltd.	Service revenue	Negotiation	2,750,508.20	2,133,440.00
China Marine Shipping Agency Shenzhen Co., Ltd.	Service revenue	Negotiation	2,397,694.66	2,818,483.03
China Merchants International Cold Chain (Shenzhen) Company Limited	Service revenue	Negotiation	2,053,124.00	3,453,502.00
Qingdao Qianwan West Port United Wharf Co., Ltd.	Service revenue	Negotiation	2,006,982.68	1,724,078.14
Sinotrans Container Lines (Hong Kong) Company Limited	Service revenue	Negotiation	1,694,057.81	1,277,956.30
Qingdao Qianwan New United Container Terminal Co., Ltd.	Service revenue	Negotiation	1,538,691.31	1,446,408.10
Guizhou Qiangongnan Continental Land Port Operation Co., Ltd.	Service revenue	Negotiation	1,447,018.87	651,707.54
China Merchants Port Investment Development Company Limited	Service revenue	Negotiation	1,327,585.66	280,430.34
Shantou Zhonglian Tally Co., Ltd	Service revenue	Negotiation	1,177,326.80	2,033,121.99
Sinotrans Shenzhen Qianhai Supply Chain Management Ltd.	Service revenue	Negotiation	1,055,634.00	3,679,093.79
Shenzhen Baohong Technology Co., Ltd. (formerly known as	Service revenue	Negotiation	1,051,551.12	5,643,062.05
Yantai Port Group Laizhou Port Co., Ltd.	Service revenue	Negotiation	1,037,735.84	1,006,226.41
South China Sinotrans Supply Chain Management Co., Ltd.	Service revenue	Negotiation	886,573.85	1,277,958.26
Shantou International Container Terminals Limited	Service revenue	Negotiation	481,962.75	2,257,929.61
Guizhou East Land Port Operation Co., Ltd.	Service revenue	Negotiation	423,517.06	2,046,879.50
China Merchants Gangrong Big Data Co., Ltd.	Service revenue	Negotiation	313,073.74	2,332,986.53
China Merchants Heavy Industry (Jiangsu) Co., Ltd.	Service revenue	Negotiation	299,871.32	1,494,112.80
China Marine Shipping Guangdong Co., Ltd.	Service revenue	Negotiation	263,547.18	1,066,579.80
Sinotrans (HK) Shipping Limited	Service revenue	Negotiation	66,202.55	1,391,042.72

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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
Rendering of service: - continued				
China COSCO Shipping Group and its subsidiaries	Service revenue	Negotiation	-	67,594,546.16
Ningbo Zhoushan	Service revenue	Negotiation	-	6,777,410.02
Other related parties	Service revenue	Negotiation	5,978,857.08	8,010,716.33
China Merchants Bank Co., Ltd.	Interest income	Negotiation	23,990,575.31	27,709,063.52
China Merchants Group Finance Company Limited	Interest income	Negotiation	10,308,105.49	16,044,336.39
Terminal Link SAS	Interest income	Negotiation	81,787,132.97	83,985,071.35
Port of Newcastle and its subsidiaries	Interest income	Negotiation	30,137,869.75	32,103,266.39
Merchants Port City	Interest income	Negotiation	-	1,957,067.27
Other related parties	Interest income	Negotiation	777,053.20	823,676.39
Total			648,429,649.34	619,248,271.73

(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 period	Lease income recognized in the prior period
Qingdao Qianwan West Port United Wharf Co., Ltd.	Port and wharf facilities	Negotiation	5,069,188.08	4,815,722.20
China Merchant Food (China) Co., Ltd.	Buildings	Negotiation	2,773,119.96	2,641,029.00
China Traffic Import and Export Co., Ltd.	Buildings	Negotiation	2,736,536.28	2,606,198.16
Qingdao Sinotrans Mining Technology Co., Ltd.	Port and wharf facilities	Negotiation	2,375,278.56	-
Qingdao Bonded Logistics Park Sinotrans Warehousing Logistics Co., Ltd.	Buildings	Negotiation	1,914,400.91	2,825,722.88
Qingdao Qianwan United Container Terminal Co., Ltd.	Buildings	Negotiation	1,453,403.34	1,504,168.98
China Merchants Securities Co., Ltd.	Buildings	Negotiation	1,270,897.29	1,239,270.84
Nanshan Group and its subsidiaries	Buildings	Negotiation	1,135,355.02	1,205,711.40
Yiu Lian Dockyards (Shekou) Limited	Buildings	Negotiation	1,091,340.94	1,180,174.54
Qingdao Sinotrans Supply Chain Management Co., Ltd.	Buildings	Negotiation	561,911.99	1,947,099.43
Other related parties	Buildings, land use rights	Negotiation	3,151,714.13	3,688,390.75
Total			23,533,146.50	23,653,488.18

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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	Rent for short-term leases and leases of low value assets that is accounted for using simplified approach		Variable lease payment not included in the measurement of lease liabilities		Rent paid		Interest expenses on lease liabilities assumed		Increase in right-of-use assets	
		Amount incurred in current period	Amount incurred in prior period	Amount incurred in current period	Amount incurred in prior period	Amount incurred in current period	Amount incurred in prior period	Amount incurred in current period	Amount incurred in prior period	Amount incurred in current period	Amount incurred in prior period
Dalian Port Group Co., Ltd.	Buildings	71,337.12	66,840.00	71,337.12	66,840.00	74,904.00	70,182.00	-	-	-	-
Dalian Port Communications Engineering Co., Ltd.	Buildings	-	-	-	-	3,356,220.00	3,134,472.00	125,995.63	258,056.46	-	1,774,387.48
Nanshan Group and its subsidiaries	Buildings	-	-	-	-	-	-	4,862.54	6,137.91	-	-
Nanshan Group and its subsidiaries	Port and wharf facilities	-	-	-	-	-	3,210,410.33	299,721.13	100,375.41	17,330,062.14	16,868,278.07
Nanshan Group and its subsidiaries	Others	-	-	-	-	32,049,532.79	32,049,532.79	2,248,991.92	3,577,717.89	-	-
EuroAsia Dockyard Enterprise and Development Limited	Port and wharf facilities	-	-	-	-	18,076,245.95	18,973,411.00	2,033,491.49	2,938,091.59	-	-
Shenzhen Nanyou (Holdings) Ltd.	Land use rights	997,776.60	997,776.57	-	-	873,054.50	-	-	-	-	-
Shenzhen Qianhai Shekou Free Trade Investment Development Co. Ltd.	Buildings	-	-	-	-	-	-	-	759,302.63	66,214,506.44	-
China Merchants Apartment Development (Shenzhen) Co., Ltd.	Buildings	-	-	-	-	29,249,729.17	30,666,305.55	4,141,464.12	5,561,951.70	-	-
China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	Buildings	188,604.84	416,500.00	-	-	199,921.13	441,490.00	-	-	-	-
China Merchants International Cold Chain (Shenzhen) Company Limited	Buildings	3,262,409.54	2,557,225.48	1,729,077.06	1,057,349.26	1,729,077.06	1,653,309.75	-	-	-	-
China Merchants International Cold Chain (Shenzhen) Company Limited	Port and wharf facilities	-	-	-	-	29,492,822.34	30,956,617.95	3,317,801.93	4,793,730.40	-	-
China Merchants Finance Lease (Shanghai) Co., Ltd.	Port and wharf facilities	-	-	-	-	-	-	5,682.95	6,391.01	-	-
China Merchants Finance Lease (Shanghai) Co., Ltd.	Machinery and equipment, port and wharf facilities	-	-	-	-	1,773,985.94	1,828,611.70	141,650.14	213,576.01	1,079,443.53	-
China Merchants Finance Lease (Tianjin) Co., Ltd.	Port and wharf facilities	11,040.00	1,599,423.42	-	-	242,028.00	29,611,475.78	3,915,561.44	3,203,467.47	81,529,585.77	-
China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Port and wharf facilities	-	-	-	-	-	-	32,692.70	-	-	-
China Merchants Shekou Industrial Zone Holdings Co., Ltd.	Land use rights	-	-	-	-	7,943,326.82	4,306,269.69	298,580.40	298,580.40	-	-
China Merchants Tongshang Finance Lease Co., Ltd.	Machinery and equipment	-	-	-	-	1,097,438.83	977,789.94	127,512.83	112,028.64	2,377,742.19	-
Total		4,531,168.10	5,637,765.47	1,800,414.18	1,124,189.26	126,158,286.53	157,879,878.48	16,694,009.22	21,829,407.52	168,531,340.07	18,642,665.55

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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 date	The guarantee has been completed or not
For the period from 1 January to 30 June 2022					
Terminal Link SAS (Note 1)	68,508,952.47	68,508,952.47	11 June 2013	2033	No
Khor Ambado FZCo(Note 2)	192,528,000.00	115,901,056.33	24 May 2019	2032	No
Total	261,036,952.47	184,410,008.80			
For the period from 1 January to 30 June 2021					
Terminal Link SAS (Note 1)	67,144,809.51	67,144,809.51	1 June 2013	2033	No
Khor Ambado FZCo(Note 2)	186,692,802.05	112,388,291.40	24 May 2019	2032	No
Total	253,837,611.56	179,533,100.91			

Note 1: CMA CGM S.A. is another shareholder of Terminal Link SAS, an associate of the Group. The Group has made a commitment to CMA CGM S.A. that the Group will provide guarantee for its bank 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 RMB 68,508,952.47 on 30 June 2022. 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 common ultimate controlling shareholder. The Group provides guarantee for its bank loans and other liabilities, with actual guaranteed amount of RMB 115,901,056.33 as at 30 June 2022.

(4) Borrowings and loans with related parties

Related party	Amount	Commencement date	Maturity date	Description
For the period from 1 January to 30 June 2022				
Borrowings				
China Merchants Group Finance Company Limited	40,000,000.00	11 March 2022	10 March 2023	Fixed interest rate of 3.3500%
China Merchants Group Finance Company Limited	40,000,000.00	14 April 2022	14 April 2023	Fixed interest rate of 3.3500%
China Merchants Group Finance Company Limited	30,030,833.33	15 February 2022	14 February 2023	Fixed interest rate of 3.7000%
China Merchants Group Finance Company Limited	20,000,000.00	12 May 2022	11 May 2023	Fixed interest rate of 3.3500%
China Merchants Group Finance Company Limited	10,070,095.89	4 March 2022	31 August 2022	Fixed interest rate of 2.1500%
China Merchants Group Finance Company Limited	10,054,271.23	30 March 2022	26 September 2022	Fixed interest rate of 2.1300%
China Merchants Group Finance Company Limited	10,008,767.12	15 June 2022	12 December 2022	Fixed interest rate of 2.0000%
Total	160,163,967.57			

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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
For the period from 1 January to 30 June 2021				
Borrowings				
China Merchants Group Finance Company Limited	197,112,248.22	1 March 2021	21 June 2024	Fixed interest rate of 1.2000%
China Merchants Group Finance Company Limited	80,661,051.60	17 May 2021	12 March 2029	Fixed interest rate of 4.5100%
China Merchants Group Finance Company Limited	58,800,000.00	8 April 2021	31 October 2023	Fixed interest rate of 1.2000%
China Merchants Group Finance Company Limited	50,044,968.20	11 June 2021	10 June 2022	Fixed interest rate of 3.8500%
China Merchants Group Finance Company Limited	47,050,263.90	9 April 2021	8 April 2022	Fixed interest rate of 3.8500%
China Merchants Group Finance Company Limited	33,029,679.02	25 June 2021	24 June 2022	Fixed interest rate of 3.8500%
China Merchants Group Finance Company Limited	30,030,917.00	10 May 2021	9 May 2022	Fixed interest rate of 3.7100%
China Merchants Group Finance Company Limited	20,021,388.90	19 April 2021	18 April 2022	Fixed interest rate of 3.8500%
China Merchants Group Finance Company Limited	10,075,542.47	7 June 2021	4 December 2021	Fixed interest rate of 2.5500%
China Merchants Group Finance Company Limited	10,016,767.12	22 March 2021	18 September 2021	Fixed interest rate of 2.7300%
Total	536,842,826.43			

(5) Asset transfer with related parties

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
Hoi Tung (Shanghai) Company Limited	Machinery and equipment	Negotiation	-	1,371,681.42

(6) Compensation for key management personnel

Item	Closing balance	Opening balance
Compensation for key management personnel	7,241,617.16	8,523,459.60

CHINA MERCHANTS PORT GROUP CO., LTD.

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(XIII) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued

6. Amounts due from/to related parties

(1) Amounts due from related parties

Item	Related party	Closing balance	Opening balance	
Cash and bank balances	China Merchants Bank Co., Ltd.	3,876,849,179.07	2,563,011,212.30	
	China Merchants Group Finance Company Limited	1,553,110,447.21	2,178,303,655.54	
	Total	5,429,959,626.28	4,741,314,867.84	
Held-for-trading financial assets	China Merchants Bank Co., Ltd.	1,000,000,000.00	901,314,575.34	
Accounts receivable	COSCO Logistics (Zhanjiang) Co., Ltd.	18,069,327.33	5,211,554.51	
	Dalian Container Terminal Co., Ltd.	14,133,025.92	330,000.60	
	Antong Holdings Co., Ltd. and its subordinate companies	14,004,165.13	13,014,575.59	
	Qingdao Qianwan United Container Terminal Co., Ltd.	7,929,275.99	1,049,999.99	
	Yiu Lian Dockyards (Shekou) Limited	7,152,087.50	4,414,431.20	
	Liaoning Port and its subsidiaries	7,111,862.00	1,414,964.00	
	Sinoway Shipping Ltd.	6,033,843.55	512,749.94	
	China Merchants International Shipping Agency (Shenzhen) Co., Ltd.	4,078,736.57	1,341,323.72	
	Qingdao Qianwan West Port United Wharf Co., Ltd.	4,018,282.21	2,315,131.88	
	Panjin Port Group Co., Ltd.	3,207,250.15	1,467,000.00	
	Khor Ambado FZCo	2,983,812.58	2,842,053.59	
	Liaogang Holding (Yingkou) Co., Ltd.	2,900,944.06	857,597.32	
	Qingdao Sinotrans Mining Technology Co., Ltd.	2,494,652.53	-	
	China Marine Shipping Agency Guangdong Co., Ltd.	2,346,438.25	1,970,902.79	
	Great Horn Development Company FZCo	2,125,705.50	2,606,831.64	
	Liaoning Electronic Port Co., Ltd.	1,900,047.95	-	
	Yingkou New Port Ore Terminal Co., Ltd.	1,843,785.93	150,552.57	
	Port De Djibouti S.A.	1,699,661.25	1,618,911.45	
	China Merchants Port Investment Development Co., Ltd.	1,533,840.00	-	
	Yingkou Port Group Co., Ltd.	1,439,433.15	3,333,618.62	
	Sinotrans Container Lines Co., Ltd.	1,379,961.75	1,436,388.75	
	China Ocean Shipping Agency Shenzhen	1,185,087.09	1,418,539.82	
	China Marine Shipping Agency Ningbo Co., Ltd.	1,130,408.10	6,502,287.89	
	China Merchants Zhangzhou Development Zone Co., Ltd.	1,000,608.00	642,585.00	
	Sinotrans (HK) Shipping Limited	126,979.95	1,068,888.42	
	China Merchants International Cold Chain (Shenzhen) Company Limited	47,379.74	1,215,660.73	
	Other related parties	35,704,830.88	9,753,701.53	
	Total	147,581,433.06	66,490,251.55	
	Dividends receivable	SIPG	1,240,949,440.54	-
		Nanshan Group and its subsidiaries	314,619,000.00	185,070,000.00
		Liaoning Port and its subsidiaries	73,133,008.80	-
		Merchants Port City	41,847,044.77	41,847,044.77
		COSCO Logistics (Zhanjiang) Co., Ltd.	18,403,959.77	18,403,959.77
Tin-Can Island Container Terminal Ltd		-	19,076,909.00	
Other related parties		485,820.79	277,072.09	
Total	1,689,438,274.67	264,674,985.63		

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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
Other receivables	Chu Kong River Trade Terminal Co., Ltd.	32,953,940.00	32,953,940.00
	Port de Djibouti S.A.	23,564,625.00	22,681,372.48
	Shenzhen Qianhai Shekou Free Trade Investment Development Co. Ltd.	6,310,000.00	6,000,000.00
	China Merchants Shenzhen Ro-Ro Shipping Co., Ltd.	2,899,163.95	2,899,163.95
	Zhoushan Blue Ocean Investment Co., Ltd.	2,899,163.95	4,996,989.39
	Nanshan Group and its subsidiaries	1,789,094.72	129,239.70
	EuroAsia Dockyard Enterprise and Development Limited	1,439,734.12	1,380,231.20
	International Djibouti Industrial Parks Operation FZCO	1,356,431.95	377,571.40
	China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	1,132,846.40	1,132,846.40
	COSCO Logistics (Zhanjiang) Co., Ltd.	122,122.00	2,190,539.40
	Zhanjiang Infrastructure Construction Investment Group Co., Ltd.	-	4,907,365.06
	China Merchants Port Investment Development Co., Ltd.	-	5,000,000.00
	Other related parties	4,434,660.52	6,210,835.23
	Total	78,901,782.61	90,860,094.21
Advance payment	Other related parties	759,688.13	-
Non-current assets due within one year	Port of Newcastle and its subsidiaries	90,299,558.08	60,029,243.30
	Terminal Link SAS	44,546,075.28	42,429,677.59
	Total	134,845,633.36	102,458,920.89
Long-term receivables	China Merchants Finance Lease (Shanghai) Co., Ltd.	6,200,000.00	-
	China Merchants Finance Lease (Tianjin) Co., Ltd.	4,447,962.42	10,000,000.00
	Terminal Link SAS	2,813,436,329.08	2,679,769,106.42
	Port of Newcastle and its subsidiaries	754,563,615.00	750,086,910.62
	Tianjin Haitian Bonded Logistics Co., Ltd.	34,300,000.00	34,300,000.00
	Total	3,612,947,906.50	3,474,156,017.04
Other non-current assets	China Traffic Import and Export Co., Ltd.	20,854,077.98	20,854,077.98

(2) Amounts due to related parties

Item	Related party	Closing balance	Opening balance
Short-term borrowings	China Merchants Group Finance Company Limited	2,291,960,833.31	3,393,366,381.96
Other current liabilities	China Merchants Group Finance Company Limited	30,133,134.24	10,012,082.19
Accounts payable	Antong Holdings Co., Ltd. and its subordinate companies	20,554,000.00	-
	Nanshan Group and its subsidiaries	11,149,297.83	3,154,427.56
	Shenzhen Bay Electricity Industry Co., Ltd.	6,712,820.33	4,987,709.79
	Qingdao Qianwan West Port United Wharf Co., Ltd.	5,448,274.23	6,742,200.79
	EuroAsia Dockyard Enterprise and Development Limited	2,568,871.37	3,142,704.91
	Hoi Tung (Shanghai) Company Limited	1,676,281.00	72,436.00
	Ningbo Zhoushan	1,638,149.08	1,159,307.43
	Yiu Lian Dockyards Limited	1,393,066.07	2,651,200.00
	Djibouti International Hotel Company	1,022,577.71	179,738.97
	Other related parties	3,522,506.78	3,483,956.79
Total	55,685,844.40	25,573,682.24	
Receipts in advance	Qingdao Wutong Century Supply Chain Co., Ltd.	2,885,541.70	-
	Other related parties	760,032.04	53,057.84
	Total	3,645,573.74	53,057.84

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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
Contract liabilities	Dalian Container Terminal Co., Ltd.	6,118,133.20	3,573,179.78
	Shenzhen Baohong Technology Co., Ltd.	3,378,575.24	-
	Sinotrans Shenzhen Qianhai Supply Chain Management Ltd.	3,072,517.64	-
	COSCO Logistics (Zhanjiang) Co., Ltd.	2,016,731.30	346,980.78
	Dandong Port Group Co., Ltd.	1,461,375.20	568,527.60
	China Marine Shipping Agency Guangdong Co., Ltd.	1,249,802.47	-
	Qingdao Sinotrans Supply Chain Management Co., Ltd.	411,914.60	1,578,302.00
	Antong Holdings Co., Ltd. and its subordinate companies	132,332.60	1,994,209.18
	Qingdao Qianwan United Container Terminal Co., Ltd.	69,890.00	1,050,000.00
	Other related parties	2,488,115.17	1,981,553.30
Total	20,399,387.42	11,092,752.64	
Dividends Payable	Ningbo Zhoushan	100,465,755.99	-
	Zhanjiang Infrastructure Construction Investment Group Co., Ltd.	99,560,234.06	-
	China Merchants Zhangzhou Development Zone Co., Ltd.	20,000,000.00	20,000,000.00
	Dalian Port Container	16,549,264.69	18,349,264.69
	China Merchants Port Investment Development Co., Ltd.	14,474,539.30	-
	Jifa Logistics	4,945,967.80	4,945,967.80
	Orienteur Holdings Company Limited	1,839,672.00	-
Total	257,835,433.84	43,295,232.49	
Other payables	China Merchants Real Estate (Shenzhen) Co., Ltd.	10,079,369.00	10,079,369.00
	China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	7,255,835.12	7,839,816.47
	Antong Holdings Co., Ltd. and its subordinate companies	4,743,266.37	8,077,252.00
	Terminal Link SAS	4,105,385.52	3,910,337.39
	China Merchants Port Investment Development Co., Ltd.	3,727,609.61	7,417,802.54
	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	3,210,410.34	-
	Hoi Tung (Shanghai) Company Limited	1,660,600.00	655,300.00
	Sinotrans Shenzhen Qianhai Supply Chain Management Ltd.	1,621,810.64	1,579,720.16
	Zhanjiang Xiagang United Development Co., Ltd.	1,439,753.57	1,433,473.84
	China Merchant Food (China) Co., Ltd.	1,069,017.00	1,069,017.00
	Port de Djibouti S.A.	-	254,894,592.46
Other related parties	6,730,409.63	4,763,928.21	
Total	45,643,466.80	301,720,609.07	
Non-current liabilities due within one year	China Merchants Finance Lease (Shanghai) Co., Ltd.	103,754,749.25	104,204,701.37
	Nanshan Group and its subsidiaries	88,946,448.13	56,174,150.92
	China Merchants Tongshang Finance Lease Co., Ltd.	52,966,076.31	60,639,407.07
	China Merchants Finance Lease (Tianjin) Co., Ltd.	36,421,930.07	32,788,124.97
	China Merchants Group Finance Company Limited	15,811,016.33	27,106,533.22
	EuroAsia Dockyard Enterprise and Development Limited	6,893,253.20	13,030,256.95
	China Merchants Commercial Property Investment (Shenzhen) Co., Ltd.	3,140,860.68	6,029,278.06
	China Merchants International Cold Chain (Shenzhen) Company Limited	1,236,523.87	961,513.13
	China Merchants Bank Co., Ltd.	204,600.00	4,227,333.34
Total	309,375,457.84	305,161,299.03	
Other non-current liabilities	Nanshan Group and its subsidiaries.	5,948,975.01	1,020,381.51
Lease liabilities	China Merchants Finance Lease (Shanghai) Co., Ltd.	126,666,879.79	177,500,213.13
	Nanshan Group and its subsidiaries	100,517,065.26	58,651,209.31
	China Merchants Finance Lease (Tianjin) Co., Ltd.	31,666,736.63	47,500,069.97
	China Merchants Tongshang Finance Lease Co., Ltd.	22,603,365.11	44,730,575.22
	China Merchants Shekou Industrial Zone Holdings Co., Ltd.	20,496,911.80	-
	China Merchants International Cold Chain (Shenzhen) Company Limited	777,192.38	1,353,404.41
	Other related parties	358,612.01	181,987.02
Total	303,086,762.98	329,917,459.06	
Long-term borrowings	China Merchants Group Finance Company Limited	540,140,693.27	543,744,022.45
	China Merchants Bank Co., Ltd.	198,000,000.00	196,000,000.00
	Total	738,140,693.27	739,744,022.45

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(XIV) SHARE-BASED PAYMENTS

1. Summary of share-based payments

Total number of the Company's equity instruments granted during the period	None
Total number of the Company's equity instruments vested during the period	None
Total number of the Company's equity instruments lapsed during the period	None
Range of exercise prices and remaining contractual life of the Company's share options outstanding at the end of the period	Exercise price is RMB15.09 to RMB17.34; remaining contractual life is 55 months
Range of exercise prices and remaining contractual life of the Company's other equity instruments outstanding at the end of the period	None

2. Equity-settled share-based payments

The method of determining the fair value of equity instruments at the grant date	The Black-Scholes model is adopted to estimate the cost of granted stock options
The method of determining the best estimate of the number of equity instruments expected to be vested	On each asset and liability date in the waiting period, the best estimate is made and the number of equity instruments expected to be vested is revised based on the latest obtained follow-up information such as changes in the number of vested employees.
Reasons for the significant difference between the estimate in the current period and that in the prior period	Criteria of exercising in exercise period of batch 1 are not satisfied
Amounts of equity-settled share-based payments accumulated in capital reserve	13,405,215.31
Total expenses recognized arising from equity-settled share-based payments	5,964,644.61

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 granted 238 incentive recipients 17,198,000 stock options with an exercise price of RMB17.80 per share. With a lockup period of 24 months from the 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 three batches, specifically 40% for the first batch (after 24 months but within 36 months subsequent to the granting date), 30% for the second batch (after 36 months but within 48 months subsequent to the granting date); 30% for the third batch (after 48 months but within 84 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. Equity-settled share-based payments - continued

According to Article 32 of Stock Option Incentive Plan, since the grant date of the stock option, if the Company distributes dividends prior to the exercise of the option, the exercise price shall be adjusted accordingly. Therefore, the Company uniformly adjusted the exercise price from RMB17.34 per share to 16.96 per share on 29 January 2022 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. On 29 January 2022, the Company adjusted the exercise price of the reserved portion of stock option to RMB 14.71 per share. 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.

On 14 February 2022, the Company cancelled 6,380,000 stock options corresponding to the first exercise period of the stock option (initially granted batch) under stock option incentive plan (phase I) of the Company because the vesting conditions of the first exercise period of the stock option (initially granted batch) under stock option incentive plan (phase I) of the Company have not been fulfilled. Since 10 recipients to the incentive plan retired or ceased to be employed by the Company, the corresponding 1.248 million stock options were cancelled.

(XV) COMMITMENTS AND CONTINGENCIES

1. Significant commitments

Item	Closing balance	Opening balance
Commitments that have been entered into but have not been recognized in the financial statements		
- Commitment to inject capital in investees	42,747,324.72	211,620,680.00
- Commitment to acquire long-term assets	1,863,192,595.34	1,755,687,773.54
- Commitment to invest port construction	5,347,994.64	5,093,914.88
-Others	-	-
Total	1,911,287,914.70	1,972,402,368.42

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(XV) COMMITMENTS AND CONTINGENCIES - continued

2. Contingencies

Item	Closing balance	Opening balance
Contingent liabilities arising from litigations (Note 1)	240,631,161.74	207,807,928.33
Guarantees for borrowings of associates (Note 2)	184,410,008.80	175,517,115.86
Total	425,041,170.54	383,325,044.19

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 as at 30 June 2022. According to the latest estimates of the Group's management, the possible compensation is RMB 240,631,161.74 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.

Note 2: As of 30 June 2022, the guarantees provided by the Group to related parties are set out in Note XIII 5 (3).

As of 30 June 2022, the Group's directors assessed the risk of default by related parties in respect of above loans and other liabilities. The directors believe that the risk is immaterial and there is minor possibility of loss due to the guarantee.

As of 30 June 2022, in addition to aforesaid contingencies, the Group had no other significant guarantee or contingencies that need to be explained.

(XVI) 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.

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(XVI) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(1) Basis for determining reporting segments and accounting policies - continued

Ports operation

Ports operation includes container terminal operation, bulk and general cargo terminal operation operated by the Group and its associates and joint ventures.

The Group's ports operation is reported as follows:

(a) Mainland China, Hong Kong and Taiwan

- Pearl River Delta
- Yangtze River Delta
- Bohai Rim
- Others

(b) Other locations outside of Mainland China, Hong Kong and Taiwan

Bonded logistics operation

Bonded logistics operation includes logistics park operation, ports transportation and airport cargo handling operated by the Group and its associates and joint ventures.

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 RMB792,737,726.08 representing 9.73% (For the period from 1 January to 30 June 2021: 11.39%) of the Group's operating income for the period from 1 January to 30 June 2022.

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(XVI) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Segment financial information

Segment financial information for the period from 1 January to 30 June 2022 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	3,437,254,973.24	649,729,096.28	33,866,877.90	1,822,644,054.87	1,929,566,724.83	7,873,061,727.12	209,325,133.72	68,075,506.35	-	8,150,462,367.19
Operating cost	1,791,680,082.04	343,952,485.60	28,294,068.61	1,360,000,630.46	857,769,752.09	4,381,697,018.80	140,757,242.05	114,914,620.80	-	4,637,368,881.65
Segment operating profit (loss)	1,645,574,891.20	305,776,610.68	5,572,809.29	462,643,424.41	1,071,796,972.74	3,491,364,708.32	68,567,891.67	-46,839,114.45	-	3,513,093,485.54
Adjustments:										
Taxes and levies	17,161,332.92	1,358,396.15	762,863.49	23,747,540.44	67,784,031.58	110,814,164.58	12,788,139.20	11,850,114.01	62,122.28	135,514,540.07
Administrative expense	270,644,263.09	17,935,889.67	4,250,850.13	237,984,292.95	122,959,475.16	653,774,771.00	21,787,475.08	446,314.03	136,494,100.44	812,502,660.55
R&D expenses	85,639,559.26	20,872,358.80	-	8,321,260.44	-	114,833,178.50	-	-	-	114,833,178.50
Financial expenses	276,346,849.08	659,765.82	7,690,043.58	57,874,751.32	165,538,736.00	508,110,145.80	6,188,760.36	19,390,223.92	818,255,917.59	1,351,945,047.67
Other income	35,886,617.08	1,815,528.87	4,938.74	32,722,306.05	-	70,429,390.74	14,863,880.13	2,187,553.78	-	87,480,824.65
Investment income (losses)	222,407,406.65	3,122,887,164.02	154,507,069.27	9,989,435.08	767,552,861.09	4,277,343,936.11	6,389,216.81	60,318,392.00	11,222,220.57	4,355,273,765.49
Gains (losses) from changes in fair value	79,496,786.92	-95,524,728.92	-21,842,804.35	412.59	-	-37,870,333.76	-	-155,778.82	-	-38,026,112.58
Impairment gains (losses) of credit	-1,942,682.66	-	-	4,342,920.16	482,175.11	2,882,412.61	-	-	-	2,882,412.61
Impairment gains of assets	-	-	-	-	-	-	-	-	-	-
Gains from disposal of assets	-32,342.56	-	-	-346,988.65	61,853.55	-317,477.66	110,201.29	-	-	-207,276.37
Operating profit (loss)	1,331,598,672.28	3,294,128,164.21	125,538,255.75	181,423,664.49	1,483,611,619.75	6,416,300,376.48	49,166,815.26	-16,175,599.45	-943,589,919.74	5,505,701,672.55

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(XVI) OTHER SIGNIFICANT EVENTS - continued

1. Segment reporting - continued

(2) Segment financial information - continued

Segment financial information for the period from 1 January to 30 June 2022 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	6,425,934.28	2,180,354.30	-	4,974,803.02	3,493,529.85	17,074,621.45	11,941.39	910,887.14	2,195,476.41	20,192,926.39
Non-operating expenses	250,767.85	476,966.36	-	1,129,049.42	18,400,674.66	20,257,458.29	10,000.00	-	-	20,267,458.29
Gross profit (loss)	1,337,773,838.71	3,295,831,552.15	125,538,255.75	185,269,418.09	1,468,704,474.94	6,413,117,539.64	49,168,756.65	-15,264,712.31	-941,394,443.33	5,505,627,140.65
Income tax expenses	305,390,922.81	177,758,958.64	10,748,969.92	31,804,010.22	73,012,182.85	598,715,044.44	8,837,765.12	17,616,830.97	474,076.89	625,643,717.42
Net profit (loss)	1,032,382,915.90	3,118,072,593.51	114,789,285.83	153,465,407.87	1,395,692,292.09	5,814,402,495.20	40,330,991.53	-32,881,543.28	-941,868,520.22	4,879,983,423.23
Segment assets	27,200,944,019.41	42,754,860,411.26	7,681,007,278.79	27,461,201,359.53	43,427,644,360.77	148,525,657,429.76	3,186,498,586.20	19,088,328,467.89	11,638,089,677.23	182,438,574,161.08
Total assets in the financial statements	182,438,574,161.08									
Segment liabilities	11,511,357,979.79	1,812,382,983.01	159,992,555.78	7,366,101,644.17	8,063,092,335.40	28,912,927,498.15	559,051,005.65	1,163,813,908.80	38,601,130,095.90	69,236,922,508.50
Total liabilities in the financial statements	69,236,922,508.50									
Supplementary information:										
Depreciation and Amortization	559,603,223.95	100,562,353.38	442,056.80	413,612,906.24	388,560,970.07	1,462,781,510.44	44,104,972.79	95,688,815.80	14,164,397.97	1,616,739,697.00
Interest income	49,017,244.18	1,761,808.44	241,384.75	13,886,086.48	136,859,829.48	201,766,353.33	616,620.57	734,545.62	9,703,269.85	212,820,789.37
Interest expense	294,081,375.30	925,454.87	-	66,577,626.64	286,248,544.77	647,833,001.58	6,767,316.18	13,811,624.52	472,585,487.39	1,140,997,429.67
Investment income from long-term equity investment under equity method	137,319,816.05	3,085,589,502.22	144,254,258.27	9,749,433.61	767,552,861.09	4,144,465,871.24	6,389,216.81	60,318,392.00	-	4,211,173,480.05
Long-term equity investment under equity method	4,537,827,361.63	35,644,874,787.82	6,786,848,134.06	521,301,077.63	12,364,270,383.84	59,855,121,744.98	966,678,378.30	13,719,401,584.88	-	74,541,201,708.16
Non-current assets other than long-term equity investment	18,589,927,373.04	4,126,822,152.28	16,269,568.95	21,389,451,171.39	24,316,735,231.09	68,439,205,496.75	1,906,626,843.14	4,780,752,262.04	476,415,762.85	75,603,000,364.78

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(XVI) 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
Mainland China, Hong Kong and Taiwan	6,200,189,217.85	5,552,294,281.37
Pearl River Delta	3,622,864,022.12	3,181,051,472.13
Yangtze River Delta	649,729,096.28	445,352,534.85
Bohai Rim	104,952,044.58	90,680,819.77
Others	1,822,644,054.87	1,835,209,454.62
Other locations	1,950,273,149.34	1,787,648,580.89
Total	8,150,462,367.19	7,339,942,862.26

Total non-current assets	Closing balance	Opening balance
Mainland China, Hong Kong and Taiwan	112,655,827,248.04	109,645,185,780.08
Pearl River Delta	46,892,708,473.86	45,414,657,732.10
Yangtze River Delta	36,473,533,205.13	34,860,356,989.30
Bohai Rim	7,334,807,498.12	7,318,137,784.88
Others	21,954,778,070.93	22,052,033,273.80
Other locations	37,488,374,824.90	35,806,732,228.78
Total	150,144,202,072.94	145,451,918,008.86

- (3) Degree of reliance on major customers

The total operating income derived from the top five clients of the Group is RMB 1,873,612,820.56, accounting for 22.99% of the Group's total operating income.

(XVII) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

1. **Other receivables**
- (1) Summary of other receivables

Item	Closing balance	Opening balance
Dividends receivable	241,273,334.61	177,295,422.67
Other receivables	1,289,050,051.27	1,079,447,548.34
Total	1,530,323,385.88	1,256,742,971.01

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
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**(XVII) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS -
continued**

1. Other receivables - continued

(2) Dividends receivable

(a) Disclosure of dividends receivable

Company name	Closing balance	Opening balance
Chiwan Wharf (Hong Kong)	147,680,363.88	147,680,363.88
Dongguan Chiwan Terminal Co., Ltd.	51,235,537.37	13,691,538.79
Dongguan Chiwan Warf Co., Ltd.	18,111,237.23	-
China Merchants Bonded Logistics Co., Ltd.	15,707,120.00	15,707,120.00
CMPort	8,322,676.13	-
Shenzhen Petrochemical Industry (Group) Co., Ltd.	216,400.00	216,400.00
Total	241,273,334.61	177,295,422.67
Less: Provision for credit loss	-	-
Carrying amount	241,273,334.61	177,295,422.67

(b) Significant dividends receivable aging over 1 year

Item	Closing balance	Aging	Opening balance	Reason for outstanding	Impaired or not
Chiwan Wharf (Hong Kong)	147,680,363.88	More than 1 year but not exceeding 2 years	147,680,363.88	Procedures are being handled and it is expected to be recovered in 2022	No
China Merchants Bonded Logistics Co., Ltd.	15,707,120.00	Over 3 years	15,707,120.00	Procedures are being handled and it is expected to be recovered in 2022	No
Total	163,387,483.88		163,387,483.88		

(3) Other receivables

(a) Disclosure of other receivables by aging

Aging	Closing balance		
	Other receivables	Provision for credit loss	Proportion of provision (%)
Within 1 year	286,720,001.11	-	-
1 to 2 years	177,643,366.12	-	-
2 to 3 years	358,965,341.32	-	-
Over 3 years	466,104,799.32	383,456.60	0.08
Total	1,289,433,507.87	383,456.60	—

(b) 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.

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(XVII) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS - continued

1. Other receivables - continued

(3) Other receivables - continued

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

At 30 June 2022, 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	1,289,050,051.27	-	-	1,289,050,051.27	1,079,447,548.34	-	-	1,079,447,548.34
B	0.10-0.30	-	-	-	-	-	-	-	-
C	0.30-50.00	-	-	-	-	-	-	-	-
D	50.00-100.00	-	-	383,456.60	383,456.60	-	-	383,456.60	383,456.60
Carrying amount		1,289,050,051.27	-	383,456.60	1,289,433,507.87	1,079,447,548.34	-	383,456.60	1,079,831,004.94
Provision for credit loss		-	-	383,456.60	383,456.60	-	-	383,456.60	383,456.60
Book value		1,289,050,051.27	-	-	1,289,050,051.27	1,079,447,548.34	-	-	1,079,447,548.34

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(XVII) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS -
continued

1. Other receivables - continued

(3) Other receivables - continued

(c) Changes in provision for credit loss of other receivables

Item	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	
Balance at 1 January 2022	-	-	383,456.60	383,456.60
Carrying amount of other receivables at 1 January 2022				
-- transfer to stage 2	-	-	-	-
-- transfer to stage 3	-	-	-	-
-- transfer back to stage 2	-	-	-	-
-- transfer back to stage 1	-	-	-	-
Provision for the period	-	-	-	-
Reversal	-	-	-	-
Transfer out due to derecognition of financial assets (including direct write-down)	-	-	-	-
Other changes	-	-	-	-
Balance at 30 June 2022	-	-	383,456.60	383,456.60

(d) Changes in carrying amount of other receivables

Carrying amount	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	
Balance at 1 January 2022	1,079,447,548.34	-	383,456.60	1,079,831,004.94
Transfer in the current year:				
-- transfer to stage 2	-	-	-	-
-- transfer to stage 3	-	-	-	-
-- transfer back to stage 2	-	-	-	-
-- transfer back to stage 1	-	-	-	-
Increase	209,602,502.93	-	-	209,602,502.93
Derecognition	-	-	-	-
Other changes	-	-	-	-
Balance at 30 June 2022	1,289,050,051.27	-	383,456.60	1,289,433,507.87

(e) The Company has no recovery or reversal of significant credit loss allowance in the current year.

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**(XVII) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS -
continued**

- 1. Other receivables - continued**
- (3) Other receivables - continued
- (f) Other receivables by nature

Item	Closing balance	Opening balance
Amounts due from related parties	1,277,594,227.98	1,072,941,653.53
Advances	4,810,136.67	4,741,428.81
Others	7,029,143.22	2,147,922.60
Total	1,289,433,507.87	1,079,831,004.94
Less: Provision for credit loss	383,456.60	383,456.60
Book value	1,289,050,051.27	1,079,447,548.34

- (g) There is no other receivables write-off during this period.
- (h) The top five balances of other receivables classified by debtor

Company name	Relationship with the Company	Nature	Closing balance	Aging	Proportion of the amount to the total other receivable (%)	Closing balance of provision for credit loss
Shenzhen Haixing	Subsidiary	Loan to related parties	1,277,594,227.98	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	99.08	-
GuangDong United Assets and Equity Exchange	Third party	Others	5,000,000.00	Within 1 year	0.39	-
CMIT	Subsidiary	Temporary payments	2,467,600.00	Within 1 year	0.19	-
Payment of social security and enterprise annuity on behalf of employees	Third party	Temporary payments	2,342,536.67	Within 1 year	0.18	-
Shenzhen Tax Service, Shekou Office	Subsidiary	Others	711,772.07	More than 3 years	0.06	383,456.60
Total			1,288,116,136.72		99.90	383,456.60

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(XVII) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS - continued

2. Long-term equity investments

Investee	1/1/2022	Changes for the period							30/6/2022	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. Subsidiary										
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 (Hong Kong)	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 Chiwan Warf 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)	29,290,281,157.45	77,941,666.53	-29,203,045,325.40	-	-	-	-	-	-	165,177,498.58
Zhoushan RoRo Terminal	149,709,800.00	-	-	-	-	-	-	-	-	149,709,800.00
Zhanjiang port	3,381,825,528.52	-	-	-	-	-	-	-	-	3,381,825,528.52
China Merchants International Information Technology Co., Ltd.	20,561,075.02	-	-	-	-	-	-	-	-	20,561,075.02
Sanya Merchants Port Development Co., Ltd.	2,040,000.00	-	-	-	-	-	-	-	-	2,040,000.00
Port Development (Hong Kong) (Note 2)	-	29,203,045,326.23	-	-	-	-	-	-	-	29,203,045,326.23
Sub-total	34,115,791,361.36	29,280,986,992.76	-29,203,045,325.40	-	-	-	-	-	-	34,193,733,028.72
II. Associate										
China Merchants Bonded Logistics Co., Ltd.	395,249,112.00	-	-	6,333,600.61	-	-	-	-	-	401,582,712.61
China Merchants Northeast Asia Development Investment Co., Ltd.	1,016,048,532.69	-	-	3,357,030.81	-	-	-	-	-	1,019,405,563.50
Ningbo Zhoushan	1,792,998,234.68	-	-	64,801,085.35	-1,388,999.70	1,337,524.70	-39,140,468.28	-	-	1,818,607,376.75
Sub-total	3,204,295,879.37	-	-	74,491,716.77	-1,388,999.70	1,337,524.70	-39,140,468.28	-	-	3,239,595,652.86
III. Joint venture										
Yantai Port Group Laizhou Port Co., Ltd.	791,515,741.44	-	-	22,069,427.08	-	-	-29,259,207.08	-	-	784,325,961.44
China Merchants Antong Logistics Management Company	9,727,878.94	-	-	67,008.50	-	-	-	-	-	9,794,887.44
Fujian Zhaohang Logistics Management Partnership (Limited Partnership)	511,210,432.62	-	-	40,938,797.77	-	-	-	-	-	552,149,230.39
Investment Fund (Note 3)	-	1,085,852.21	-1,047,401.66	-38,450.55	-	-	-	-	-	-
Shenzhen Ganggeng Internet Technology Co., Ltd. (Note 4)	-	11,250,000.00	-	-643,233.29	-	-	-	-	-	10,606,766.71
Sub-total	1,312,454,053.00	12,335,852.21	-1,047,401.66	62,393,549.51	-	-	-29,259,207.08	-	-	1,356,876,845.98
Total	38,632,541,293.73	29,293,322,844.97	-29,204,092,727.06	136,885,266.28	-1,388,999.70	1,337,524.70	-68,399,675.36	-	-	38,790,205,527.56

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2022
(Unless otherwise specified, the monetary unit shall be RMB.)**

**(XVII) 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: On 24 December 2020, the Company established an Investment Fund jointly with China Merchants Venture Investment Management Co., Ltd. ("Merchants Venture"), a related party of the Company, and Shenzhen China Merchants Innovation Investment Fund Center (Limited Partnership) ("Merchants Innovation Fund"), which was managed by Merchants Venture, completed the filing with the Asset Management Association of China on 22 October 2021 and obtained the Certificate of Filing for Private Investment Fund. In view of the fact that the Investment Fund has not yet commenced actual investment activities, and considering the overall planning of the Company's capital operation, on 8 January 2022, the Company, Merchants Venture and Merchants Innovation Fund agreed to dissolve the Investment Fund and go through the corresponding liquidation and cancellation procedures.

Note 4: Shenzhen Gangteng Internet Technology Co., Ltd. is a joint venture established by the Company, Shenzhen Tencent Industry Venture Capital Co., Ltd., CMIT, Shenzhen Haixing and Shenzhen Zhigang Bilin Internet Technology Partnership (Limited Partnership) on 24 January 2021, with a capital contribution of RMB 11,250,000.00 paid by the Company on 23 February 2022.

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	-	1,132,979.70	-	1,132,979.75
Other operating	-	-	471,974.86	-
Total	-	1,132,979.70	471,974.86	1,132,979.75

CHINA MERCHANTS PORT GROUP CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2022
(Unless otherwise specified, the monetary unit shall be RMB.)**

**(XVII) NOTES TO THE KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS -
continued**

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	546,403,227.17	912,418,115.63
Long-term equity investments income under equity method	136,885,266.28	86,382,211.38
Income from other equity instruments investments	-	460,000.00
Investment income from disposal of long-term equity investments	-43,817.42	-
Income from held-for-trading financial assets	79,627,913.70	-
Income from debt investments	-	6,017,068.48
Total	762,872,589.73	1,005,277,395.49

(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 period
Dongguan Chiwan Terminal Co., Ltd.	37,543,998.58	48,020,128.82	Changes in profit distribution of investee
Dongguan Chiwan Warf Co., Ltd.	18,111,237.23	-	Changes in profit distribution of investee
Shenzhen Chiwan Tugboat Co., Ltd.	29,238,925.84	30,409,076.03	Changes in profit distribution of investee
Shenzhen Chiwan International Freight Agency Co., Ltd.	231,098.94	89,076.85	Changes in profit distribution of investee
Shenzhen Chiwan Port Development Co., Ltd.	20,415,654.72	14,577,752.63	Changes in profit distribution of investee
CMPort	8,322,676.13	652,351,928.94	Changes in profit distribution of investee
Shenzhen Chiwan Harbor Container Co. Ltd.	173,751,858.77	143,574,378.69	Changes in profit distribution of investee
Zhanjiang Port (Group) Co., Ltd	91,862,080.91	23,395,773.67	Changes in profit distribution of investee
Chiwan Container Terminal Co., Ltd.	166,925,696.05	-	Changes in profit distribution of investee
Total	546,403,227.17	912,418,115.63	

CHINA MERCHANTS PORT GROUP CO., LTD.

SUPPLEMENTARY INFORMATION

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2022

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

1. BREAKDOWN OF NON-RECURRING PROFIT OR LOSS

Item	Amount	Remarks
Losses on disposal of non-current assets	-1,794,945.06	
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)	73,174,992.52	
Money lending income earned from non-financial institutions in profit or loss	112,701,958.95	
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	-	
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	-38,026,112.58	
Reversal of provision for accounts receivable that are tested for credit loss individually	3,794,522.98	
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	-	
Other non-operating income or expenses other than above	207,606.81	
Other profit or loss that meets the definition of non-recurring profit or loss	-	
Tax effects	-21,936,823.86	
Effects of minority interest (after tax)	-66,809,120.74	
Total	61,312,079.02	

CHINA MERCHANTS PORT GROUP CO., LTD.

SUPPLEMENTARY INFORMATION

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2022

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

2. RETURN ON NET ASSETS AND EARNINGS PER SHARE ("EPS")

The return on net assets and EPS have been prepared by Shenzhen Chiwan Wharf Co., Ltd. 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	4.8759	1.0309	1.0309
Net profit attributable to ordinary shareholders after deducting non-recurring profit or loss	4.7251	0.9991	0.9990
